

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

January 31, 2000

CONTACT: Matthew Gabe

(702) 486-3793

**INCLINE VILLAGE MAN ARRESTED FOR LAS VEGAS
INVESTMENT SCAM**

Las Vegas - Attorney General Frankie Sue Del Papa has announced that Todd A. Surgeon, age 29, of Incline Village, Nevada, has been arrested on charges related to his involvement in a scheme that allegedly defrauded Las Vegas residents out of more than \$425,000 in investments. Surgeon was taken into custody this past weekend by investigators from the Nevada Attorney General's Office and the Nevada Secretary of State, Securities Division.

According to a seven-count felony Criminal Complaint filed by the Attorney General's Bureau of Consumer of Protection, Surgeon sold investors a limited number of common stock shares in Americana Corporation, a company that was purported to be a leisure equipment and spa distribution company. Surgeon allegedly falsely informed potential investors that he would personally buy back their shares of common stock for three times the purchase price within one year of the purchase date.

The Criminal Complaint alleges the Defendant committed securities fraud by misrepresenting to investors that their investments in Americana Corporation were risk free and guaranteed. In addition, it is alleged that Surgeon failed to disclose to investors that the Vice President of Operations for Americana Corporation had previously been indicted in U.S. District Court for Conspiracy, Wire Fraud, and Aiding and Abetting.

In convicted, Surgeon faces up to 35 years in state prison and a fine. He would also be ordered to pay restitution to the investors.

A Criminal Complaint is merely an accusation. The Defendant should be presumed innocent until and unless proven guilty in a court of law.

If you believe you have been have been a victim of Securities fraud, call the Nevada Securities Division in Las Vegas at (702) 486-2440, or in Reno at (775) 688-1855. Consumer protection information is always available on the Attorney General's Web site.

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January 31, 2000

**CONTACT: Victoria Oldenburg
(775) 684-1100**

**ATTORNEY GENERAL'S OFFICE WILL CONDUCT STATEWIDE
PRESENTATIONS ON NEVADA OPEN MEETING LAW**

Carson City---Attorney General Frankie Sue Del Papa announced today that her office will be conducting presentations across the state on Nevada's Open Meeting Law. The presentations will focus on how elected and appointed public officials are required to comply with the letter, spirit and intent of Nevada Open Meeting Law.

The first presentation will take place in Las Vegas on February 3rd (from 1:00-4:0pm) and 4th (9:00am-12:00pm), at the Grant Sawyer Building, located at 555 E. Washington Avenue. The presentation is free. Anyone interested in attending the presentation must pre-register with the Attorney General's office by calling (775) 684-1221. In addition to hearing an informative presentation on the subject, attendees will receive a newly created brochure outlining the Nevada Open Meeting Law, the Open Meeting Law Compliance Checklist, and the Nevada Open Meeting Law Manual. These publications will soon be available on the Attorney General's Web site at: <http://ag.state.nv.us/>. Open Meeting Law presentations will be conducted throughout the state during 2000. Forthcoming announcements will be made when a presentation will be taking place in a specific community.

"Compliance with the Open Meeting Law is critical to open government," Del Papa said. "Through these presentations, we hope to better educate public officials on the fine points of the law, thereby reducing, if not eliminating, violations of the Nevada Open Meeting Law."

The Nevada Open Meeting Law is considered one of the most stringent open meeting laws in the United States. When it was first enacted in 1960, it consisted of only four sections. It has since been amended sixteen times, and presently consists of eleven sections. Over the years, there have been eleven significant decisions by the Nevada Supreme Court or federal courts interpreting and applying the law. Two significant decisions are forthcoming from the Nevada Supreme Court. The Nevada Attorney

General's office, which has jurisdiction to enforce the Nevada Open Meeting Law, has also issued several interpretive opinions regarding the statute.

For more information on the presentations, or to pre-register for the Las Vegas presentation, please call Linda Deming (775) 684-1221.

NOTE: Attorneys who attend one of the Nevada Open Meeting Law presentations may be eligible for CLE credit.

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January 27, 2000

**CONTACT: Grenville Pridham
(702) 486-3788**

**TWO MEN SENTENCED FOR CRIMES COMMITTED WHILE
TELEMARKETING**

Las Vegas - Attorney General Frankie Sue Del Papa announced that two men, who drove into two police officers while attempting to avoid arrest, were today sentenced by Clark County District Court Judge Kathy A. Hardcastle. John L. Campe, age 46, of Las Vegas, and Terry L. Ford, age 48, from Ukiah, California, were trying to evade officers who confronted them in the parking lot of a Las Vegas Supermarket because of their participation in a fraudulent telemarketing scheme.

Campe was given five years probation with an underlying sentence of a maximum term of thirty-four (34) months in the Nevada State Prison. As a condition of probation, Campe must serve 120 days in the Clark County Detention Center; pay \$2,450 in restitution and a \$5,000 fine. Ford was also given probation with an underlying term of one year in the Clark County Detention Center for his role in the telemarketing scheme and subsequent vehicle pursuit. As a condition of his probation, Ford was ordered to spend 90 days on house arrest and pay a fine in the amount of \$2,000.

Campe pled guilty to a felony Resisting Public Officer with a Deadly Weapon, the vehicle. Ford pled guilty to a Gross Misdemeanor Offense of Conspiracy to Commit Battery with the Use of a Deadly Weapon, the vehicle. Their pleas arose out of their involvement in a fraudulent telemarketing scheme that defrauded elderly victims in October, 1996.

On October 17, 1996, Campe drove Ford to a Lucky's Grocery Store at Bonanza Ave. and Lamb Blvd. Campe had recruited Ford to make phone calls to elderly victims, telling them they had won a sweepstakes. Ford would then tell the victim they needed to first send several thousand dollars to a woman in Las Vegas before collecting the prize money. Campe had also recruited a woman to collect the money from a Western Union office located in the Lucky's. The defendants then sent the woman into the store to collect a wire transfer from an elderly victim who had been targeted by Campe and Ford.

After the woman was unsuccessful in collecting the money, she went out to a vehicle where Campe and Ford were waiting for her. When the investigators determined who the woman was meeting, they approached the defendants. When the agents identified themselves as police officers, Campe quickly accelerated, driving his Suzuki Sidekick automobile into two members of the Telemarketing Task Force, dragging one and knocking him down to the pavement.

Campe then led officers on a high-speed chase east on Bonanza Road, speeding through school zones and running a red light at Nellis Ave. During the chase, the defendants threw large amounts of paper out of the car, which were subsequently retrieved and determined to be evidence of illegal telemarketing. Campe did not pull his vehicle over until he realized that Bonanza Road was going to stop and his car could not climb the mountain terrain.

The convictions in this case are part of the Attorney General's ongoing effort to stop fraudulent telemarketers in the State of Nevada. The joint investigation was conducted by the Southern Nevada Telemarketing Task Force, which is comprised of the Office of the Nevada Attorney General, U.S. Attorney's Office, Federal Bureau of Investigation, and the United States Postal Inspectors.

"Someone should never send money to a telephone salesperson who claims you have won a prize, but tells you must first send money to cover shipping, taxes, or any other kind fee before you can collect your prize," Del Papa said. "You should immediately report the call to the Federal Bureau of Investigation or the Nevada Attorney General's Bureau of Consumer Protection. Legitimate businesses do not require up-front payments when a person has won a legitimate contest."

For further information on this and other consumer matters, contact the Bureau of Consumer Protection Division at (702) 486-3786, or contact the Attorney General's office statewide by calling Nevada's toll free switchboard at 1-800-992-0900. 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

January 26, 2000

CONTACT: Leslie Nielsen

(702) 486-3102

LAS VEGAS UNLICENSED REAL ESTATE APPRAISER ARRESTED

Las Vegas---Joseph Saint Clair, age 53, of Las Vegas, was arrested today by investigators from the Attorney General's office on gross misdemeanor charges that he has continued to act as a real estate appraiser despite revocation of his license in July of 1999 by the Commission of Appraisers of Real Estate for unethical conduct and incompetence.

In addition to the criminal charges, which have been referred to the Clark County District Attorney's office, the Attorney General's office filed a civil lawsuit late last week, on behalf of the Real Estate Division of the Department of Business and Industry, seeking an injunction to prohibit Saint Clair from further acting as a real estate appraiser.

An appraisal prepared by an unlicensed person may be rejected by mortgage and/or insurance companies. Persons considering hiring an appraiser may confirm that person's licensing status by calling the Real Estate Division licensing staff at (702) 486-3044 in Las Vegas, or (775) 687-4280 in Carson City.

As in all criminal cases, the charges are merely accusations and defendants are presumed innocent until and unless proven guilty in court.

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January 21, 2000

**CONTACT: Richard C. Linstrom
(702) 486-3196**

**OWNER OF DEFUNCT ESQUIRE POOLS ORDERED TO PAY
RESTITUTION TO SOUTHERN NEVADA HOMEOWNERS**

Las Vegas--Attorney General Frankie Sue Del Papa announced today that the owner of a defunct Henderson, Nevada pool company has been ordered to pay more than \$73,000 in restitution to eleven homeowners. Las Vegas Justice Court Judge William D. Jensen yesterday entered a Judgment of Conviction and Order of Restitution against Charles Noll, age 62, of Sarasota, Florida, the owner of Esquire Pools. Noll had verbally pleaded guilty to the misdemeanor charge of Engaging in a Deceptive Trade Practice on January 4, 2000, the day his trial was to begin.

Esquire, which was located at 3051 E. Sunset Road, abruptly closed in January of 1998, without giving notice to the eleven homeowners who had pre-paid for construction of their swimming pools. The Attorney General's Bureau of Consumer Protection filed a criminal complaint in July of 1998 against Noll. On March 10, 1999, Clark County District Court Judge Gary L. Redmon dismissed the case. The State appealed, and on December 10, 1999, the Nevada Supreme Court reinstated the case.

The Attorney General's office will immediately receive \$10,000 of the court-ordered restitution from the defendant's bail, which will be used for distribution pro rata to the eleven victims.

Deceptive Trade Practices should be reported to the Nevada Department of Business and Industry's Consumer Affairs Division at (702) 486-7355 in Clark County, or (800) 326-5202 outside Clark County. Consumer information is available at the Attorney General's website: <http://ag.state.nv.us/>.

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January 20, 2000

CONTACT: John Albrecht

(775) 688-1872

**TOBACCO COMPLIANCE RESULTS NOW AVAILABLE ON
INTERNET**

Attorney General Frankie Sue Del Papa announced today that a new web site containing the results of tobacco compliance checks by individual stores in Nevada and throughout the nation is now available on the Internet. The site, known as "ComplianceChecker," can be found on the U.S. Food and Drug Administration's (USFDA) Web site at: www.fda.gov. Compliance checks, which are used to determine if a store is selling tobacco products to underage youth, are conducted by the Nevada Attorney General's office under a contract with the USFDA.

The new web site contains the results of more than 141,000 inspections of tobacco retailers conducted across the country between August of 1997 and mid-October of 1999. The site allows individuals to obtain results by state, city and name of store. Violation rates are also available by calendar year and by type of establishment.

"This new Web site will allow parents and others to support those retailers who refuse to sell tobacco products to underage youth, while at the same time, encourage store owners and their employees to make sure they sell such products responsibly," Del Papa said.

Since 1995, the Nevada Attorney General's office has been responsible for conducting inspections of retailers, who sell tobacco, to make sure they are in compliance with state law that prohibits the sale of tobacco to anyone under the age of 18. In 1998, the USFDA contracted with the Nevada Attorney General's office to conduct checks under federal regulations.

According to the results of a study conducted by the Attorney General's office in the fall of 1998, the youth buy rate in Nevada has dropped from *63% in 1994 to 16.8%.

For more information on the Attorney General's efforts to combat teen smoking in Nevada, visit the office's Web site at: <http://ag.state.nv.us/>

* A statewide study of 250 stores conducted in 1994 by the Nevada Bureau of Alcohol and Drug Abuse found that underage youths could buy tobacco 63% of the time, while an American Cancer Society survey conducted in 1994 of all stores located in one zip code in Las Vegas found the youth buy rate to be 64%.

FOR IMMEDIATE RELEASE

January 19, 2000

CONTACT: Steve George
(775) 684-1114

ACTION PLAN FOR PROJECT AIMED AT HELPING TO BEAUTIFY THE STATE TO BE UNVEILED

Secretary of State Dean Heller and Attorney General Frankie Sue Del Papa will unveil a draft action plan for the Nevada Trees 2000 Project on January 19 and 21. The goal of the project is to plant drought-resistant and regionally appropriate trees and wildflowers in every part of the state, as a gift to future generations of Nevadans in celebration of the Millennium.

Heller and Del Papa, co-chairs of the project, will meet with the group's Task Force members in Reno on Wednesday, January 19, 2000, at Rancho San Rafael Park's Ranch House, from 3:00-5:00pm. On Friday, January 21, the task force will meet in Las Vegas at NDOT Headquarters, located at 123 E. Washington Avenue, from 7:30-8:30am. Besides releasing the draft action plan, new ideas and a course of action for implementing the plan will be discussed.

The Trees 2000 Project proposes to celebrate the new Millennium by helping to beautify the State's rural and urban areas by challenging Nevadans to plant one tree for every citizen of the Silver State by the end of 2000.

Several officials and groups have joined the project by issuing challenges. Boulder City Mayor Bob Ferraro and Washoe County Manager Katy Simon-Singlaub have issued a challenge to the Nevada League of Cities and Nevada Association of Counties, respectively.

"Nevada has always been uniquely beautiful," Heller said. "From the high desert of Southern Nevada to the rich beauty of Lake Tahoe, this state offers something for everyone. Please join the Attorney General and me in enhancing this splendor by participating in the Trees 2000 Project. Together we can provide a higher quality of life for future generations of Nevadans."

Del Papa said, "The Trees 2000 Project will serve many purposes including improving air quality and enhancing the environment of our state, while at the same time passing down a lasting legacy to future generations of Nevada citizens. Our hope is that businesses, groups, schools, and other entities will challenge each other to plant trees in their community as part of this project. As part of this project, the various entities will be asked to assess the value on our daily lives of the trees being planted.

The statewide Trees 2000 Project planted its roots on October 23, 1999. It is scheduled to conclude at the end of Nevada's 15-month Millennium celebration on Nevada Day Weekend, 2000. For more information, please call the Secretary of State's office at (775) 684-5708, or the Attorney General's office at (775) 684-1100.

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January 19, 2000

**CONTACT: Grenville Pridham
(702) 486-3788**

**LAS VEGAS MAN SENTENCED FOR UNREGISTERED
TELEMARKETING**

Las Vegas - Attorney General Frankie Sue Del Papa announced that Brian Crawford, age 46, of Las Vegas, was sentenced today by Judge Sally Loehrer of the Eighth Judicial District Court to one year in the Clark County Detention Center for his role in an unregistered telemarketing scheme that did business under the name of Century Pacific Group. Crawford was further ordered to pay restitution in the amount of \$ 3,218.34.

Crawford pled guilty to conspiracy to commit unregistered telemarketing. His plea arose out of his involvement with Century Pacific Group, an illegal telemarketing boiler room that operated at 6985 W. Sahara Avenue in Las Vegas. Salesmen at Century Pacific Group targeted elderly victims who were told they had won various sweepstakes prizes. The victims were then told they had to pay \$699 before collecting their prize. If a victim balked at that figure, the salesman would tell that victim he could have the prize for \$499.

In fact, the victims did not win any prizes. Instead, they were sent a package from Century Pacific Group containing a list of companies that offered prize promotions, along with envelopes for the victims to send in their names to be entered in the different companies' promotions. The victims also received an inexpensive camera and coupons that allowed them to buy film. The total value of the package was less than \$40.

Investigators from the Office of the Attorney General and the FBI searched the offices of Century Pacific Group on August 13, 1998 and arrested Crawford at that time.

Co-defendants Darin Notaro, age 25, Jeffrey S. Klingenberg, age 28, and Thomas P. O'Donnell, age 37, were previously sentenced to one year in the Clark County Detention Center. Klingenberg's sentence

was suspended and he is now on probation. Co-defendant, James Edward Smith, age 26, was also sentenced to one year in the Clark County Detention Center and an additional six months on a second count. Smith's sentence was suspended. He was placed on probation and ordered to pay \$257,814.00 in restitution.

For further information on this and other consumer matters, contact the Bureau of Consumer Protection Division at (702) 486-3786, or contact the Attorney General's office statewide by calling Nevada's toll free switchboard at 1-800-992-0900. Consumer protection information can be found on the Attorney General's Web site at: <http://ag.state.nv.us/>

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January 14, 2000

CONTACT: Matthew Gabe

(702) 486-3793

MINING FRAUD TASK FORCE CREATED

At the urging of Attorney General Frankie Sue Del Papa, a new statewide task force has been formed to help combat mining fraud. The Mining Fraud Task Force is composed of representatives from state and federal agencies, and the mining industry.

At the group's initial meeting, Del Papa called on the task force to organize a conference on mining fraud to be held in the summer of 2000. The task force, scheduled to meet quarterly, will work to improve several areas designed to help prevent mining fraud, and to prosecute mining fraud scams when they are discovered, including:

- * Creating better lines of communication between agencies.
- * Developing protocols for how best to stop and prosecute mining fraud scams when they are discovered.
- * Developing a plan for combating mining fraud scams on the Internet.
- * Creating a public education network that will better help consumers avoid becoming a victim of fraud.

"Nevada is the nation's largest producer of gold, silver and other valuable mineral commodities, with an annual value exceeding \$3.2 billion dollars," Del Papa said. "We have a long and valued tradition of mining in the Silver State, and we cannot allow that reputation to be tarnished by those who would commit mining fraud in this state."

The Mining Fraud Task Force includes representatives from the Attorney General's office, the Secretary of State Securities Division, Division of Minerals, Division of Environmental Protection, and the Bureau

of Mines and Geology. Representatives from the Bureau of Land Management, Nevada Mining Association, and the Nevada Section of the American Institute of Professional Geologists will also participate.

If you plan to invest in the Nevada mining industry, the Nevada Attorney General's Bureau of Consumer Protection, Secretary of State Securities Division, and the Commission on Mineral Resources Division of Minerals offer the following consumer awareness information to avoid becoming a victim of mining fraud:

- * **VERIFY THE LEGITIMACY OF THE MINING DEALER.** Mining stock is sold by licensed dealers. Legitimate mining companies usually do not solicit investors by telephone or mail.

- * **MAKE SURE THE MINING FIRM IS REGISTERED WITH CITY, COUNTY, STATE AND/OR FEDERAL AGENCIES AS REQUIRED BY LAW.** In addition, check if the mine has obtained the necessary legal permits to mine in Nevada.

- * **DO NOT FALL FOR CLAIMS OF NEW OR SECRET PROCESSES.** Processes used by mining companies to extract precious metals are well known.

- * **PRECIOUS METALS DO NOT MIX.** Claims of a mine site with high levels of platinum-group metals (platinum, palladium, iridium, rhodium, osmium, ruthenium) that also contain gold and silver are generally an indicator of fraud. In addition, platinum-group metals have not been mined in Nevada since 1919.

- * **MEASURE THE REWARD VERSUS THE RISK.** Mining is a capital-intensive industry that offers great rewards. However, mining ventures are extremely high-risk, and investments are usually long-term. Therefore, be skeptical of "guaranteed" high returns over a short period of time.

Persons who believe they have been a victim of mining fraud should contact the Securities Division in Las Vegas at (702) 486-2440. In addition, mining information is available on the Nevada Division of Minerals Web site at: www.state.nv.us/minerals/. The Nevada Bureau of Mines and Geology's Web site-- www.nbmng.unr.edu--offers information on mining fraud. The Bureau also publishes a booklet entitled, "Gold From Water: And Other Mining Scams." Consumer protection information is also available on the Attorney General's Web site at: <http://ag.state.nv.us/>

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January 14, 2000

CONTACT: Gregory R. Hojnowski

Deputy Attorney General

Insurance Fraud Unit

(702)486-3783

LAS VEGAS MAN PLEADS GUILTY TO INSURANCE FRAUD

The Nevada Attorney General's Office has announced that Edward Gary Gray, 43, of Las Vegas, today pleaded guilty to a felony count of Making a False Claim for Insurance Benefits before Clark County District Court Judge Donald M. Mosley. Gray, who was originally charged with three felonies, entered his plea as part of a plea agreement with the Insurance Fraud Unit of the Office of the Attorney General. Gray is scheduled to be sentenced on February 22, 2000. He faces up to four years in prison and a fine of up to \$5,000. Gray remains in custody at the county jail.

Using the alias of "Robert Dean Cottam," Gray retained an attorney and filed a personal injury claim with State Farm Insurance Company. Gray alleged that in October of 1997, he was struck while riding his mountain bike in Sedona, Arizona, by a motorist insured with State Farm. His attorney, when confronted by State Farm Special Investigator Linda Lambert with her concerns regarding Gray's true identity, withdrew his representation. State Farm then denied the claim.

An investigation conducted by the Insurance Fraud Unit and the National Insurance Crime Bureau revealed that not only did the accident never occur, but also that Gray was the son of the insured. During his arrest by the Insurance Fraud Unit, a social security card, California and Montana driver's licenses, and a Mirage employee card bearing the name of "Robert Dean Cottam" were recovered.

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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January 14, 2000

CONTACT: Ronda Clifton

(775) 688-1835

RENO WOMAN SENTENCED FOR INSURANCE FRAUD

June Chandler, age 44, of Reno, was sentenced today by Washoe County District Court Judge James Hardesty to one year in jail, suspended, and given the opportunity for probation, for Conspiracy to Defraud an Insurance Company.

Chandler had filed a claim with State Farm Insurance Company, alleging that her residence had been burglarized. She presented false receipts in support of her purported losses.

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 Web site at: <http://ag.state.nv.us/>

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January 11, 2000

**CONTACT: Michael McCormick
(775) 688-1966**

**CONFERENCE DESIGNED TO IMPROVE INVESTIGATION AND
PROSECUTION OF HIGH TECH CRIMES WILL TAKE PLACE IN
MESQUITE**

The Nevada Prosecution Advisory Council will be hosting a High Tech Crimes Conference, February 2-4 in Mesquite, Nevada. The conference will focus on the investigation and prosecution of these types of crimes.

Many of the speakers at the conference, including representatives from the California and Nevada Attorneys General offices, FBI and U.S. Secret Service, are nationally recognized experts in the fields of high tech crime investigation and prosecution. Among topics that will be discussed:

- * The impact of high tech crimes on businesses and individuals
- * The basics of high tech crime investigation
- * Collection of high tech crime evidence
- * Special search issues
- * Interstate issues related to high tech crime
- * Evidentiary issues: what it takes to convict

The conference will take place at the Casa Blanca Resort. Registration will begin on Wednesday, February 2nd, at 1:00pm. The conference will conclude on Friday, February 4th, at 1:30pm. The cost is

\$125, which includes all printed materials, morning and afternoon refreshments, and lunch on Wednesday. To make room reservations, call the Casa Blanca Resort at 1-800-459-7529.

For more information, please contact Michael McCormick, Executive Director of the Nevada Prosecution Advisory Council, at (775) 688-1966, or e-mail him at: npac@govmail.state.nv.us

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January 10, 2000

CONTACT: Ronda Clifton

(775) 688-1835

ELKO MAN SENTENCED TO JAIL FOR COMMITTING INS FRAUD

Attorney General Frankie Sue Del Papa announced that Robert Ames, age 27, of Elko, was sentenced today by Elko County District Court Judge Mike Memeo to six months in jail after pleading guilty to the charge of Conspiracy to Defraud an Insurance Company. Ames was also ordered to pay restitution, and to repay the state for the cost of his extradition.

Ames filed a claim with Sentry Dairyland Insurance Company after having an auto accident in his ex-wife's vehicle. He represented the vehicle as his own, and took possession of the check issued by the insurance company. After cashing the check, Ames did not give the money to his ex-wife, nor did he have the vehicle repaired.

"Insurance fraud is not a victimless crime," Del Papa stated. "It affects every Nevada citizen in the form of higher premiums."

If you have any information regarding possible insurance fraud, you're urged to call the Nevada Attorney General's Insurance Fraud Hotline at 1-800-266-8688. Information about insurance fraud can be found on the Attorney General's Web site at: <http://ag.state.nv.us/>

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January 5, 2000

**CONTACT: Kathryn Bliss Holt
(702) 486-3086**

**STATE MEDICAID FUND RECEIVES MORE THAN ONE MILLION
DOLLARS FROM ATTORNEY GENERAL'S OFFICE**

As a result of money recovered from probated estates, liens placed on property, and money reimbursed from personal injury or wrongful death claims since July 1, 1999, the Office of the Attorney General has collected \$1,124, 837.85 for the Nevada State Medicaid Fund.

Several large payments: \$65,791.51 in September; \$89,317.60 in November; and \$82,850.74 in December, resulted from personal injury case reimbursements. In those cases, Medicaid paid medical expenses for persons who had been injured. The injured persons then made claims against the party who was responsible for the injury. Under federal and state law, Medicaid payments become "subrogated" to any settlement or judgment received in personal injury or wrongful death cases. The Medicaid application also includes an assignment of rights for any claims made because of personal injury that results in medical expenses paid by Medicaid.

As a result of a fraudulent transfer action filed by the state, \$52,756.99 was also recovered. A daughter had transferred large amounts of money from her mother's financial accounts less than a month before applying for her mother to become Medicaid eligible. The daughter violated Medicaid law by not reporting the transfer of these assets. Under Medicaid law, an applicant is not eligible for Medicaid if he or she has transferred assets within three years of applying.

In the past six months, the Office of the Attorney General has filed 39 petitions for liens throughout the state. A person is only eligible for Medicaid if he or she is indigent and needs medical services. The only asset that is exempt for purposes of eligibility is a person's home. Rather than displace people from their homes, the medically needy are allowed to keep their home instead of having to sell it and become truly indigent. When the Medicaid recipient dies, that home then becomes subject to Medicaid recovery. The state may recover the value of the home or any other property by filing a claim if the person's estate is

probated. If there is no probate, the State may place a lien upon the person's property for future recovery. The lien may be placed if the person had any legal interest in the property, including a joint tenancy or trust interest, at the time of death.

The money collected is returned to the Nevada State Medicaid Fund to further assist individuals who are in need of Medicaid benefits.

Information on how to prevent Medicaid fraud and where to report it can be found on the Attorney General's Web site at <http://ag.state.nv.us/>

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January 5, 2000

CONTACT: Ronda Clifton

(775) 688-1835

RENO MAN PLEADS GUILTY TO INSURANCE FRAUD

Attorney General Frankie Sue Del Papa has announced that Douglas Jurist, age 32, of Reno, today pleaded guilty before Washoe County District Court Judge James Hardesty to the charge of Conspiracy to Defraud an Insurance Company. He is scheduled to be sentenced on February 18, 2000.

Jurist had misrepresented to Geico Insurance Company that his car had been stolen when, in fact, he had moved the vehicle to a parking lot located in Carson City. The Attorney General's Insurance Fraud Unit was tipped off to the deception by an anonymous informant.

"Insurance Fraud is not a victimless crime," Del Papa said. "The average American household pays \$300 a year in additional premiums to make up for fraud. It is a common misconception that a defendant must be paid money before the crime of Insurance Fraud is committed. Insurance Fraud occurs whenever a person makes a material misrepresentation in support of a claim."

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 Web site at <http://ag.state.nv.us/>

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January 4, 2000

**CONTACT: Steve George
(775) 684-1114**

**2000 NEVADA WOMEN'S ROLE MODEL AWARD
NOMINATION FACT SHEET**

NAME:

PRESENT OCCUPATION/FIELD:

PROFESSIONAL CAREER ACHIEVEMENTS:

*

*

*

*

VOLUNTEER WORK:

*

*

*

*

FAMILY:

PERSONAL QUALITIES:

(Please write a short essay, no more than 500 words, that best describes why the nominee deserves to be selected as a Women's Role Model Award recipient)

Nomination forms must be postmarked no later than February 11, 2000. Please fax completed forms to (775) 684-1108.

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OFFICE OF THE ATTORNEY GENERAL**

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FOR IMMEDIATE RELEASE

January 4, 2000

**CONTACT: Steve George
(775) 684-1114**

**2000 NEVADA WOMEN'S ROLE MODEL AWARD
NOMINATION FORM**

(Please print or type)

NOMINEE INFORMATION:

Name _____

Daytime Phone: () _____ Other: () _____

Street Address: _____

City: _____ State: NV Zip: _____

NOMINATOR INFORMATION:

Name _____

Daytime Phone: () _____ Other: () _____

Street Address: _____

City: _____ State: NV Zip: _____

Affiliation with nominee: _____

ADDITIONAL REFERENCE:

Name _____

Daytime Phone: () _____ Other: () _____

Street Address: _____

City: _____ State: NV Zip: _____

Affiliation with nominee: _____

Please be sure to complete the Role Model Awards Nomination Fact Sheet, including a short essay (no longer than 500 words) that best describes why the person you are nominating deserves to be selected as a Women's Role Model Award recipient.

COMPLETED NOMINATION FORMS MUST BE POSTMARKED NO LATER THAN FEBRUARY 11, 2000. Forms may be faxed to (775) 684-1108, or mailed to:

Office of the Attorney General
Attn: Steve George
100 N. Carson Street
Carson City, NV 89701-4717

Recipients and their nominators will be notified on or shortly after February 22, 2000.

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January 4, 2000

CONTACT: Steve George

(775) 684-1114

**NOMINATIONS SOUGHT FOR YEAR 2000
NEVADA WOMEN'S ROLE MODEL AWARDS**

Attorney General Frankie Sue Del Papa is seeking nominations for the Sixth Annual Nevada "Women's Role Model Awards." The recipients, five each from the north and south, will be announced during media events in March, Women's History Month.

"Every community in Nevada has a women's role model who deserves to be recognized for her contributions to the community at large, and women and young girls specifically," Del Papa said. "The Women's Role Model Awards seek to honor those women in our state who have actively worked to better the lives of others through their contribution of time, energy, devotion, spirit and community activism."

Nomination forms are available by calling 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. Completed nomination forms should be postmarked no later than February 11, 2000. They can be mailed to:

Office of the Attorney General
Attn: Steve George
100 N. Carson Street
Carson City, NV 89701-4717

Nominations may also be faxed to (775) 684-1108.

"This is an opportunity to recognize outstanding Nevada Women, their achievements, and their impact on our state," Del Papa said.

Previous recipients have included educators, health care workers, administrators, community activists, business leaders, and individuals active in community-minded organizations.

"What they all have in common is their dedication and commitment to, not only their communities, but to the unfolding history of our state," Del Papa said.

For more information, please contact Steve George at (775) 684-1114.

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FOR IMMEDIATE RELEASE

January 4, 2000

CONTACT: David Creekman

Deputy Attorney General

(775) 684-1231

COMPLETION OF LAS VEGAS GROUNDWATER ADJUDICATION

Attorney General Frankie Sue Del Papa announced today the completion of the Las Vegas Groundwater Adjudication, which was initiated nearly five years ago. The completion of the judicial phase occurred when Las Vegas District Court Judge Sally Loehrer recently signed the final Decree.

The Las Vegas Groundwater Adjudication confirms rights to the groundwater contained in the Las Vegas Artesian Basin. A number of parties participated in the action, including the Las Vegas Valley Water District, Las Vegas Paiute Tribe of Indians, United States Air Force, United States Department of the Interior and numerous private parties.

"This case involved significant factual issues which required the Office of the State Engineer to dig deeply into the history of groundwater use in the Las Vegas area in order to determine when and how these rights were originally initiated," Del Papa said. "Once the factual issues were settled, many of the parties challenged a number of legal points, including the ability of the State of Nevada to enter into settlements of water rights disputes with some of the parties, and the applicability of the law of forfeiture to groundwater rights. We proceeded through each of those legal issues on a step-by-step basis and resolved each of them in a manner which we believe fully serves the people of Southern Nevada."

The case represents Nevada's first and only attempt to adjudicate groundwater rights. It is significant because of the way the various parties worked together to conclude the proceeding. "The Las Vegas Groundwater Basin is the most heavily impacted groundwater basin in the State of Nevada," Del Papa said. "The people of Las Vegas rely on the Basin for certainty and stability in supplementing the Las Vegas area's Colorado River entitlement to water."

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

February 22, 2000

CONTACT: Bureau of Consumer Protection

**ATTORNEY GENERAL STOPS TWO LAS VEGAS INTERNET
BUSINESSES FROM ADVERTISING FRAUDULENT CREDIT
REPAIR SCHEMES**

Las Vegas---Attorney General Frankie Sue Del Papa announced today that her Bureau of Consumer Protection has obtained permanent injunctions and civil penalties against two Nevada companies that were using the Internet to sell fraudulent credit repair products. The actions were the result of a law enforcement sweep dubbed "Operation New ID - Bad IDEa," in which the Bureau of Consumer Protection (BCP) surfed the Internet to find companies that offered "file segregation" credit repair services.

During the sweep--conducted in February of 1999--the BCP identified two Nevada companies and their principal owners that were advertising file segregation credit repair services and products on the Internet: C & A Adventures and Aretta Coffelt; and E-Z Technologies, Inc., LLC and David Walter Hulet, Jr. The BCP then sued both companies in U.S. District Court for violations of the federal Credit Repair Organizations Act and Nevada Deceptive Trade Practices Act.

According to the complaint filed against Coffelt and C & A Adventures, the company encouraged consumers to create a new credit file by fabricating a business and then registering it as a "DBA" (Doing Business As). Consumers would then be instructed to use the DBA to open checking accounts.

In the complaint against defendant Hulet and his company, the BCP alleged that, in addition to the use of an Employer Identification Number ("EIN"), Hulet wrongfully advised consumers that they could legally use an altered or fabricated social security number for banking and credit purposes.

The BCP negotiated and entered into Consent Judgments in both of the cases. Under the terms of the agreements, Hulet, Coffelt and their respective companies, are permanently enjoined from representing that consumers can legally alter their identifying information to conceal correct, adverse credit

information from credit records. The defendants were further enjoined from violating the Nevada Deceptive Trade Practices Act and the Credit Repair Organizations Act.

Coffelt paid a civil penalty in the amount of \$500; Hulet paid a civil penalty of \$1,000 to the State of Nevada. Pursuant to the agreement, both defendants will send written notification to every consumer who purchased their file segregation credit repair services advising consumers that file segregation is an illegal practice that constitutes a felony punishable by up to five years imprisonment.

File segregation companies claim they can improve consumers' credit histories, credit records, or credit ratings by assisting them in segregating their credit files and establishing "new" credit profiles with credit bureaus. The companies advocate that consumers obtain an Employer Identification Number ("EIN") or a Taxpayer Identification Number ("TIN") from the Internal Revenue Service, and then use these numbers in place of their Social Security Number on credit applications. The companies claim these types of file segregation practices are legal in order to entice unknowing consumers to purchase their products and services.

"In fact, consumers cannot legally alter their identifications to conceal adverse credit information with the intent to defraud a prospective creditor," Del Papa said. "If a consumer were to use the methods allegedly promoted by these defendants, the consumer could be subject to prosecution for violations of both state and federal criminal laws."

Consumer Tips

To help Nevada consumers avoid being victims of similar scams, the Attorney General's Bureau of Consumer Protection offers the following consumer awareness tips:

- * Be advised that accurate, non-obsolete information cannot be removed from your credit report.
- * Beware of credit repair companies that advocate your trying to create a "new" credit report by applying for an EIN, TIN or new Social Security Number.
- * Beware of companies that want you to pay for credit repair services before such services are provided.
- * Beware of companies that do not inform you of your legal rights and what you can do yourself for free.

All credit repair companies that offer credit repair services in Nevada must be registered with the Consumer Affairs Division (CAD) of the State Department of Business and Industry. For more information about a specific company, you can contact CAD statewide at (800) 326-5202, or in Clark County at (702) 486-7355.

Nevada consumers who believe they have been victims of these, or other credit repair scams, should

contact the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3420; in Reno at (775) 688-1818; and in Carson City at (775) 687-6300.

Consumer Protection information and complaint forms are also available on the Attorney General's Web site.

**STATE OF NEVADA
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Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE
February 25, 2000

**TRAINING FOR COSMETOLOGISTS DESIGNED TO HELP DETECT
DOMESTIC VIOLENCE**

Las Vegas---The Nevada State Board of Cosmetologists (NSBC), in conjunction with the Nevada Attorney General's office, has begun an ambitious new initiative designed to teach cosmetologists how to detect and address domestic violence.

"The goal of this educational effort is to raise the awareness of cosmetologists who are frequently in the unique position of being a sounding board from someone who has been or is a victim of domestic violence," said Veronica Boyd-Frenkel, Domestic Violence Ombudsman for the State of Nevada. "We believe that by training cosmetologists on how to help someone who is a victim of domestic violence, we can further our efforts to break the silence that often is a part of this crime, and create a greater support and information network for victims."

The NSBC, with the assistance of Boyd-Frenkel, conducted its first training seminar in Reno on February 7, 2000.

The next eight-hour training will take place on Sunday, February 27, 2000, at the Southern Nevada Vocational Technical Center from 9:00am to 5:00pm. Members of the media are welcome to attend.

These two trainings are the first step in determining how best to integrate domestic violence prevention training into the curricula at cosmetology schools in the state. The trainings consist of an overview of the dynamics and impact of domestic violence, ways to recognize signs of domestic violence, and strategies that cosmetologists can use to support, educate and inform their clients.

As another component of this educational initiative, the Cosmetology Board applied for and was awarded funds from the STOP Violence Against Women Act grant program by the Nevada Attorney General's Office that will be used to mail information on domestic violence to more than 1,400 beauty salons located throughout Nevada.

For more information on the training to be held in Las Vegas on February 27, or to find out more about the cosmetology domestic violence initiative, please call Veronica Boyd-Frenkel at (775) 688-1846.

Domestic violence prevention information can be found on the Attorney General's Web site.

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

February 22, 2000

CONTACT: Jo Anne Embry

SNAG Project Director

(702) 486-3154

NEW PROGRAM IS DESIGNED TO "SNAG" MEDICARE FRAUD

Las Vegas---At a news conference at the Grant Sawyer Building in Las Vegas this morning, several state and federal agencies announced a new program that is designed to help "snag" fraudulent Medicare and Medicaid billings. Nevada Attorney General Frankie Sue Del Papa, U.S. Attorney Kathryn Landreth, Nevada Division of Aging Services Administrator Mary Liveratti, and AARP Nevada State Director Carla Sloan helped kick off the Senior Nevada Advocates on Guard-"SNAG" Project. The project will utilize senior volunteers who will be trained to help individuals spot Medicare/Medicaid fraud or abuse. The Attorney General's Office will administer the SNAG Project through an interlocal agreement with the Division for Aging Services. Other partners include AARP, which will assist in recruiting senior volunteers, the Attorney General's Medicaid Fraud Control Unit, and the U.S. Attorney's Office. The SNAG Project will be funded by a three-year, federal grant totaling \$410,000 from the U.S. Administration on Aging to the Nevada Division for Aging Services.

According to the U.S. General Accounting Office, \$212 billion dollars were spent on 39 million Medicare beneficiaries in fiscal year 1999. The federal government estimates that \$1 out of \$10 spent on Medicare is lost to fraud, waste or abuse, amounting to almost \$20 billion dollars per year nationally. In 1999, \$1.1 billion Medicare dollars were expended in Nevada, of which an estimated \$109 million dollars were lost to fraud.

The primary goal of the SNAG project is to educate Nevada's senior citizens on how to detect suspected or fraudulent activities regarding their Medicare and/or Medicaid bills. The project will also provide the community a system for immediate reporting of suspicious activity. If warranted, the information received would result in further investigation, which could lead to criminal or civil prosecution, administrative sanctions, fines and/or recovery of funds.

Jo Anne Embry, who will serve as the director of the project, will be responsible for recruiting retired professional seniors to provide individual consultation and training to help inform, counsel and refer individual seniors with complaints or questions about their Medicare or Medicaid benefits. With the assistance of AARP, seniors with experience in fields such as law, medicine, business and industry, and education will be recruited.

"The success of this project is 100% dependent upon the volunteers: their expertise, their enthusiasm, and their commitment to protecting the Medicare system," Embry said. "I urge all retired senior professionals in our community to please join our team."

Members of the Nevada and U.S. Attorneys General offices will train the senior volunteers, who will in turn instruct Nevada's senior population about Medicare/Medicaid fraud, through educational presentations to beneficiaries at community and senior centers. The volunteers will also be available to review individual complaints where fraud or abuse is suspected. In addition, the volunteers will staff a hotline dedicated to the fraud control project and will handle complaints received electronically or through the mail.

I am pleased that AARP can contribute to the SNAG project," said Carla Sloan, AARP Nevada State Director. "We look forward to working closely with the volunteers and the Attorney General's staff on this important project."

The SNAG Project will be implemented in three phases: the first phase will cover Clark County; and the second and third year implementations will be in Washoe County and rural Nevada, respectively.

"The drain to the system as a result of Medicare fraud affects all of us: beneficiaries by reducing the quantity and quality of care, honest health care providers and caregivers by decreased funding for vital programs, and all taxpayers by wasting their money," Del Papa said. "Our goal is to create an informed Medicare beneficiary population in Nevada. Public education is the key and collaboration with key law enforcement and aging service agencies is the means. Using one valuable resource, our seniors, to help protect another valuable resource, our tax money, makes sense."

Nevada is one of 36 states with Senior Medicare Fraud Patrol grants in place. The grants, commonly referred to as Harkin grants, in honor of Iowa Senator Tom Harkin who introduced the legislation creating the funding, were appropriated under the 1997 Omnibus Consolidated Appropriations Act.

According to the U.S. Dept. of Health and Human Services, Office of the Inspector General, these anti-fraud initiatives resulted in more than 6,000 volunteers trained, 410,000 Medicare beneficiaries reached through volunteer education efforts, 25 million persons reached through media events, and \$1.5 million identified to have been recouped to the Medicare system in 1999 alone.

A few "red flags" that might imply abusive or fraudulent Medicare activities include:

- * Billing for services or supplies not rendered.
- * Soliciting, offering or receiving a kickback, bribe, or rebate - paying for a patient referral.
- * Lying about a patient's condition in order to receive a Medicare/Medicaid payment.
- * Upcoding: assigning a more expensive procedure code rather than one actually performed, resulting in a higher payment of reimbursement.
- * Billing non-covered services as covered services.
- * Billing Medicare patients at a higher rate than non-Medicare patients.
- * Billing for the 20% co-payment when it has already been paid by the insurance company.
- * Unbundling: billing separately for services that should be included in a single service fee.
- * Altering claim forms to obtain a higher payment amount.

Medicare beneficiaries should:

- * Always protect your Medicare number - treat it as you would a credit card or bank access card.
- * Do not give your Medicare number to anyone over the phone.
- * Be careful in accepting Medicare services that are offered as free.
- * Not accept offers of money or gifts to receive your medical services.
- * Always review your Medicare Summary Notice for errors.
- * Avoid and report medical professionals who offer items or services that are usually not covered, but tell you they "know how to bill Medicare."
- * Never accept medical supplies or equipment from door-to-door salesmen.

For more information about the SNAG Project, contact Project Director Jo Anne Embry in Las Vegas at (702) 486-3154. Information on the SNAG Project and on Medicaid fraud can be found on the Attorney General's Web site. If you suspect that an elderly citizen is being physically or fiscally abused, or suspect Medicaid Fraud, call the Attorney General's Medicaid Fraud Control Unit at (775) 687-4704.

For additional Seniors Information refer to Nevada Consumer Health Assistance at www.state.nv.us/cha/.

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

February 19, 2000

CONTACT: Jane Femiano

(702) 486-3789

****CONSUMER PROTECTION WEEK BULLETIN**
DOOR-TO-DOOR CONTRACT LAW**

National Consumer Protection Week is February 14-20, 2000. Several organizations are joining forces to help give customers the tools they need to better protect themselves from becoming victims of fraud and deceptive business practices. This year's campaign is, "Armchair Armor: Shopping Safely From Home." These days, many consumers are shopping on the Internet, and buying products from telemarketers. With your assistance and support, we hope to better educate the public and, therefore, help citizens "Know the rules and use the tools to protect themselves from fraudulent offers and unsafe products."

Many consumers believe they have a "cooling-off period" after they sign a contract, that they have the option of changing their mind a few days after signing a contract. But, as a general rule, a signed contract cannot be cancelled. You cannot cancel a contract simply because you have changed your mind. One of the few exceptions is Door-to-Door Sales.

Under Nevada law, if a consumer buys an item at their residence or at a location that is not the seller's permanent place of business, the consumer does have the right to change his or her mind. The cooling-off period for a door-to-door sale allows the consumer to cancel the contract and receive a full refund, if the consumer does so before the third business day following the sale. Nevada's Door-to-Door Sales statute requires the salesperson, at the time of sale, to inform the consumer about his cancellation rights. The salesperson must also provide a cancellation form and a copy of the contract or receipt. The contract or receipt should be dated, show the name and address of the seller, and explain the right to cancel.

There are some types of sales that cannot be cancelled, even if they occur at the consumer's residence. Nevada's Door-to-Door Sales law does not apply to sales that:

* Are under \$25;

- * Are for goods or services not primarily intended for personal, family or household purposes;
- * Are made entirely by mail or telephone;
- * Are the result of prior negotiations at the seller's permanent business location where he regularly sales goods;
- * Are needed to meet an emergency; or
- * Are made as part of the consumer's request for the seller to do repairs or maintenance on the consumer's personal property;

Also exempt from Nevada's Door-to-Door Sales law are sales that involve real estate, insurance, securities, automobiles, mobile homes, or the provision of utility services.

If the consumer cancels the purchase, the seller has ten days to cancel and return any negotiable instrument signed by the consumer, refund the consumer's money, and return any trade-in. Within 20 days, the seller must either pick up the items left with the consumer, or reimburse the consumer for mailing expenses. If the seller does not provide instructions on how to return the goods or pick them up within the twenty days, the consumer may retain or dispose of the items without any further obligation. The law allows the seller to assess a cancellation penalty, not to exceed five percent of the total purchase price, \$15, or any down payment paid by the buyer at the time the contract was entered into, whichever is the less.

For more information on this and other consumer matters, contact the Bureau of Consumer Protection Division at (702) 486-3786, or contact the Attorney General's office statewide by calling Nevada's toll free switch board at 1-800-992-0900. Consumer protection information can be found on the Attorney General's Web site.

**STATE OF NEVADA
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FOR IMMEDIATE RELEASE

February 18, 2000

**CONTACT: Matthew Gabe
(702) 486-3793**

****CONSUMER PROTECTION WEEK BULLETIN**
USE CAUTION BEFORE COMMITTING TO BUSINESS
OPPORTUNITY ADVERTISEMENTS**

National Consumer Protection Week is February 14-20, 2000. Several organizations are joining forces to help give customers the tools they need to better protect themselves from becoming victims of fraud and deceptive business practices. This year's campaign is, "Armchair Armor: Shopping Safely From Home." These days, many consumers are shopping on the Internet, and buying products from telemarketers. With your assistance and support, we hope to better educate the public and, therefore, help citizens "Know the rules and use the tools to protect themselves from fraudulent offers and unsafe products."

******* Business Opportunity *******

Service a company-established vending machine/display rack route. Part-time. No experience required. No selling. Earn \$5,000+ per month.

A consumer may find the above newspaper advertisement appealing, especially if he or she is looking for part-time employment to supplement their income. However, be cautious. Although some business opportunities servicing vending machines or display racks are legitimate, many are not. Business opportunities are risky investments for which there are no guarantees.

A business opportunity usually involves food vending machines, amusement games, or racks with items for sale such as toys, greeting cards, or cosmetics. Typically, the investor must clean, restock the machines or racks, and collect the money from the machines. The investor then earns a portion of the proceeds from the products or services sold.

Some investment promoters state that you can earn a specific level of income, or guarantee minimum

revenue. Others claim their income projections are averages based on the incomes of current distributors. However, some promoters misrepresent the earnings potential and the ease and speed with which machines can be delivered, maintained, located and repaired.

If the business opportunity constitutes a franchise, the company must provide a disclosure document before you sign any agreement or invest money. The Federal Trade Commission Franchise Rule provides that the following information must be disclosed to the investor:

- * The business experience of the company and its directors;
- * Any lawsuits brought against the company or its directors by franchisees, and any suits alleging fraud;
- * Fees that you will have to pay, and the conditions under which any fees or deposits will be returned to you;
- * The total number of franchises, the names and addresses of franchisees in your area, and the number of franchises terminated or not renewed during the previous year;
- * The company's balance sheet for the most recent fiscal year, an income statement, and a statement of changes in financial position for the three most recent fiscal years;
- * And, substantiation for any claims about potential earnings or the earnings of existing investors.

These disclosures can help you decide whether the company is likely to stand behind its promises. It also may help determine the probability of success.

You can minimize the risk of investing in a fraudulent business opportunity by taking the following precautions:

- * Check out the company by calling the Attorney General's Bureau of Consumer Protection, the Federal Trade Commission, and your local Better Business Bureau.
- * Verify the claims made by the company and the company's references by visiting existing locations and the anticipated locations for your machines or racks.
- * Request the company to substantiate in writing all earnings claims.
- * Consult an attorney, accountant, or other business advisor before signing any agreement.

If you have been defrauded in a business opportunity, immediately contact the company and demand your money back. Also, let the company know that you plan to notify the Nevada Consumer Affairs

Division in Las Vegas at (702) 486-7370. Consumer protection information, including tips on how to avoid becoming a victim of fraud is available on the Attorney General's Web site.

**STATE OF NEVADA
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FOR IMMEDIATE RELEASE

February 17, 2000

CONTACT: Tracey J. Brierly

(702) 486-3128

****CONSUMER PROTECTION WEEK BULLETIN**
INTERNET ONLINE BUYING TIPS**

National Consumer Protection Week is February 14-20, 2000. Several organizations are joining forces to help give customers the tools they need to better protect themselves from becoming victims of fraud and deceptive business practices. This year's campaign is, "Armchair Armor: Shopping Safely From Home." These days, many consumers are shopping on the Internet, and buying products from telemarketers. With your assistance and support, we hope to better educate the public and, therefore, help citizens "Know the rules and use the tools to protect themselves from fraudulent offers and unsafe products."

As more and more consumers choose to shop online, Attorney General Frankie Sue Del Papa warns consumers of the risks involved with online buying.

"Online shopping has become an especially attractive alternative to in-store or catalogue shopping," Del Papa said, "But virtual shopping, like traditional shopping, must be approached with sufficient caution."

The Attorney General's Bureau of Consumer Protection offers the following tips to help consumers shop on-line with more security:

(Deal only with established, reputable retailers. An impressive-looking Internet site does not guarantee legitimacy. Whether shopping in a store, by phone or in cyberspace, try to shop only with companies that you already know.

(Learn the company's refund and exchange policies. Each business sets its own refund and exchange policies and they can vary considerably. Prior to your purchase, find out about the policies. Save the sales receipt in case merchandise must be returned.

(Protect your privacy. When shopping on the Internet, remember that online sellers often collect information to market back to you or to sell to other companies. Ideally, shop with a vendor that posts privacy policies online and offers options about the use of personal information. In most cases, your password, credit card number and shipping information are all that a vendor should require.

(Pay with a credit card and order only from a secure server when shopping online.

Beware if an online seller asks for your banking account number or offers to debit money from your account. It is best to use a credit card when ordering because credit card purchases offer you protections that you will not have otherwise. It is also extremely important to verify that you are ordering from a secure server prior to putting in your personal and credit card information.

Persons with concerns regarding or complaints against any Internet company should call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194; or Reno at (775) 688-1818; or Carson City at (775) 687-6300. Consumer protection information can be found on the Nevada Attorney General's Web site.

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February 16, 2000

CONTACT: Steve George

(775) 684-1114

****CONSUMER PROTECTION WEEK BULLETIN****

**ATTORNEY GENERAL DEL PAPA JOINS IN NATIONAL PUSH TO
EDUCATE TEENS ABOUT CONSUMER FRAUD**

Las Vegas---As part of National Consumer Protection Week (February 14-20), Attorney General Frankie Sue Del Papa announced today that her office has sent materials to all Nevada senior high schools and middle schools, designed to better educate students on how to become smarter consumers.

"American children and teenagers spend, or influence the spending of, an estimated \$500 billion each year," Del Papa said. "Though some teenagers are savvy consumers, many are inexperienced and may not have the skills or knowledge necessary to make wise consumer choices. By utilizing the materials we have forwarded to the schools, educators will be providing their students with information that will assist them in becoming more knowledgeable shoppers."

The new Internet-based initiative, "Tuff Customer," is a scavenger hunt on the Web that allows teens to uncover answers to consumer-related questions. The questions cover topics of interest to teens: mail order music clubs, Internet purchasing, credit cards buying used vehicles, etc.

The Tuff Customer materials include:

* Tuff Customer Quiz - The quiz includes a scavenger hunt and essay questions. A copy has been enclosed for your reference. The quiz can also be downloaded from the National Association of Attorneys General-NAAG-- Web site at www.naag.org

* Tuff Customer Student Resource List - The list contains web sites where students can find consumer information relating to the quiz questions. It can be downloaded from the NAAG Web site at www.naag.org. If students do not have access to the Internet, they may use any resources available - government

agencies, businesses, libraries, local consumer agencies, etc.) - to answer the questions.

* Tuff Customer Discussion Guide - The discussion guide was designed for teachers to use with students after they have completed the Tuff Customer Quiz. It can be downloaded from the NAAG Web site at www.naag.org.

"This program will help teens locate useful consumer information in an environment they are already familiar," Del Papa said. "Throughout Tuff Customer, teens will be presented with tools for recognizing and avoiding potential consumer pitfalls."

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FOR IMMEDIATE RELEASE

February 16, 2000

CONTACT: Marshall Smith

(775) 688-1977

****CONSUMER PROTECTION WEEK BULLETIN**
HOW TO PREVENT SLAMMING AND CRAMMING**

National Consumer Protection Week is February 14-20, 2000. Several organizations are joining forces to help give customers the tools they need to better protect themselves from becoming victims of fraud and deceptive business practices. This year's campaign is, "Armchair Armor: Shopping Safely From Home." These days, many consumers are shopping on the Internet, and buying products from telemarketers. With your assistance and support, we hope to better educate the public and, therefore, help citizens "Know the rules and use the tools to protect themselves from fraudulent offers and unsafe products."

SLAMMING AND CRAMMING - WHAT THEY ARE AND HOW TO PROTECT YOURSELF

The Federal Communications Commission has identified slamming as the number one complaint consumers have about their telephone service.

WHAT IS SLAMMING?

Slamming is the switching of a consumer's long-distance company or local toll carrier without authorization. Typically, consumers become aware they have been slammed because their calling cards or other telecommunications services no longer work, or they notice on their monthly billing statement that their services are now being provided by another telephone company. This is because their services have been switched to another carrier without their consent. The process of switching back to your preferred company can be tiresome and costly. The 1996 Legislature made slamming a deceptive trade practice in Nevada.

HOW TO PROTECT YOURSELF FROM SLAMMING

- * Call your local telephone company and request a "PIC FREEZE" or Preferred Interexchange Carrier Freeze. This requires your local telephone company to obtain your authorization prior to making the switch to another carrier.

- * Review your monthly telephone bills very carefully. If there is a company providing service you did not authorize, call your local telephone company and also the company that is billing you.

WHAT IS CRAMMING?

Cramming is the illegal practice of placing charges for unauthorized services on a consumer's telephone bill. These charges, which usually appear as a monthly fee, can be for a variety of services including paging service, voice mail, long distance calling cards, personal 800 numbers, 900 number membership clubs, psychic help services, etc. The 1996 Legislature also included an "anti-cramming" provision.

Typically, charges for these services range from less than \$5 per month to more than \$50. Unfortunately, these charges sometimes go unnoticed on a person's telephone bill for several months.

HOW TO AVOID CRAMMING?

- * Review your telephone bill carefully each month. If any charges or company names that are unfamiliar to you appear on your bill, call your local telephone company and request an explanation of your bill.

- * Carefully read all forms and promotional materials when signing up for telephone services.

- * Do not divulge personal information: telephone number, credit card or Social Security numbers, on sweepstakes or raffle tickets. Telephone-related services are sometimes offered to consumers in solicitations that include other offers of free products, discount coupons or savings travel packages. In accepting these offers, consumers are often unaware they will be billed for services they did not authorize.

- * Keep a record of the telephone services you have authorized and used, including calls placed to 900 numbers and other types of information services.

- * Do not accept collect calls from unfamiliar persons.

- * Beware of faxes, e-mail, voice mail and pages requesting a return call to an unfamiliar number.

- * Know the area code location you are dialing. If you are unfamiliar with the area code, consult your local telephone directory.

- * Be careful when calling unfamiliar 800 or 900 numbers. Be especially wary of following instructions

to enter activation code numbers or of answering yes to questions that may unwittingly result in authorizing unwanted telephone services.

If you discover unauthorized charges on your telephone bill, or that your telephone company has been switched without your knowledge, contact your local telephone company and explain your concerns about unclear or unauthorized charges on your bill. You should also send a written complaint to:

Nevada Attorney General
Bureau of Consumer Protection
1000 East William Street, Suite 200
Carson City, NV 89701-3117

or call:

(775) 687-6300 - Carson City
(702) 486-3786 - Las Vegas
(775) 688-1958 - Reno

Consumer protection information is available on the Attorney General's Web site.

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

February 15, 2000

**CONTACT: Grenville Pridham
(702) 486-3788**

****CONSUMER PROTECTION WEEK BULLETIN****

HOW TO BETTER PROTECT AGAINST TELEMARKETING SCAMS

National Consumer Protection Week is February 14-20, 2000. Several organizations are joining forces to help give customers the tools they need to better protect themselves from becoming victims of fraud and deceptive business practices. This year's campaign is, "Armchair Armor: Shopping Safely From Home." These days, many consumers are shopping on the Internet, and buying products from telemarketers. With your assistance and support, we hope to better educate the public and, therefore, help citizens "Know the rules and use the tools to protect themselves from fraudulent offers and unsafe products."

By learning what some of the latest types of scams are all about, consumers can better avoid becoming victims of telemarketing fraud. Here are some of the most common telephone scams:

* Sweepstakes or Prize offers that say you must first pay a fee before collecting your "free" prize or winnings: If you are asked to send money, buy something, give a credit card or checking account number, or attend a sales presentation before you can collect your prize, it's generally a sign that the prize is bogus. Often, the person who falls prey to this deception will either receive nothing, or the prize will be worthless or overpriced.

* 809 or 900 Area Code: You receive a message on your answering machine, on your pager, or an e-mail asking you to call a telephone number that has an 809 or 900 area code. These area codes connect the victim to a pay-per-call line that could end up costing the caller a bundle. The 809 area code call connects the caller to the Caribbean. A 900 call is an expensive toll call that can cost more than twenty dollars. Before returning a call to an unfamiliar area code, check the front of your phone book for the location, so you will know if you are actually making a call out of the country. If you are billed for one of these calls, call your local phone company and report that you may have been the victim of a fraud.

* Travel packages: "Free" or "low-cost" vacations can end up costing a bundle in hidden costs, or, they may never happen. The total cost may run two to three times more than what you'd expect to pay or what you were led to believe. Be sure to check out the company with the Better Business Bureau or Consumer Affairs before signing up for one of these vacation packages.

* Investments: Every year, people lose millions of dollars to "get rich quick" schemes that promise high returns with little or no risk. These can include gemstones, rare coins, oil and gas leases, precious metals, art, and other "investment opportunities." As a rule, these types of investments are worthless. Remember the old adage, if it sounds too good to be true, it probable is!

* Charities: Con artists often label phony charities with names that sound like better-known, reputable organizations. Again, check out the organization with the Better Business Bureau or Consumer Affairs before sending your hard-earned money.

* Recovery scams: If you buy into any of these types of scams, you are likely to be called again by someone promising to get your money back. Be careful not to lose more money in this common practice. No one can guarantee they will recover your money, not even law enforcement officials.

Telephone con artists spend a lot of time polishing their "lines." The following types of pitches are signs that the call may be fraudulent:

* "You have been specially selected to receive this prize."

* "You must act now - or the offer will not be good!"

* "You do not want to be left out of the winnings, do you? Send your check now!"

* "Keep this information secret. If anyone finds out I am doing this for you, the deal is off."

* "Do not tell anyone I am doing this for you or else I will get in trouble with my boss."

* "You must send money via Western Union or Federal Express before I can release your prize to you."

* "I will have a courier stop by your house this afternoon to pick up your cash or check."

If you hear any of the above, or similar, "lines" from a telephone salesperson, just say "no thank you," and hang up the phone. It is very difficult to get your money back if you have been cheated over the phone. Victims rarely get their money back.

If a particular company's calls are bothersome, ask to be put on their "do not call" list and report bothersome calls to the Nevada Attorney General's office.

For more information on this and other consumer matters, contact the Bureau of Consumer Protection Division at (702) 486-3786, or contact the Attorney General's office statewide by calling Nevada's toll free switchboard at 1-800-992-0900. Consumer protection information can be found on the Attorney General's Web site.

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

February 14, 2000

CONTACT: Brian T. Kunzi

(702) 486-3199

****CONSUMER PROTECTION WEEK BULLETIN****

AUTO REPAIRS STILL NUMBER ONE CONSUMER COMPLAINT

National Consumer Protection Week is February 14-20, 2000. Several organizations are joining forces to help give customers the tools they need to better protect themselves from becoming victims of fraud and deceptive business practices. This year's campaign is, "Armchair Armor: Shopping Safely From Home." These days, many consumers are shopping on the Internet, and buying products from telemarketers. With your assistance and support, we hope to better educate the public and, therefore, help citizens "Know the rules and use the tools to protect themselves from fraudulent offers and unsafe products."

"Despite our increased attention on the problems associated with auto repairs and the recently enacted Automotive Repair Customer Bill of Rights, auto repair complaints still rank as our number one consumer complaint," Attorney General Frankie Sue Del Papa said. "Most of the auto repair problems our office hears about are due to the fact that many consumer are still unaware of important protections granted to them by the Nevada Customer Bill of Rights."

Prior to the enactment of the Customer Bill of Rights, an auto mechanic was required to provide a written estimate before the work was completed only if the customer requested the estimate. Nevada law now requires a written estimate be provided to the customer unless the customer signs a written waiver. "I cannot state strongly enough that the best thing a customer can do to protect his or her rights is to get a written estimate of what the repair will cost," Del Papa said. "You should never give up the right to get a written estimate prior to the work being started."

The Attorney General's Bureau of Consumer Protection says that most complaints regarding auto repair still concern whether portions of the completed repairs were authorized or not. The BCP says your best defense is to make sure you get a written estimate before work begins. If you agree to allow the repairs to be done without a prior written estimate, the case becomes your word against another's. The repair

estimate can end the debate. If the repairs are not contained in the estimate, the repairs are not authorized and the mechanic loses the right to hold the car as security for payment of the disputed portion of the repair bill (the only exception is for additional repairs that do not exceed the lesser of 20% of the original estimate or \$100).

"We have seen far too many instances in which the mechanic holds the car until the disputed bill is paid in full," Del Papa said. "This business practice is extremely coercive and the customer feels he or she has little choice but to pay the bill, even if the repairs were not authorized." The new Nevada Customer Bill of Rights law should eliminate these problems, but only if the customer insists on receiving a prior written estimate of repairs."

If a dispute about auto repairs arises, contact the Consumer Affairs Division in Clark County at (702) 486-7355, or Statewide at 1-800-326-5202. The Consumer Affairs Division has been very successful with its informal mediation process. Inquiries about the Automotive Repair Customer Bill of Rights can be directed to the Nevada Attorney General's, Bureau of Consumer Protection at (702) 486-3777, or sent to: Nevada Attorney General, Bureau of Consumer Protection, 555 E. Washington Ave., Suite 3900, Las Vegas, Nevada, 89101.

Consumer protection information is available on the Attorney General's Web site.

**STATE OF NEVADA
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Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

February 10, 2000

CONTACT: Brian T. Kunzi

(702) 486-3199

LAS VEGAS TELEMARKETING COMPANY RAIDED

Las Vegas---Attorney General Frankie Sue Del Papa announced that a search warrant was executed this morning against a Las Vegas telemarketing company specializing in diet pills. Shop From Your Home, operating at 1785 E. Sahara, Suite 440, Las Vegas, is accused of engaging in deceptive trade practices and obtaining money under false pretenses.

The search warrant was obtained after extensive undercover operations by the Attorney General's Bureau of Consumer Protection and investigations by the Consumer Affairs Division. The criminal investigation was triggered following a flood of complaints to the Better Business Bureau, the Consumer Affairs Division, and the Bureau of Consumer Protection.

Consumers were called by employees of Shop From Your Home and induced to purchase diet pills under various brand names. Scripts obtained from former employees and from undercover operations indicate employees were encouraged to sell a product called "Fat Eliminator" by making outrageous claims of guaranteed success, and citing false medical support for the product. Employees of Shop From Your Home attempted to convince consumers that the calls were coming from a licensed physician's office; that the product would absorb all fat eaten; that weight could be lost by eating pizza, fried chicken and french fries; that telemarketers were weight loss consultants; and that there was no risk because of the company's money back guarantee.

The most notable consumer complaint was the failure of the company to provide any refunds. Investigators discovered the company guarantee was honored only if the consumer threatened to contact law enforcement officials. Any attempt to obtain a refund resulted in a consumer being forced by Shop From Your Home to complete numerous refund request forms and suffer delay after delay until the effort was abandoned.

Shop From Your Home also operated under numerous other names including, Doctors Wellness

Network, Better Health Products, Wealth Through Health Investments and Doctor Golden's Weight Loss Laboratories.

Documents filed by the Attorney General indicate that Shop From Your Home is nothing short of a telemarketing "boiler room" with a sophisticated computer automated dialing system. The Attorney General alleges there is nothing to suggest these operations are being run by a physician or are part of a weight loss laboratory, as is stated in the company's marketing pitch.

"The cooperative effort of the many agencies involved in this case is gratifying," stated Del Papa. "The results obtained by this office could not have been possible without the assistance and cooperation of the Better Business Bureau and the Consumer Affairs Division. And, the warrant could not have been successfully executed without the combined efforts of investigators from numerous departments from within our office, FBI, Postal Inspectors, Metropolitan Police Department, and the Nevada Department of Parole and Probation."

As in all criminal cases, the charges are merely accusations and the defendants are presumed innocent unless and until proven guilty in court.

Individuals who may have been victimized by Shop From Your Home are encouraged to contact the Bureau of Consumer Protection in Las Vegas at (702) 486-3777, or statewide at 1-800-992-0900. Additional consumer protection information is available on the Attorney General's Web site.

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February 9, 2000

CONTACT: John Albrecht

(775) 688-1872

GRANT FUNDS AVAILABLE TO FIGHT YOUTH TOBACCO USE

Carson City---Attorney General Frankie Sue Del Papa announced today that the American Legacy Foundation has up to \$35 million in grant funds available nationally to establish and support statewide youth movements aimed at reducing youth tobacco use.

The three-year grant program, a companion to the national youth-led Truth campaign, is designed to foster statewide movements in which youth will take the responsibility in the fight against tobacco use.

The American Legacy Foundation is offering two types of awards:

* One-time planning grants of \$50,000 to \$75,000 for states that have not completed the Youth Tobacco Survey. Legacy will offer a second application round in 2001 for those states that undertake the Youth Tobacco Survey after the first round deadline.

* Program grants of \$500,000 to \$1,000,000 per year for states that have completed the Youth Tobacco Survey. Program grants may be renewed annually for up to three years.

The grants are only available to the 46 states and six territories that signed the Master Settlement Agreement (MSA) reached with the tobacco manufacturers. The application guidelines are available through The American Legacy Foundation's Web site at www.americanlegacy.org/grants/grant.html.

"Our office looks forward to working closely with the State Superintendent of Public Education and other entities to make sure Nevada receives its share of grant money that can be used to continue our fight to cut the teen smoking rate in our state," Del Papa said.

Mary Peterson, Superintendent of Public Education stated, "I'm very concerned with the recently

reported increase in the use of tobacco by our teenagers. Those funds offer an opportunity to launch programs designed to reduce youth tobacco use."

The American Legacy Foundation was established as a provision of the MSA. The tobacco manufactures must pay \$250 million over ten years to fund the charitable organization that will support the study of programs to reduce teen smoking and substance abuse. The 11-member board of the foundation will carry out a nationwide advertising and education program designed to counter youth tobacco use, and to educate consumers about the cause and prevention of tobacco related diseases.

For more information on how the Attorney General's office is working to curtail teen smoking in Nevada, visit the office's Web site.

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February 9, 2000

CONTACT: Robert Bony

(775) 688-1815

RENO MAN PLEADS GUILTY TO INSURANCE FRAUD

Reno--Attorney General Frankie Sue Del Papa announced that Reggie Harris, age 34, today pleaded guilty before Washoe County District Court Judge Steven Kosach to two counts of Conspiracy to Commit Insurance Fraud.

Harris made material misrepresentations on his application for insurance. He then submitted a claim for damages to his vehicle that existed prior to the inception date of his automobile insurance policy.

Del Papa says, "Insurance fraud is not a victimless crime! Insurance fraud hurts every citizen in the form of increased premiums. The average American household pays an additional \$300 a year to make up for fraud perpetrated on insurance companies."

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.

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FOR IMMEDIATE RELEASE

February 7, 2000

CONTACT: Anne Cathcart

(775) 684-1115

**DEBT COLLECTION MANAGEMENT TRAINING SEMINAR WILL
ASSIST STATE AGENCIES IN RECOVERING MONEY**

The Office of the Attorney General, the Office of the State Controller and the Department of Administration, will be conducting seminars for state agencies, boards and commissions on Debt Collection Management. Invitations to the seminars have been sent to all state clients. The seminars will be held in:

Carson City--Feb 10, 2000, 10:00am to 4:30pm, Legislative Bldg, 401 S. Carson St., Rm1214, 1st Flr

Las Vegas--Feb 18, 2000, 10:00am to 4:30pm, Grant Sawyer Bldg, 555 E. Washington Ave., Rm1412, 1st Flr

"These seminars are the result of cooperative efforts over the past two years to improve state debt collection procedures," Attorney General Frankie Sue Del Papa said.

In November of 1997, the Legislative Auditor reported that the state had accounts receivable exceeding \$450 million, and that an estimated \$50 million of the 1996 fiscal year-end receivable balance, reported by the six agencies that were audited, was not likely to be collected. The auditor noted several problems, including:

- * That agencies needed better fiscal data to effectively manage their debt collection efforts.
- * That there was no centralized system for agencies to share information about debtors.
- * That agencies lacked statutory authority to utilize some debt collection methods.

After receiving the Legislative Auditor's report, the Attorney General's Office, the Office of Administration, the Controller's Office and a variety of state agencies formed the Debt Collection Management Task Force. Its mission was to review the problems with collecting debts owed to the state, with the goal of making recommendations to improve existing systems.

The Task Force met approximately six times. At the conclusion of those meetings, the Attorney General's office prepared proposed legislation for the 1999 Legislature (Senate Bill 500) to better enable state agencies to collect debts. Senate Bill 500 gave state agencies more collection options: liens, small claims actions, collection agencies, and authorized regulations to be added to the State Administrative Manual to provide minimum debt collection standards for state agencies.

During the fall, the Attorney General's staff assisted the Department of Administration in developing the State Administrative Manual (SAM) regulations for state agencies, establishing minimum standards for debt collection. At the same time, the Controller has been developing a policy for handling past due receivables, known as the IFS Advances Receivables system. Both of these are currently in draft form.

"The seminars will have a positive impact in that state employees will have more effective and standardized debt collection methods," Del Papa said. "That, in turn, will result in a better bottom line for the state with more money being collected."

For information on the seminars, contact Special Assistant Attorney General Anne Cathcart at (775) 684-1115.

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February 7, 2000

CONTACT: Kateri Cavin

(775) 684-1218

**ATTORNEYS GENERAL CALL FOR CONSUMER PROTECTION IN
ELECTRONIC COMMERCE**

Carson City---Attorneys General representing 51 states and territories today called on the U.S. Congress to allow states to continue to enforce their consumer protection laws against fraud in electronic commerce.

A joint letter was sent by the attorneys general to all members of the Senate and House of Representatives. A House/Senate conference committee is studying bills passed separately by each house setting standards regarding whether contracts and other legal documents can be in electronic form, rather than on paper. The Attorneys General strongly favor the Senate version (S. 761) over the House version (H.R. 1714).

"Our goal is to protect Nevadans against consumer fraud, regardless of how they purchase a product or where they see an advertisement," Attorney General Frankie Sue Del Papa said. "We salute the Senate for coming up with an approach that attempts to set uniform standards, while preserving our ability to fight consumer fraud. We look forward to working with Congress and our law enforcement partners at the Federal Trade Commission and other federal agencies to ensure fair competition over the Internet."

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February 4, 2000

**CONTACT: Jane Femiano
(702) 486-3789**

**ATTORNEY GENERAL AND POSTAL INSPECTORS WARN
CONSUMERS ABOUT FALSE INHERITANCE CLAIMS**

Las Vegas---The Nevada Attorney General's Bureau of Consumer Protection and the U.S. Postal Inspector's office are warning consumers to be on the alert for letters being mailed to many Nevadans of German ancestry from a person representing himself as Dr. Manuela Schachl. The letter states the recipient has been named as the sole heir in the last will and testament of a "Mrs. Krammer." The letters says as the sole heir, the recipient will inherit \$450,000. But, in order to collect the money, the letter instructs the person to transfer \$540 an address in Linz, Austria.

Anyone who has received a letter from Dr. Manuela Schachl should send the original letter and envelope it came in to the U.S. Postal Inspector. To do so, simply write "Postal Inspector" on the outside of an envelope. No postage is necessary. Your mail carrier will deliver it to the proper agency. If you have received information regarding money owed to you from relatives of the Holocaust:

* **CONTACT THE BETTER BUSINESS BUREAU.** They will be able to check the legitimacy of the company sending you the letter.

* **CONTACT CONSUMER AFFAIRS.** Ask whether they have had any complaints against the company, and what the resolution of any complaints filed was.

* **DON'T SEND MONEY TO PEOPLE YOU DO NOT KNOW.** Don't respond to the letter until you have verified the business is legitimate.

* **CONTACT THE JEWISH FAMILY SERVICE AGENCY.** They can help you look into claims you may have to possessions or money your family or relatives may have lost during the Holocaust. They are located at 3909 South Maryland Parkway, Suite 205, Las Vegas, NV 89119, or can be reached by

telephone at (702) 732-0304.

*** CONTACT THE NEW YORK STATE BANKING DEPARTMENT, HOLOCAUST CLAIMS PROCESSING OFFICE.** They will accept all claims and provide assistance in preparing your claim form. To find out more, visit the office's web site at www.claims.state.ny.us, or phone them at 1-800-695-3318.

Consumer protection information is also available on the Attorney General's Web site.

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February 4, 2000

CONTACT: Marshall Smith

(775) 688-1977

**EXCEL TELECOMMUNICATIONS AGREES TO IMPLEMENT
CHANGES REGARDING OBTAINING LONG DISTANCE
CUSTOMERS**

Attorney General Frankie Sue Del Papa and Excel Telecommunications, Inc. (Excel), announced today that the complaint filed by the Attorney General's Office against Excel Telecommunications, Inc. claiming that Excel unlawfully switched consumer's long distance providers, has been settled. This practice is known as "slamming." Excel, a Texas Corporation, has agreed to institute, by February 14, 2000, a third party verification system which is designed to eliminate unauthorized changes in consumers' long distance provider. Also, as part of a settlement reached with the Attorney General's Office, Excel, which denied the allegations of slamming, will make a voluntary payment of \$75,000.00 to the State of Nevada.

Excel provides a broad range of telecommunications services, including long distance telecommunications. In November 1998, the Attorney General's Office began receiving complaints from consumers that Excel had switched their long distance carrier without authorization by both electronic means and by forgeries of customer authorizations by Excel "independent representatives". Excel disputed these complaints and asserted that many of the transfers were attributable to technical errors by a local exchange carrier, were the unauthorized acts of "independent representatives", and/or did not occur.

In voluntary settlement of the State's action, Excel has agreed that it will:

- * Follow the requirements of Nevada's "anti-slamming" legislation, which came into effect on June 8, 1999;
- * Implement a third-party verification system prior to switching residential customers to its long

distance services;

* Voluntarily pay \$75,000.00 to the State for attorneys fees, investigative costs, for consumer education, litigation or local consumer aid funds, or for public protection or consumer protection purposes.

Del Papa acknowledged Excel's "cooperation in bringing this matter to closure." "Competition among long distance providers for customers is fierce. When consumers are switched from their preferred carrier without their authorization, it injures not only the consumer, but the industry as a whole," Del Papa said. "This was the first civil complaint of its kind brought against a telecommunications provider in Nevada...We want the message to go out that slamming will not be tolerated in the state," added Del Papa. An Excel spokesman responded that, "Excel has long enforced a "zero tolerance" policy against slamming, and our imminent implementation of third party verification in Nevada strengthens that commitment." For more information on the Nevada Bureau of Consumer Protection, visit the Nevada Attorney General's Web site.

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February 4, 2000

CONTACT: Anne Cathcart

(775) 684-1115

**ATTORNEY GENERAL ISSUES SUMMARY ON QUESTIONS MOST
FREQUENTLY ASKED ABOUT NATIONAL TOBACCO
SETTLEMENT**

Carson City---In response to the large volume of inquiries from elected officials and private citizens about the National Tobacco Settlement, Attorney General Frankie Sue Del Papa has compiled a summary that includes the answers to the most frequently asked questions regarding the settlement.

The nine-page summary has been sent to all state of Nevada constitutional officers, all state legislators, and to members of Nevada's Public Health Community.

Included in the summary are the answers to: How does the settlement affect private lawsuits?; What are the terms of the settlement?; How much money will Nevada receive?; How will the tobacco money be spent in Nevada?; and Who administers the money that is spent in Nevada?

Information about the Master Settlement Agreement reached between the tobacco manufacturers and 46 states can be accessed on the Nevada Attorney General's Web site. The text of the settlement agreement can be found on the National Association of Attorneys General Web site at www.naag.org/settle.htm. The text of the two bills that allocate tobacco settlement money in Nevada---Senate Bill 496 and Assembly Bill 474---are available on the Nevada State Legislature's Web site. at www.leg.state.nv.us.

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February 2, 2000

CONTACT: Steve George

(775) 684-1114

**STATE ENGINEER SAYS DOE REQUEST FOR WATER AT YUCCA
MOUNTAIN "THREATENS PUBLIC INTEREST"**

Carson City--Nevada Attorney General Frankie Sue Del Papa says she is very pleased that the State has prevailed in its protest of the Department of Energy's applications for water to construct and operate a high-level nuclear waste repository at Yucca Mountain. Ruling #4848, issued by the State Engineer this morning, determined that DOE's requested use of water "threatens to prove detrimental to the public interest." The State Engineer found that the proposed high-level nuclear waste repository is a unique facility unlike any other, and that the Legislature expressed the strong public opposition to the project when it enacted a law expressly prohibiting the storage of nuclear waste in Nevada.

The DOE had made application to the State Engineer for 430 acre-feet annually of water to construct and operate the nuclear dump at Yucca Mountain. The Nevada Agency for Nuclear Projects, represented by the Nevada Attorney General's office, protested DOE's applications primarily on the grounds that the proposed use clearly threatens the public interest in Nevada. The State's case relied on extensive expert opinion that demonstrated the strength of public opposition to the Yucca Mountain Project based on concerns for public health, safety and the economic well being of the State.

"We are very pleased with this decision and find the State Engineer's ruling to be well-reasoned and supportable under Nevada water law," Del Papa said. "It is critical that the State maintain control over its vital water resources. It is equally important that the State remain unified in its opposition to the Yucca Mountain repository."

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February 2, 2000

**CONTACT: Gregory R. Hojnowski
(702) 486-3783**

**FALSE AUTO THEFT REPORT LEADS TO INSURANCE FRAUD
CONVICTION**

Las Vegas---A North Las Vegas man today pled guilty to Attempting to Make a False Claim For Insurance Benefits. Keith Morris Rollins, age 57, entered his plea this morning before Clark County District Court Judge Joseph T. Bonaventure. Rollins faces up to one year in the county jail and a fine up to \$2,000. He will be formally sentenced by Judge Bonaventure on March 20, 2000.

On March 5, 1998, Rollins reported to the North Las Vegas Police Department that his 1992 Mazda 929 was stolen from his driveway. Rollins later filed a claim with Nationwide Insurance Company, the insurer of the vehicle owned jointly by Rollins and his estranged wife Cate, attempting to collect nearly \$12,000 from the company.

An investigation by Nationwide Senior Special Investigator Raymond Wagner and the Attorney General's Insurance Fraud Unit revealed that the vehicle had actually been taken by Cate Rollins to Arkansas in late December of 1997, when she left her husband following marital discord. The vehicle remained in Arkansas with Cate Rollins while her estranged husband attempted to collect payment for the theft.

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 on the Attorney General's Web site.

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February 2, 2000

CONTACT: Shelly O'Neill

(775) 688-1959

**LETTER TO FEDERAL TRADE COMMISSION THANKING THEM
FOR ITS SCRUTINY OF PROPOSED OIL COMPANY MERGER**

Carson City-Attorney General Frankie Sue Del Papa has sent a letter to the Federal Trade Commission (FTC) concerning the proposed merger of BP Amoco and Arco. The attorneys general from all twelve western states are expressing their appreciation to the FTC for its scrutiny of the proposed merger.

In part, the letter states that for some time, western states have been experiencing high retail gasoline prices due to a lack of competition and limited sources of supply. There are currently six oil companies in California that account for 90% of the refinery capacity. Nevada gets virtually all of its gasoline from California refineries.

"The combining of these refineries could lead to higher gasoline prices being paid at the pump by Nevada consumers," Del Papa said. "Our concern is whether the proposed merger would mean reduced output, setting up a scenario where gas prices might rise due to less competition and supply."

The FTC is meeting in Washington, D.C. today on the proposed merger of BP Amoco and ARCO.

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February 1, 2000

CONTACT: Ronda Clifton

(775) 688-1835

RENO MAN SENTENCED FOR INSURANCE FRAUD

Reno---Attorney General Frankie Sue Del Papa announced that Flavio Miranda, age 27, of Reno, today was sentenced by Washoe County District Court Judge Steven Elliott to nine months in jail and a fine of \$1,000 for Conspiracy to Commit Insurance Fraud. Judge Elliott suspended the sentence, placing Miranda on probation.

Miranda had conspired with another driver to stage an automobile accident, reporting the incident to Farmers Insurance Group.

"Insurance fraud is not a victimless crime, it costs every citizen in the form of increased premiums," Del Papa said. "The average American household pays an additional \$300 a year to make up for fraud perpetrated on insurance companies. Staged accidents are one of the most popular ways of defrauding insurance companies."

The Attorney General's Insurance Fraud Unit worked with the National Insurance Crime Bureau to solve this case.

Insurance fraud is a felony in the State of Nevada. People who file bogus insurance claims face being imprisoned for up to four years, paying restitution to their insurance company, and a fine of up to \$5,000.

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 Web site.

**STATE OF NEVADA
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FOR IMMEDIATE RELEASE

March 28, 2000

CONTACT: Steve George

(775) 684-1114

**CHIEF DEPUTY ATTORNEY GENERAL REPRESENTS NEVADA IN
RARE SECOND HEARING BEFORE U.S. SUPREME COURT**

Carson City--For the second time in a single term, the United States Supreme Court will hear oral argument in a case arising in Nevada, *Slack v. McDaniel*. On Wednesday, March 29, Chief Deputy Attorney General David Sarnowski will appear before the Court to argue a supplemental issue raised in an amicus ("friend of the court") brief filed by the State of California. Sarnowski's previous appearance in this case occurred on October 4, 1999.

The supplemental issue being considered by the Court on March 29 is whether provisions of the Antiterrorism and Effective Death Penalty Act ("AEDPA") apply to this case. Nevada asserts that although Slack's federal habeas petition was filed before AEDPA became effective, the only claims now under consideration by the U.S. Supreme Court were first raised by Slack in December 1997, one year and eight months after AEDPA went into effect. Sarnowski will also argue that the legislative history behind AEDPA supports a decision by the Court that AEDPA should apply based on the date that individual claims are first raised by the petitioner.

Finally, Sarnowski will argue that Slack cannot appeal the federal court's dismissal of five of his claims as abusive, because he cannot meet the standard required under AEDPA for obtaining a certificate of probable cause. The current AEDPA standard requires the petitioner to make a substantial showing that he has been denied a constitutional right before he can appeal to the U.S. Supreme Court. Previously, the petitioner only needed to make a showing he had been denied a federal right. According to the brief filed by the Nevada Attorney General's Office, procedural issues that could previously be appealed are no longer permitted by AEDPA, and therefore Slack is not entitled to a certificate of appealability.

Slack petitioned to have the U.S. Supreme Court hear his case following dismissal by the 9th U.S. Circuit Court of Appeals of his appeal from his conviction. In 1990, Slack was convicted of second-

degree murder with the use of a deadly weapon, and received two consecutive sentences of five years to life imprisonment in 1990 for the killing of 12-year-old Alanna Holms. Slack admitted he killed the girl, but maintained it was accidental.

In 1991, the Nevada Supreme Court affirmed Slack's conviction on a direct appeal. He then proceeded to federal court. However, Slack asked the federal court to postpone deciding his federal case while he went back to state court to raise issues he had not previously raised in state court. After Slack lost his state appeals, he returned to federal court in 1995 with the assistance of an appointed federal public defender. He raised the same issues that he raised in state court, but ultimately the federal district court ruled against him. The Ninth Circuit upheld the district court's decision.

"Every time an inmate challenges his conviction, the impact on our system is considerable," Del Papa said. "It takes a great deal of effort on the part of the state to respond to each federal petition that is filed. It is wasteful of the state's resources to allow prisoners to repeatedly file petitions that are not resolved expeditiously. The more this difficult process can be clarified and expedited, the more likely that justice will be served"

There are currently 86 people on death row in Nevada.

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

March 28, 2000

CONTACT: Steve George

(775) 684-1114

**FORMER PUC COMMISSIONER HIRED AS NEW STATE
CONSUMER ADVOCATE**

Carson City-Attorney General Frankie Sue Del Papa is pleased to announce that former Public Utilities Commission (PUC) Commissioner and former general counsel to the Public Service Commission Timothy Hay has been appointed as state consumer advocate and Chief Deputy Attorney General of the Bureau of Consumer Protection. Effective April 10, 2000, Hay will replace Fred Schmidt, who recently accepted a position in private practice.

"The State of Nevada is very fortunate indeed to be able to hire someone of Tim Hay's experience and knowledge to fill the very large shoes left by Fred Schmidt," Del Papa said. "Tim's background of working directly with the Public Utilities Commission and utilities gives him an incredible insight into the relationships those groups must have in making sure all Nevadans receive quality services at reasonable costs. His additional experience in many other facets of government is a bonus."

"I am excited about continuing the exemplary work of the consumer advocate's office," Hay said. "During this time of transition to competitive markets, protecting Nevada's consumers will remain essential in ensuring that the benefits of competition reach Nevada's residential customers and small commercial customers as well."

Hay recently was the principal consultant for Navigant Consulting, Inc., a global management firm specializing in utility restructuring issues, including asset divestiture and valuation, transmission system planning, and state and federal regulatory matters.

As a PUC Commissioner, he presided over a variety of telecommunications proceedings, including those pursuant to the Telecommunications Act of 1996. Hay also presided over energy and environmental proceedings for the siting of energy transmission and generation facilities, as well as investigations into

Nevada utilities' Y2K readiness.

During the last year of Governor Richard Bryan's administration, Hay was State of Nevada Budget Director. In that role, he was responsible for the administration of a more than three billion dollar biennial state budget.

Hay also served as U.S. Senator Richard Bryan's Legislative Counsel from 1989 to 1994, after previously serving as then-Governor Bryan's Executive Assistant and Legal Counsel from 1983 to 1987.

Hay started his legal career in 1979 as a Nevada Deputy Attorney General, Department of Transportation. He later became a Deputy Attorney General in the Taxation Division, before becoming the Chief Deputy Attorney General of that Division from 1980 to 1983.

Hay graduated from the University of Nevada, Reno in 1976. He received his law degree from the University of San Diego School of Law in 1979.

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**FOURTH ANNUAL ELDER ABUSE PREVENTION COUNCIL
MEETING WILL TAKE PLACE ON MARCH 29th**

Las Vegas--The Fourth Annual statewide meeting of the Nevada Elder Abuse Prevention Council (NEAPC) will take place on Wednesday, March 29, 2000, from 1:30 to 3:30 pm, in Room 4412 of the Grant Sawyer Building, located at 555 East Washington Avenue, in Las Vegas. The meeting will be video-conferenced to members of the Council gathered in the Legislative Counsel Bureau, Room 3138, located at 401 South Carson Street, in Carson City. The NEAPC is co-sponsored by Attorney General Frankie Sue Del Papa and Betsy Kolkoski from the State Division for Aging Services.

Prior to the meeting, news conferences will take place in Reno and Las Vegas at which time a new public outreach program on the issue of Elder Abuse Prevention and a revised guardianship initiative will be introduced. Additionally, a resolution, that will later be presented by Del Papa to the National Association of Attorneys General, asking the U.S. Congress to designate March as National Elder Abuse Awareness and Prevention Month, will be unveiled. Several recipients will also be honored with a Special Recognition Award from the NEAPC.

THE SCHEDULE FOR THE LAS VEGAS NEW CONFERENCES IS AS FOLLOWS:

In Las Vegas: Grant Sawyer Building
555 E. Washington Ave.
Room 4412
1:15 PM

SOME PAST NEAPC ACCOMPLISHMENTS

* In conjunction with the State Board of Nursing, a statewide training program for Certified Nursing

Assistants (CNA's) was implemented in 1999. Information about their mandatory duty to report elder abuse was distributed to every CNA in Nevada. The program also included statewide training seminars for CNA's.

- * In partnership with the Peace Officer Standards and Training Bureau (P.O.S.T.), NEAPC has continued an educational campaign that includes two elder abuse prevention-training videos for law enforcement, a training manual for each law enforcement agency, and a reference card for each Nevada peace officer that outlines how to help in elder abuse cases.

- * Developed and began the implementation of an elder abuse training program for law enforcement and prosecutors that included an elder abuse, neglect, exploitation and isolation protocol to assist law enforcement officers and prosecutors in investigating and prosecuting elder abuse.

- * Recommended legislation to prevent elder abuse. Supported the enactment and enforcement of several laws that now provide senior citizens with greater protections:

- * Made isolation of an elderly person a criminal offense.

- * Created civil penalties for elder abuse.

- * Made fingerprinting and background checks for caregivers mandatory in the state of Nevada.

- * Added morticians as mandatory reporters of elder abuse.

- * Have worked on the federal level to enact legislation that would provide greater flexibility for the Attorney General's Medicaid Fraud Control Unit to better combat elder abuse at the state level.

- * Helped distribute some 1200 copies of the video "Rx for Abuse" statewide to medical professionals and others who are mandated by law to report elder abuse.

- * Created and produced Elder Abuse Quarterly, which is distributed by Senior Spectrum newspapers.

- * Created a "Guide for Mandated Reporters of Elder Abuse."

- * NEAPC members presented elder abuse issues in every county through various radio programs and presentations.

For more information on the NEAPC, contact Betsy Kolkoski at (702) 486-3577. Elder abuse prevention information can be found on the Nevada Attorney General's Web site.

**STATE OF NEVADA
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Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

March 23, 2000

CONTACT: Jane Femiano

(702) 486-3789

**LAW ENFORCEMENT AGENCIES SURF THE INTERNET LOOKING
FOR FRAUDULENT "GET RICH QUICK" SCHEMES**

Carson City---Attorney General Frankie Sue Del has joined with 143 organizations in 27 countries in the largest ever, international law enforcement project to fight fraud on the Internet. Project "GetRichQuick.Con" partners include the Federal Trade Commission (FTC), 33 attorneys general, 49 state and local consumer protection agencies, and 39 Better Business Bureaus.

The project was announced this morning at a news conference in Washington, D.C. at the headquarters of the FTC. The week of February 28, 2000, the partners in project GetRichQuick.Con" surfed the Internet looking for, among other things, bogus work-at-home offers, business opportunity scams, pyramid schemes, illegal lotteries, and other sites offering easy riches.

"Internet con artists are bad actors without borders," said Jodie Bernstein, Director of the Federal Trade Commission's Bureau of Consumer Protection. "We want them to know that the borderless Internet marketplace is not a fraud-fighter free zone. Together with our partners, we are putting get-rich schemes on notice that we're monitoring the Web and that we intend to take law enforcement action against those that continue to make fraudulent or deceptive claims."

Upon finding a suspicious promotion, a surf participant located anywhere in the World submitted the information on a suspected fraudulent site directly into a database administered by the FTC in Washington, D.C. E-mails were sent to the targeted sites warning them to change their business tactics or face prosecution.

The Nevada Attorney General's Bureau of Consumer Protection Unit in Las Vegas discovered several, possibly fraudulent schemes while surfing the Web, forwarding that information to the FTC.

Law enforcement agencies will continue to monitor the alleged fraudulent sites to see if they have changed their claims, in response to the e-mail warnings. If a site does not comply, law enforcement agencies will undertake a coordinated effort to shut down that site.

A list of surfing partners and copies of the consumer and business education materials associated with project "GetRichQuick.Con" are available on the FTC's Web site at www.ftc.gov.

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Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

March 23, 2000

CONTACT: Dave Neidert

(775) 684-1271

DECISION REACHED ON UNR POLICE CHIEF

Carson City-After a careful review of the reports submitted by investigators, the Nevada Attorney General's Office today found that the case against University of Nevada, Reno Police Chief Mike Meese does not merit prosecution. Deputy Attorney General Dave Neidert found that it would not be possible to prove beyond a reasonable doubt what actually occurred between Meese and ticket-taker Colleen Barnett.

While it is the custom and practice for the University Police Department to enter the Lawlor Events Center during special events and athletic contests, it is undisputed that Meese was not in uniform on the night of the Elton John Concert.

Meese apparently showed Barnett his photo identification and walked past her despite her request that he wait in the lobby area until things could be straightened out. Meese demanded that Barnett provide identification to him and kept the identification as he entered the Lawlor Events Center.

Barnett evidently did not see Rich Denoo, Lawlor Events Center Facilities Manager, motion Meese into his office. As a result, Barnett followed Meese, believing he was trying to enter the concert without authorization. It appears she grabbed Meese's arm to stop him. He told her not to touch him.

However, there is a major factual dispute as to whether or not Meese "pushed" past Barnett to gain access to Lawlor Events Center. Barnett claims that Meese pushed past her, making contact with her shoulder upon which she had recently had surgery. Meese denies any contact.

Because of this conflicting evidence, and because there are no witnesses who can verify either version of events, the attorney general's office found that it would be impossible to prove Meese's guilt beyond a reasonable doubt.

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March 23, 2000

**CONTACT: Dianna Hegeduis
(702) 486-3100**

**COURT DENIES REQUEST BY SPAGHETTI BOWL CONTRACTOR
FOR AN INJUNCTION AGAINST THE STATE**

Las Vegas-U.S. District Court Judge Philip M. Pro has denied the request filed by Meadow Valley Contractors and Walters & SCI Construction for an injunction staying the administrative hearing scheduled before the State Labor Commissioner. Judge Pro also dismissed the contractor's lawsuit against the state.

Nevada's prevailing wage statutes require contractors to pay the annually determined prevailing wage to all workers on public works projects in exchange for being awarded a lucrative construction project. Meadow Valley and Walters/SCI contend prevailing wages were not required for workers at its precast yard, located on Buffalo Road, as the precast bridge segments were being constructed there rather than at the site of the actual project. The contractors further said that the Labor Commissioner's office had violated the contractors' various constitutional rights by requiring the companies to pay prevailing wages to the precast yard workers.

The decision bolsters the legislative intent behind Nevada's prevailing wage statutes. That intent is to assure a decent wage for local residents in exchange for out-of-state contractors receiving lucrative awards of construction public works projects, such as the Spaghetti Bowl, for which local residents' tax dollars are being used.

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March 20, 2000

**CONTACT: Gregory R. Hojnowski
(775) 486-3783**

LAS VEGAS MAN SENTENCED FOR INSURANCE FRAUD

Las Vegas---Clark County District Court Judge Joseph T. Bonaventure today sentenced Keith Morris Rollins, age 57, of North Las Vegas, to time served for Attempting to Make a False Claim for Insurance Benefits. He was further ordered to \$750 in restitution to Nationwide Insurance Company. Rollins, who pleaded guilty, had faced up to one year in jail and a fine of up to \$2,000.

In March 1998, Rollins reported to the North Las Vegas Police Department and Nationwide Insurance Company that his 1992 Mazda had been stolen from his driveway. Rollins and his wife jointly owned the vehicle. An investigation conducted by Nationwide, the National Insurance Crime Bureau, and the Insurance Fraud Unit of the Office of the Attorney General, revealed that the vehicle had, in fact, been taken to Arkansas in December 1997 by Rollin's wife following his arrest on domestic violence charges. The wife and the vehicle remained in Arkansas during the time that Rollins attempted to collect \$12,000 from the Nationwide Insurance Company.

"The crime of insurance fraud is complete once someone makes a false statement to the insurance company," Del Papa said. "Under Nevada's criminal statutes, the fact that the deceit is discovered before the insured gets paid is irrelevant."

If you have knowledge that someone may have committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to help combat insurance fraud can be found on the Attorney General's Web site.

**STATE OF NEVADA
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Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

March 20, 2000

CONTACT: Stephanie Parker

(775) 486-3326

NEW CRIME PREVENTION COORDINATOR NAMED

Las Vegas---Attorney General Frankie Sue Del Papa today announced the appointment of Stephanie Parker as the new Crime Prevention Coordinator in the Missing Children Clearinghouse and Crime Prevention Unit. She replaces Jo Anne Embry, who is now the Senior Nevada Advocates on Guard-"SNAG"-project director.

The Crime Prevention Coordinator is responsible for creating programs designed to educate the public on many issues that fall under the umbrella of crime prevention, including safety and missing and exploited children. Parker will partner with various entities: National Center for Missing and Exploited Children, schools, non-profit organizations, and law enforcement agencies to get the information into the hands of citizens.

Parker has been working as a legal researcher in the Las Vegas office of the attorney general.

"I am excited to work under the direction of Attorney General Del Papa because she has such a commitment to children's issues," stated Parker.

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FOR IMMEDIATE RELEASE

March 20, 2000

CONTACT: Steve George

(775) 684-1114

**DEL PAPA ATTENDS NATIONAL ASSOCIATION OF ATTORNEYS
GENERAL SPRING MEETING**

Carson City---Attorney General Frankie Sue Del Papa will be in Washington, D.C. the week of March 20-24 to attend the spring meeting of the National Association of Attorneys General.

During the meeting, Del Papa will present two resolutions: one supporting voluntary measures by the entertainment media to reduce the presentation, advertisement and marketing of products featuring or displaying acts of violence; and one supporting voluntary measures by businesses, which sell or rent video and DVD movies, to reduce exposure of children to violent and sexually explicit materials.

The resolutions are a follow-up to the attorney general's support for People Against Violent Entertainment Media---"PAVEM"---, a Reno-based organization that is working with video and music store owners to try to reduce the amount of violence that children are exposed to through advertising and marketing.

The attorneys general from all 50 states will be hearing from several speakers on a variety of topics during the week:

* The Presidential Campaign: Impact on the Justice System, presented by James Carville and Mary Matalin.

* Internet and Society, presented by Jonathan Zittrain, Executive Director of the Berkman Center at Harvard Law School.

* Federal Trade Commission Chairman Robert Pitofski.

* The American Legacy Foundation will update the attorneys general on the battle against teen smoking in America.

* Children's Issues and Violence Against Women Focus: a discussion on the legislative and legal issues related to children who witness violence and what attorneys general can do to address the issue.

For more information, please contact Steve George at (775) 684-1114.

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March 17, 2000

CONTACT: Steve George

(775) 684-1114

**ATTORNEY GENERAL WARNS OF SCAM SWEEPING ACROSS
NEVADA**

Attorney General Frankie Sue Del Papa is warning Nevadans to be on the alert concerning an age-old, worldwide scam involving a group referring to themselves as representing the Nigerian Federal Ministry of Finance, Foreign Contract Department. A Las Vegas man recently was fleeced out of \$15,000 after falling prey to this scam.

A message sent via fax machine or letter to scores of people around the world states that the group is secretly contacting you about a large sum of money (\$96,000,000) that you can lay a 30% claim to, if you send the group your bank and residential information. In fact, what happens is that victims who fall prey to this "get rich quick" scam have their bank accounts wiped out.

Although it is illegal in Nevada (NRS 207.325) to make or cause to be made an unsolicited electronic or telephone transmission to a fax machine to solicit a person to purchase real property, goods or services, it is almost impossible to stop this type of activity.

"Unfortunately, Nigerian government officials have not been cooperative with law enforcement agencies throughout the world in putting a stop to this illegal scam," Del Papa said. "Nevadans should beware of this decades-old scam, as they should any so-called deal that sounds too good to be true."

Key signals to look for when confronted by an offer such as this are:

- * A stranger contacts you via mail, telephone, fax or email offering to share a large amount of money with you.
- * The stranger is usually someone from out of state or out of the country.

- * The stranger tells you that little or no effort is required on your part to collect the money.
- * The stranger tells you that you must first send him money before you can collect.
- * The stranger tells you that secrecy is important.

Complaints regarding this scam should be directed to:

U.S. Secret Service Office
600 South Las Vegas Blvd.
Las Vegas, NV 89101
(702) 388-6571

If you believe someone may be perpetrating consumer fraud in Nevada, call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3420; in Reno at (775) 688-1818; or in Carson City at (775) 687-6300. Consumer protection information and complaint forms can be found on the Attorney General's Web site.

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March 16, 2000

CONTACT: Steve George

(775) 684-1114

NEVADA WOMEN'S ROLE MODEL AWARD PRESENTATION

--SOUTH--

Las Vegas---Attorney General Frankie Sue Del Papa will recognize the Nevada Women's Role Model Award recipients from southern Nevada during the Women's Summit 2000 on:

SATURDAY, MARCH 18

4:30-5:00 pm

Riviera Hotel Convention Center, Press Room (Sky Box 206)

2901 Las Vegas Blvd.

Las Vegas

The Women's Role Model Awards serve to recognize some of Nevada's outstanding women, their achievements, and their impact on society.

"These women are being recognized for making a difference in their community. They were selected from among a very distinguished group of women nominated for a Women's Role Model Award by their peers," Del Papa said.

Members of the public are invited to attend the awards presentation.

The Women's Summit 2000: Voices for Solutions, sponsored by the Nevada Women's Lobby, will be attended by thousands of women. With more than 75 co-sponsors, the event will focus on four primary principles: Economic Security and Opportunity; Entrepreneurship; Health and Safety; and Family and Work. Speakers at the event will include: Lieutenant Governor Lorraine Hunt, U.S. Senator Richard Bryan, and U.S. Senator Harry Reid. For more information about the Women's Summit 2000, please

contact Peg Crandall at (702) 454-9697.

The five 2000 honorees from southern Nevada are: Jan Biggerstaff, owner/operator of Graphics 2000; Mary Ann Dutchover, cancer patient advocate; Rose Mary Jacobson, Henderson Salvation Army; Margaret "Peggy" Leavitt, Manager of Child Haven; and J. Shannon Swann, Environmental Health Specialist at Lake Mead Recreation Area.

Jan Biggerstaff

Our first recipient used to be a real "swinger." Jan Biggerstaff, the owner and operator of Graphics 2000, started out as a trapeze artist. She performed in the circus with her then-husband and two boys, Toby and Tim. Those days, Jan flew through the air with the greatest of ease. Nowadays, she may be flying without a safety net with all the various activities she is involved in. When she remarried in 1980, Jan left the circus to start her own business with her husband, Bill. Now, running a business can keep a normal person pretty busy, but, as you might expect from someone who flew in the air hundreds of feet above the floor, not for Jan. She has been a dedicated member of CASA-Court Appointed Special Advocates---for many years. CASA represents the needs of children in the court system. Jan has used every means to make certain that the children she represents are treated justly. Jan is a member of the State Board of Education, where she promotes issues of gender equity and fairness, while looking for solutions to problems such as teen pregnancy and teen violence. She also helps organize and promote the Adoption Fair in Southern Nevada; was an organizing member of the Nevada Women's Lobby; the Women's Political Caucus; and the League of Women Voters. Her nominators, the Nevada Women's Lobby Steering Committee, says, "Jan uses her personal skills and business resources to improve the status of women and children, and to strengthen the public education system."

Mary Ann Dutchover

In spite, or because, of her personal battle with breast cancer, of which she is a ten-year survivor, Mary Ann Dutchover is committed to helping others through this difficult disease. Rather than focus on her disease, Mary Ann chooses to be positive and upbeat. Although she has lost one sister to cancer, and has another now battling the disease, Mary Ann finds room in her heart on a daily basis to comfort and encourage others with cancer. She is on-call one day each week for Reach to Recovery, an organization that helps and counsels families dealing with cancer. She is also involved with the Mastectomy Association Support Group, willingly showing others the results of her own mastectomy surgery to help quell their fears. The Susan G. Koman Foundation has found Mary Ann's aid invaluable. She has assisted the organization with its work at Lake Mead Hospital and Nellis Air Force Base. She also helps cancer patients and their families receiving treatment at U-M-C: sometimes through providing comfort and encouragement; sometimes through praying with patients, families and nurses alike. On top of all this, Mary Ann finds time to spend one day a week to help clients of the Blind Center with their ceramics projects. And finally, Mary Ann is an advocate for Hispanics and the elderly during North Las Vegas City Council meetings. Evie Kinney and Linda Hinson say they nominated Mary Ann because of, "Her generosity and compassion of heart, her positive attitude, and her commitment to helping whenever

she finds someone in need."

Rose Mary Jacobson

Rose Mary Jacobson is involved in a host of organizations that better her community. She is president of the Henderson Civitan Club, a group whose primary goal is to promote citizenship and community responsibility. She serves on both the Day Care Council, and the Henderson Salvation Army's Board of Directors. In that role, Rose Mary works closely and lovingly with the Salvation Army Star Program, a program that benefits adults with disabilities. Rose Mary also belongs to the auxiliary for Regina Hall---a program for young women from dysfunctional families---and adds her assistance to the efforts of Marian House for the homeless. She not only takes on numerous assignments for the charities she assists, she becomes actively involved with her hands and her skills, helping with both short and long term planning, and by getting on the phone and enlisting other volunteers. Rose Mary started off her professional life in the field of electronics, at a time when there were very few women taking up that field as a career. During her years with several consumer electronics companies, she played an active role in helping to open the door for many other women to enter the electronics field. In nominating Rose Mary,

the staff at the Salvation Army Star Program said, "She is always pleasant, always focused on the immediate, and always willing to share her expertise. Rose Mary is a pleasure to be around and is an excellent role model for staff, clients, and other volunteers. Any young woman following her lead would have to make the world better."

Margaret "Peggy" Leavitt

Margaret "Peggy" Leavitt has devoted her life to helping the less fortunate. She is a true "Child Advocate," having dedicated herself to improving the system for abused and neglected children. Since 1996, Peggy has been the Manager of Child Haven, the Clark County shelter for abused and neglected children. Previously, she was superintendent of Southern Nevada Children's Home in Boulder City for 13 years. She began her career of helping children as a social worker for the Department of Child and Family Services. Peggy is an excellent Administrator who leads by example, and is always available to counsel her staff, or listen to a child's story. The children at Child Haven, who call her "Miss Peggy," are always eager to see her when she makes her daily tours of the campus. Peggy is a tireless promoter of Child Haven. Despite not having a professional fund-raising background, she has been able to raise more than one million dollars for the campus through donations and grants. One of the reasons the kids enjoy Miss Peggy so much is her willingness to poke fun at herself. As an example, she recently---quite convincingly I'm told---appeared in a staff skit dressed as Cruella De Ville from the movie "101 Dalmatians." Peggy has also been involved with several civic groups including, "Carousel of Love," and Marian House for the homeless. The staff at Child Haven says of Peggy, "She is an outstanding individual who lives her life as a role model for staff who work with her, and for the children who are unfortunate enough to be brought into the child welfare system."

J. Shannon Swann

Our last recipient is someone who is renowned for "cleaning up her act!" She's someone who can really "trash talk." J. Shannon Swann is an Environmental Health Specialist at Lake Mead Recreation Area. She is in charge of the administration and oversight of all recycling facilities and rehabilitation projects for solid waste management in the park. She has worked for the National Park Service for 25 years. In that time, Shannon has received several awards for her efforts, including six National Park Service Special Achievements Awards. This year, the U.S. Congress of Mayors bestowed Shannon with the "Recycling at Work, Closed Loop Award,"; she received recognition from Vice President Al Gore's National Recycling Challenge; and Shannon received the Glad Bag-A-Thon "Keep America Beautiful Award." Thanks to her outstanding recycling efforts, last year alone, more than 481 tons of plastic, paper and metal were recycled at the lake. That recycling generated more than \$500 per month for use at the park. And have you ever wondered what happens to the excess fish parts left after fishermen clean their catch? Well, thanks to Shannon, more than 250 tons of fish parts were collected at the lake last year and were used to create compost. Away from her work duties, Shannon volunteers at Opportunity Village, working with physically and mentally challenged young adults. And lastly, during the 50th anniversary of Hoover Dam, Shannon was named "Ms. Boulder City Damboree." Her nominator, James Ryan, sums it up very succinctly, "Shannon is the most unforgettable character I have ever encountered."

For more information on the Women's Role Model Awards, please call Steve George at (775) 684-1114.

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FOR IMMEDIATE RELEASE

March 16, 2000

CONTACT: Steve George

(775) 684-1114

NEVADA WOMEN'S ROLE MODEL AWARD PRESENTATION

--NORTH--

Carson City---Attorney General Frankie Sue Del Papa will recognize the Nevada Women's Role Model Award recipients from northern Nevada on:

THURSDAY, MARCH 16

11:30 am

Girl Scout Headquarters

605 Washington Street

Reno

The Women's Role Model Awards serve to recognize some of Nevada's outstanding women, their achievements, and their impact on society.

"These women are being recognized for making a difference in their community. They were selected from among a very distinguished group of women nominated for a Women's Role Model Award by their peers," Del Papa said.

Members of the public are invited to attend the awards presentation.

The six 2000 honorees from northern Nevada are: Nancy Cope, former news director at KTVN Channel-2; Ronna Hubbard, an Emergency Medical Technician (Lake Topaz); Assemblywoman Sheila Leslie; Suzanne Stockdale, owner and operator of Creative Advertising and Marketing (Minden); Lourinda Wines, Ruby Valley rancher; and Assemblywoman Jan Evans.

Nancy Cope

Nancy Cope has been the News Director at KTVN, Channel-2 for six and a half years. In that role, she has been instrumental in assisting many young women to fulfill their dreams of being a part of the broadcast journalism profession. In fact, many of Nancy's protégés have moved on to larger markets, while some, such as news anchor Wendy Wyness and assignment editor Echo Rebideaux, are great examples of young women who joined the Channel-2 newsroom as interns and, with Nancy's guidance, have climbed the ladder of success. But Nancy's leadership in the newsroom is somewhat overshadowed by her desire to create and encourage programs that have helped our community. She was instrumental in the organization of the "Time to Act" community meetings, aimed at bringing kids, educators, parents, and law enforcement agencies together to discuss how to curtail violence in our schools. Nancy has also been a major force behind the "Share Your Holiday Food Drive," which has helped collect tons of food for the Food Bank of Northern Nevada. Another project of Nancy's is the annual "Spirit of Christmas," in which children create Christmas cards that are then sold to benefit the Pediatrics program at St. Mary's Hospital. Nominators, Bob Harmon and Cherie Jamason say, "Nancy has used her position as a local news director to benefit the northern Nevada community and individuals in ways that go well above and beyond her job description."

Ronna (Ron-ah) Hubbard

Our next recipient has the distinction of being the first female Emergency Medical Technician with the Topaz Ranch Volunteer Fire Department. Captain Ronna Hubbard is the coordinator of the Sierra Front Wildlife Cooperators, a volunteer and career fire and E-M-S Service. When Ronna sought to become an E-M-T, she was a pioneer, as very few women were accepted in this field. But through her physical and mental strengths, she was able to overcome many obstacles, including that women were not considered strong enough to handle the grueling duties performed by an E-M-T. In fact, Ronna was so determined and good at her job that she was elected to the Board of Directors of the Nevada State Firefighters Association in 1990, and in 1996, she was elected president of the organization, therefore becoming the first woman to garner that distinction. She has worked statewide with career and volunteer fire departments on developing and coordinating legislation to address challenges to providing better and more efficient care to those in need of emergency assistance. In that role, Ronna has testified before Senate and Assembly committees dealing with issues related to public safety in our state. Her nominator, East Fork Fire District Captain Terry Taylor, says of Ronna, "As a direct result of her skills, the residents and visitors to the Topaz Lake area receive a higher level of emergency medical care. There are people alive today because of her extra effort."

Sheila Leslie

Sheila Leslie has served as Grants Administrator for Washoe County since August of 1999. She has also served the state in her role as an assemblywoman for District 27 for the past two years. Previously, Sheila was the executive director of Children's Cabinet for seven years. She has also served as a Girl Scout Leader and member of the group's Board of Directors, is a member of the Gang Alternatives

Partnership Advisory Board, and is a member of the Truckee Meadows Human Services Association. During Sheila's first term as an assemblywoman, the Las Vegas Review-Journal voted her as one of the "Best Freshman Legislators." I can tell you from my own personal experience of working with Sheila that she is an extremely effective and respected legislator who has given extraordinary amounts of energy and enthusiasm to bettering the lives of Nevadans. Sheila is a strong advocate for women and families. She is a leader capable of seeing past party lines to bring groups together in support of important issues and causes. Her nominator, Senator Randolph Townsend, says of Sheila, "Nevada is very fortunate to have devoted citizens such as Leslie. She is proof that hard work and dedication can result in paybacks to the community. I am honored to have Sheila Leslie as my friend and colleague."

Suzanne Stockdale

As the owner of Creative Advertising and Marketing in Minden, Suzanne Stockdale has hired countless high school students, nurtured them with confidence and with skill, thereby giving them the tools to succeed: whether it be in the business field or in college. The example she demonstrates through her work ethic, education, and pursuit of new goals is contagious. The young people who work for her cannot help but gain from the experience of working with her. But Suzy is much more than a good role model at work. She is involved in a wide-variety of groups and organizations in the Minden/Gardnerville area. Through the assistance of the Frances C. and William P. Smallwood Foundation, Suzy has been able to deliver hundreds of thousands of dollars to several local programs including: a 24-hour domestic violence and sexual assault program crisis line; a Parents and Children Together program at the Family Support Council; a proposed domestic violence women's shelter in Douglas County; and scholarships to local college-bound high school students. Suzi also finds time to chair the East Fork Swimming Pool District Board of Trustees, chair the Tourism Committee of the Carson Valley Chamber of Commerce and Visitors Authority, and is on the Standing Committee on Judicial Ethics and Election Practices for the State of Nevada. Nominators William Hamilton and Ame Hellman say of Suzi, "To speak of someone whose record of community service may exceed her accomplishments as a successful businesswoman is to speak of Suzanne Stockdale."

Lourinda Wines

Our next recipient is a woman who has seen a lot of history in our state. She has experienced the hardships of life on the range. And speaking of ranges, when she was a young married woman living in Elko, she didn't have one. Instead, Lourinda Wines had to cook on a woodburning stove. She also grew most of her own food, had to carry water into the house, made soap, and washed her family's clothes in a creek. Lourinda, who turned 99 on March 10th, was born in Gardnerville in 1901. She moved to Ruby Valley in 1922 to teach in a one-room schoolhouse. She ended up falling in love with James Wines, whose family was involved in ranching. When her husband died in 1959, Lourinda took on the duty of running the ranch. Later, she became a charter member of the American National CowBelle's Association, and founded the Elko County and Nevada state chapters. Now known as the American CowBelle Association, the organization helps spread information about the cattle industry while promoting the sale of domestic beef. In 1989, Lourinda was named Outstanding Cattlewoman of the Year at the National Convention. Besides looking after cattle, Lourinda has also helped many human

critters, young and old, in the Elko area. She served as a Cub Scout den mother and as a Girl Scout Council member, along with playing a prominent role in the Ruby Valley Friendship Club, American Association of University Women, Northeastern Nevada Historical Society, and the Hospital Auxiliary. Five years ago, Lourinda was recognized by the state legislature for "all she has done for Nevada." But most importantly to Lourinda, it was her great-grandchildren, Ira and Taylor, who nominated their Grandma Lou for this award.

Jan Evans

And finally, it is my great pleasure to bestow upon our next recipient a special recognition award for all she has done for the citizens of Nevada. Assemblywoman Jan Evans has served in the Nevada Legislature for 14 years, including two terms as Speaker Pro Tempore. During that span, she has worked on numerous committees: Ways and Means, Occupational Education, Mental Hygiene and Retardation, Juvenile Justice, Interim Finance, and Budget Review, to name but a few. Her accomplishments as a legislator are legendary. Jan has always been the champion of the underdog, providing a voice for those who often have none: children, abused women, AIDS patients, and the mentally ill. She has always believed in helping others by serving as a mentor, fund-raising counselor, and as a political advisor. In an editorial on Jan's career in the legislature, the Reno Gazette-Journal wrote, quote, "What do you want in a legislator? Penetrating mind? Immense compassion for ordinary people? Intimate knowledge of budgets? The toughness to stand firm for the right thing, and the people skills to negotiate through the political labyrinth? All of these combined in Assemblywoman Jan Evans to make her one of the best legislators of her generation." End quote. Jan has always been one tough cookie when it comes to spending taxpayer dollars. But one thing she never forgot was that the purpose of spending that money was to help the citizens of Nevada. Kathleen Conaboy and her staff were joined by Joni Kaiser, director of the Committee to Aid Abused Women, in nominating Jan for a Women's Role Model Award.

For more information on the Women's Role Model Awards, please call Steve George at (775) 684-1114.

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

March 15, 2000

CONTACT: Matthew Gabe

(702) 486-3793

**TWO MEN PLEAD GUILTY TO INVESTMENT SCAM INVOLVING
LAS VEGAS WIDOW**

Las Vegas - Mark Robert Smart, age 39, of Merced, California, and co-defendant Gene Michael Landreth, age 48, of Alabama, today pleaded guilty to their involvement in a scheme that defrauded a 65-year-old, widowed, Las Vegas resident out of approximately \$45,000 through bogus investments with Smart Financial Services, Inc. and National Charitable Golf Tournament.

Smart and Landreth had befriended the widow, telling her that Smart Financial Services, Inc. and National Charitable Golf Tournament were Nevada corporations with the purported purpose of hosting a golf tournament in Las Vegas. They told the victim that a percentage of the money raised through the tournament would go to the Muscular Dystrophy Association. The Defendants misrepresented, among other things, a return of 15% on her investment.

The charges against Smart and Landreth were the result of a complaint, and subsequent investigation conducted by the Secretary of State, Securities Division.

As part of the negotiated plea agreement, Smart and Landreth will pay restitution to the victim.

Persons who believe they have been victims of securities fraud should call the Nevada Securities Division in Las Vegas at (702) 486-2440, or in Reno at (775) 688-1855. Consumer protection information is available on the Attorney General's Web site.

**STATE OF NEVADA
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FOR IMMEDIATE RELEASE

March 14, 2000

**CONTACT: Gregory R. Hojnowski
Insurance Fraud Unit
(702) 486-3783**

PHONY RECEIPT LEADS TO INSURANCE FRAUD CONVICTION

Las Vegas---Clark County District Court Judge Mark Gibbons this morning accepted the guilty plea of James R. Ridenour, age 41, of Las Vegas, for Attempting to Making a False Claim for Insurance Benefits. The Office of the Attorney General's Insurance Fraud Unit (IFU), following an investigation by State Farm Insurance Company and the IFU, had charged Ridenour. If convicted, he faced up to one year in county jail and a fine of \$2000. As part of the plea agreement, Judge Gibbons sentenced Ridenour to pay a fine of \$750.

In May of 1998, Ridenour reported to the Las Vegas Metropolitan Police Department and State Farm Insurance that his home had been burglarized, and that nearly all of his property had been stolen. He sought more than \$67,000 under his homeowner's policy, submitting false documentation to support his loss. As part of his claim, Ridenour included a receipt for landscaping equipment in the amount of \$1050. But, the investigation revealed that the receipt was false, and the person listed as selling the equipment to Ridenour had never done so. When confronted with the evidence obtained through the investigation, Ridenour accepted responsibility for his deceit.

"The crime of insurance fraud is complete once the lie is told to the insurance company," explained Attorney General Frankie Sue Del Papa. "Under the criminal statute, it is irrelevant whether someone collects money from the insurance company or not."

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688.

**STATE OF NEVADA
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FOR IMMEDIATE RELEASE

March 10, 2000

CONTACT: Tim Terry

(775) 687-4704

**DOCTOR MAKES INITIAL APPEARANCE ON MEDICAID FRAUD
CHARGES**

Attorney General Frankie Sue Del Papa announced that Dr. Francois L. Savery appeared today in North Las Vegas Justice Court to face charges of Medicaid Fraud (two felony counts and one gross misdemeanor). Dr. Savery waived the necessity to have a preliminary hearing and agreed to be bound over to District Court. A plea agreement is expected to be forthcoming. His next court date is scheduled for March 22, 2000 in front of Clark County District Court Judge Joseph T. Bonaventure.

MFCU Director Tim Terry said the charges stem from an investigation into allegations that Dr. Savery improperly billed for services he claimed to have provided while he was in a hospital recovering from surgery.

"Any doctor who agrees to provide services for Medicaid recipients enters into a contract and position of trust with all Nevadans," Del Papa said. "When a provider of services violates that trust, it is essential that our Medicaid Fraud Control Unit take decisive action to eliminate the harm being enacted on our citizens."

The criminal charges are merely accusations. The Defendant is presumed innocent unless and until proven guilty in court

Anyone with questions about Medicaid fraud is urged to contact the MFCU in Carson City at (775) 687-4704 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/>

**STATE OF NEVADA
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FOR IMMEDIATE RELEASE

March 9, 2000

CONTACT: Ronda Clifton

(775) 688-1835

**RENO BUSINESS OWNER SENTENCED FOR HEALTH CARE
FRAUD**

Reno---Attorney General Frankie Sue Del Papa has announced that Simon Abittan (ah-bah-tahn), the owner of European Health Care, located at 2999 South Virginia Street in Reno, was sentenced today by U.S. District Court Judge Howard McKibben for his role in a scheme to defraud several insurance companies. Abittan was sentenced to five months in federal prison followed by five months of home confinement with electronic monitoring, and fined \$180,000. He was also ordered to pay restitution to the insurance companies of \$149,000.

An investigation revealed that Abittan was involved in a scheme that was double billing for services provided on a customer's initial visit by misusing codes for physician consultations and chiropractic care, inflating bills by charging for more expensive services than those actually performed, and was submitting bills for manual massage therapy that was not provided.

The case against Abittan and European Health Care was the result of a joint investigation by a task force comprised of the U.S. Attorney's office, The Nevada Attorney General's office, FBI, National Insurance Crime Bureau, and USAA Insurance Company. The investigation, which took more than two years to complete, led to a federal search warrant being served in October of 1998. As a result of the investigation, Abittan pleaded guilty to Felony Health Care Fraud in September of 1999.

"This case shows how when various law enforcement agencies and private insurance companies cooperate and collaborate by sharing resources, we are able to better prosecute someone who is committing fraud in the state of Nevada," Del Papa said. "It's important to remember that insurance fraud costs everyone in the form of increased premiums."

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 Web site.

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

March 8, 2000

CONTACT: Steve George

(775) 684-1114

STATE CONSUMER ADVOCATE LEAVING POSITION

Carson City---Attorney General Frankie Sue Del Papa announced today that Fred Schmidt is leaving his post as Consumer Advocate and Chief Deputy Attorney General of the Bureau of Consumer Protection later this month to accept a position with a private law firm.

"Leaving a job I love was a difficult decision for me," said Schmidt. "It has been a pleasure and an honor to work with Attorney General Del Papa, who has shared my commitment to represent the interests of Nevada consumers. Since taking office, she has implemented numerous programs to better protect consumers, and has been consistently supportive of my efforts as Consumer Advocate. It certainly helps that she understands and accepts the reasons that require me to move on in my career at this time. I also will miss the Bureau's top notch staff, who don't always get the public recognition, but are critical to the success the office has achieved."

"I am saddened by Fred's departure, but understand the personal and financial considerations that brought him to his decision to pursue other opportunities," Del Papa said. "Fred has done a tremendous job on behalf of Nevada consumers the past twelve years. I have had the pleasure of working with Fred for nine and a half of those years and have the utmost respect for him personally and professionally. His expertise will be sorely missed."

Schmidt was first appointed Consumer Advocate for Customers of Public Utilities, by Attorney General Brian McKay, in August 1988. Schmidt has since been re-appointed to three four-year terms. During his many years as Nevada's Consumer Advocate, Schmidt represented consumers' interests in hundreds of cases before the Public Utilities Commission and other agencies. He oversaw, litigated, or negotiated a settlement of nearly every major utility merger and rate proceeding involving electric, gas and telecommunications utilities doing business in Nevada during the last decade. "His efforts in these cases saved Nevada consumers millions of dollars on their telephone, natural gas, electricity and water bills," said Del Papa.

"In addition to his expertise litigating utility rate cases, Fred is one of the most knowledgeable people in the nation on utility industry issues, especially as related to the ongoing restructuring of the electricity, natural gas and telephone industries," said Del Papa. Schmidt authored successful telecommunications and energy legislation and testified frequently at the Nevada Legislature on proposed laws affecting Nevada consumers. He has testified many times before federal agencies and U.S. Congress at committee hearings on national energy policy. Schmidt has helped shape national energy and telecommunications policy affecting Nevada through active participation in the National Association of State Utility Consumer Advocates (NASUCA), of which he has been a member of the organization since 1988, and was unanimously elected president of the organization by his colleagues in 1998.

It was Schmidt who proposed to enhance consumer protection for Nevadans in 1997 through the creation of the Bureau of Consumer Protection within the Attorney General's Office. In the reorganization plan developed by Schmidt and Del Papa and approved by the legislature, the utility consumers' advocate office was consolidated with the securities, telemarketing and consumer fraud unit of the Attorney General's Office. The reorganization also included hiring Nevada's first State antitrust attorney. Since the 1997 reorganization under Schmidt's supervision, the expanded fraud units and new antitrust division have been successful in bringing Nevada millions of dollars in penalties by curbing fraud against consumers, along with better ensuring a fair and competitive marketplace for Nevada businesses. Millions more have been returned to Nevadans in the form of restitution.

State Senator Randolph Townsend, one of the primary architects of the Consumer Advocate's office, said today that the citizens of Nevada have been very fortunate to have someone like Fred Schmidt serve as the state's Consumer Advocate. "His integrity and ability to work for the best interests of Nevada consumers, especially residential customers and small-rate payers, have made a tremendous difference in our state."

"While we will all miss him, I want to wish Fred success in his new career in private law practice," said Del Papa.

Schmidt will be joining the law firm of Hale, Peek, Dennison, Howard, Anderson and Pearl. The firm currently has offices in Reno and Las Vegas. Schmidt will be heading up the new Carson City office.

**STATE OF NEVADA
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FOR IMMEDIATE RELEASE

March 3, 2000

CONTACT: JoAnn Gibbs

(702) 486-3782

**ATTORNEY GENERAL WARNS CONSUMERS ABOUT
FRAUDULENT CONTESTS**

Las Vegas---Attorney General Frankie Sue Del Papa is warning consumers about potentially misleading sweepstakes and contests mailings. "Before responding to a mailing or telephone call that indicates 'you are a winner,' a savvy consumer should take the time to check out the offer," Del Papa said.

"Sweepstakes and contests are often not trying to give the consumer money; rather, they are trying to get your money. Many times, the only goal of the solicitation is to get people to order merchandise or, in the case of fraudulent prize promotions, to get the consumer to send money for a 'processing fee' or 'taxes'."

Deceptive and misleading mailings are very often designed to make a person believe he or she is a grand prize winner. The envelopes and mailings may indicate: "Personal and Confidential," contain official looking "affidavits" or "notarized statements," and what appear to be checks made out for large sums of money. However, consumers should be smart and skeptical. A response form may ask whether the consumer wants his money as a lump sum or in installments.

"Promoters know that once they've convinced a consumer that a big prize is coming his or her way, it's easier to get money from them," Del Papa said. "By law, no purchase can be required to enter or win a sweepstakes. But promoters depend on the fact that people think they have a better chance of winning if they order a magazine or other product. By paying a delivery fee or pre-pay taxes on their winnings, consumers sometimes believe they are paying a small price in exchange for a big prize. In most cases, the consumer never receives a prize."

Consumer Tips

* Read the small print. Statements like 'You're a guaranteed winner' or 'this is official notification that you have won' are often surrounded by disclaimers in smaller type that read something like '...if you

have and return the matching winning number."

- * Be suspicious of official looking documents. It is very easy these days to create an envelope or letterhead that is intended to give a false sense of security.

- * Look at the postage mark. "Bulk rate" or "presorted first class" means the letter, in all likelihood, has gone to thousands of people and, therefore, the consumer is not a specially selected finalist.

- * If the promotion tells the consumer they must "act immediately," or that the offer is for "a limited time only," do not act impulsively. Give yourself time to check out whether the offer is legitimate. Contact the State of Nevada's Consumer Affairs Division and the Better Business Bureau to see if complaints have been filed against the company.

- * Remember that your chances of winning a truly valuable prize through contest offers are slim.

- * Beware if you are asked to spend an inordinate amount of money for an inexpensive magazine subscription, or other inexpensive item, for a chance to win the grand prize. Remember, you cannot be required to pay any money to enter or win a sweepstakes. This includes charges for fees, postage, handling charges or taxes.

- * If you have never heard of the company, check it out with appropriate state or government agencies.

Additional consumer protection information and complaint forms are available on the Attorney General's Web site.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
100 N. Carson Street
Carson City, Nevada 89701-4717

FRANKIE SUE DEL PAPA
Attorney General

Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@govmail.state.nv.us

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 28, 2000

CONTACT: Steve George
(775) 684-1114

ATTORNEY GENERAL'S OFFICE HAS NEW WEB SITE

The Office of Attorney General Frankie Sue Del Papa has a new web site address: <http://ag.state.nv.us>. The new site is more convenient and better organized, along with being more informative. News releases will now appear on the web site soon after they are produced and faxed to various media outlets. There are also additional links to other informative sites.

The site will soon offer a "Most Frequently Asked" questions section that will provide quick answers to those questions most frequently asked by the public.

Consumers can also now fill out Bureau of Consumer Protection complaint forms on their computer, and, in-line with Governor Kenny Guinn's mandate, consumers can also perform e-commerce on the site.

Any suggestions for improving the site will be welcome. Please address suggestions to Public Information Officer Steve George at (775) 684-1114, or by e-mail at sgeorge@govmail.state.nv.us.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 28, 2000

CONTACT: Laurel A. Duffy
Deputy Attorney General
Insurance Fraud Unit
(702) 486-3433

LAS VEGAS MAN INDICTED FOR INSURANCE FRAUD

Las Vegas - Attorney General Frankie Sue Del Papa has announced that the Clark County Grand Jury today indicted Ronald Eugene Warner, age 50, of Las Vegas, on two felony counts of insurance fraud: Making a False Claim for Insurance Benefits; and Obtaining Money by False Pretenses.

Warner is alleged to have reported to his insurance company the theft of his Classic Car, a 1968 Chevrolet Camaro, from the auto repair business where he worked. But in reality, the previous day he had returned the car to the friend, who actually owned the vehicle, because Warner had been unable to pay for the Camaro. When the friend discovered, more than one year later, that Warner had obtained title to the Camaro, and that the vehicle had been reported stolen, he notified the Insurance Fraud Unit of the Attorney General's Office. An investigation revealed that on November 21, 1997, Ronald Eugene Warner received \$19,000 from the insurance company in payment for the theft of the Camaro.

A grand jury indictment is not a conviction of guilt, but a finding that probable cause exists that the crimes alleged may have been committed.

Insurance fraud is a felony in Nevada, punishable by up to four years in prison and a fine of up to \$5,000.

Persons who suspect any type of insurance fraud may contact the Attorney General's toll-free fraud hotline at 1-800-266-8688. Insurance fraud information, including a brochure entitled, "You are a Daily Victim of Crime," can be found on the Attorney General's Web site at <http://ag.state.nv.us>.

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100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://www.state.nv.us/ag/>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 28, 2000

CONTACT: Stephanie Parker
(702) 486-3326

RACE TEAM TO HELP IN SEARCH FOR MISSING LAS VEGAS GIRL

Las Vegas, NV- The Nevada Missing Children Clearinghouse, a division of Attorney General Frankie Sue Del Papa's office, is once again teaming up with the racing community in an effort to locate a missing Las Vegas girl. Joe "Front Row Joe" Nemechek and his Cellular One Racing Team will feature a picture of Karla Rodriguez on the hood of their #87 racing car during the Auto Club 300 Busch Series race at the California Speedway in Fontana, California on April 29, 2000. Seven-year-old Karla was last seen walking to school on October 20, 1999.

Martin Gray, founder and program director of "Search for the Missing Children," has facilitated several partnerships between the Nevada Missing Children Clearinghouse and the racing community to help raise awareness to the plight of a missing child. "I believe the racing industry is very sincerely committed to taking part in bringing these children home and reuniting them with their families."

Nemechek, a father of two, said, "We're just happy that we can help out. Hopefully, we'll gain a lot of media attention for Karla and something good will come of it."

Dobson Cellular Systems, the sponsor of Nemechek's car, has graciously given up their space on the front hood of the vehicle so that Rodriguez's image can be shown to the public.

"We are very appreciative of the support and assistance that many racing teams have given our Missing Children Clearinghouse," Del Papa said. "I hope other companies and industries will follow the lead of these racing teams and their sponsors to work with programs such as 'Search for the Missing Children'."

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 Nevada alone, more than 8,500 children were reported missing in 1999, most as a result of a parental abduction. The Nevada Missing Children Clearinghouse works in tandem with the National Center for Missing and Exploited Children.

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Anyone having any information regarding Karla Rodriguez or any other 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 Web site at **www.state.nv.us/ag/**, or call (702) 486-3539. The web site address for the National Center for Missing and Exploited Children is **www.missingkids.com**.

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100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://www.state.nv.us/ag/>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 27, 2000

CONTACT: Steve George
(775) 684-1114

****MEDIA ADVISORY****

MAY IS TEEN PREGNANCY PREVENTION MONTH

Carson City—May has been designated as Teen Pregnancy Prevention Month in Nevada. As you are no doubt aware, early teen pregnancies are a significant problem, not just for the mother, but for society in general.

More than one million teenage girls in the U.S. become pregnant each year. Unfortunately, Nevada has one of the highest rates in the nation. On any given day in Nevada, 13 young girls become pregnant, five of whom are between the ages of 10 to 17.

According to the Youth Risk Behavior Survey of Nevada high school students, conducted by the State Department of Education:

- 51% have engaged in sexual intercourse.
- 1 in 15 had sexual intercourse for the first time before the age of 13.
- 55% of sexually active teens indicated that neither they nor their partner used a condom the last time they had intercourse.
- 28% of teens who had sexual intercourse said they had used alcohol and/or drugs before the last time they had intercourse.

In an attempt to respond to this critical public health and policy issue, a state team was organized in 1996. After input from a variety of sources, including public hearings, a four-year plan of action (1996 – 2000) was prepared. The focus of the plan was primarily on community-based initiatives: community-wide comprehensive outreach efforts using abstinence-based messages combined with anatomical information; methods of contraception and their proper use; and positive information regarding the life of teens. Some 40 local, community action teams were formed as a result of the Action Plan. The Action Plan was recently revisited, and has been updated for 2000 – 2005.

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This year, the State Team has several statewide projects going on to call attention to the problem of teen pregnancy:

- **ARTISTIC EXPRESSION CONTEST** for middle school and high school students in which they are asked to submit posters, Public Service Announcements, poems and editorials on teen pregnancy prevention. The contest will allow youth to express their feelings on teen pregnancy prevention and bring greater awareness to the challenges of teen parenthood.
- **FULL PAGE AD** on Teen Pregnancy Prevention Month in several newspapers across the state.
- **AN ARTICLE IN THE MAY ISSUE OF *CLASS MAGAZINE*** on the subject of teen pregnancy prevention. The magazine is distributed to students in the Clark County School District.
- **USE OF GRANT HILL ABSTINENCE ADS** from the National Campaign to Prevent Teen Pregnancy.

Attorney General Frankie Sue Del Papa serves on the State and local Action Task Force of the National Campaign to Prevent Teen Pregnancy. This non-profit, non-partisan entity based in Washington, D.C. has been at the forefront of this issue in our nation. It is committed to preventing teen pregnancy by supporting values and stimulating actions that are consistent with a pregnancy-free adolescence. The goal of the National Campaign is to reduce the teenage pregnancy rate by one-third between 1996 and 2005. The campaign emphasizes five strategies to reach this goal:

- Taking a clear stand against teenage pregnancy and attracting new and powerful voices to this issue.
- **Enlisting the help and support of the media.**
- Supporting and stimulating state and local action.
- Leading a national discussion about the role of religion, culture, and public values in teen pregnancy prevention in an effort to build common ground.
- Making sure that everyone's efforts are based on the best facts and research available.

The latest in public education (including the toolkit, *Get Organized: A Guide to Preventing Teen Pregnancy*), technical assistance, action strategies, innovations, media involvement and other initiatives are available from the National Campaign. For more information on the campaign contact:

THE NATIONAL CAMPAIGN TO PREVENT TEEN PREGNANCY

1776 Massachusetts Ave., N.W. Suite 200

Washington, DC 20036

Main Phone (202) 478-8500

www.teenpregnancy.org

Main Fax (202) 478-8588

(many of the materials on the web site are available in Spanish)

“This is an issue of great public concern as the consequences of teenage pregnancy and childbearing contribute to many of society's enduring social problems,” Del Papa said. “Although there are differences of opinion on how to approach reducing the teenage pregnancy rate, the National

--more--

Campaign seeks more constructive dialogue on the part of the public, as well as finding more effective ways of working with teenagers to help them understand the importance of delaying pregnancy and childbearing until they are truly ready for parenthood.”

For more information on Nevada’s Task Force on Teen Pregnancy Prevention or the “Meeting the Challenge of the New Millennium” Action Plan created by the Task Force, please contact the Bureau of Family Health Services at (775) 684-4285, or visit the agency’s web site at **www.state.nv.us/health/teen**. The brochure, “***Helping Your Children Avoid Teenage Pregnancy: Ten Tips for Parents***,” can be found on the Attorney General’s Web site at **<http://ag.state.nv.us>**. Research shows that parents can have a major influence on their teens’ sexual behavior. The research indicates that parents who openly speak to their children about sex greatly reduce their children’s risk of becoming pregnant while they are still children themselves.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 27, 2000

CONTACT: Steve George
(775) 684-1114

**ATTORNEY GENERAL FILES MOTION TO DISMISS LAWSUIT OVER REQUIREMENT
TO DISCLOSE WHO PAYS FOR CAMPAIGN MATERIALS**

Carson City—The Office of Attorney General Frankie Sue Del Papa today filed in federal court a Motion to Dismiss a lawsuit involving the Nevada statute that requires published material concerning election campaigns to identify the person or persons paying for the publication and/or dissemination of that material.

The ACLU filed suit, alleging the statute violates the U.S. Constitution. The Attorney General's Office will vigorously defend the statute, arguing it is constitutional because it furthers the State's interest in fostering an informed electorate and in preserving the integrity of the electoral process by eliminating both actual and perceived corruption.

It is expected that the ACLU will oppose the Motion. In all likelihood, oral arguments will be set on the matter.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://www.state.nv.us/ag/>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 20, 2000

CONTACT: Jan Cohen
(702) 486-3455

MISSING LAS VEGAS GIRL TO BE FEATURED ON RACE CAR

Las Vegas- Attorney General Frankie Sue Del Papa's Missing Children Clearinghouse is once again teaming up with NASCAR to bring attention to the plight of missing children. On Saturday, April 22, 2000, at the Las Vegas Motor Speedway, an image of Michelle Lee, a Las Vegas girl who was abducted by her non-custodial mother in 1992, will be featured on the hood of driver Jason Small's car during the NASCAR Winston West racing series. The race begins at 5:00pm.

Ken Small, owner of Small construction, one of the companies sponsoring the race car, said, "As a father, I cannot imagine the pain and anguish Larry Lee is going through not knowing where his daughter is. I'm extremely honored to be able to feature Michelle's picture on my son's race car, in the hope that someone will see the picture and notify authorities."

Larry Lee and a representative from the Attorney General's Office will be on hand for Saturday's race to answer any questions regarding the abduction of his daughter, now 12 years old.

"We have been fortunate to be able to partner with several other race car drivers in past events at the Las Vegas Motor Speedway," Del Papa said. "This is another great example of the race industry, business community, law enforcement and the public working effectively together to try to bring home missing children."

The sponsors for the racecar, Small construction and Sun Valley Oil, are donating the front of the race car for the image of Michelle Lee.

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 Nevada alone, more than 8,500 children were reported missing in 1999, most as a result of a parental abduction. The Nevada Missing Children Clearinghouse works in tandem with the National Center for Missing and Exploited Children.

For more information on Nevada's Missing Children Clearinghouse, visit the Attorney General's Web site at **www.state.nv.us/ag/**, or call (702) 486-3539.

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April 20, 2000
Page 2

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FEDERAL TRADE COMMISSION, <u>et al.</u> ,)	
)	
Plaintiffs,)	
v.)	
)	
EQUINOX INTERNATIONAL CORPORATION, <u>et al.</u> ,)	
)	
Defendants.)	
<hr/>)	CV-S-99-0969-JBR-RLH
)	
GLENN LOWRANCE, ANNETTE REAGOR,)	ORDER PRELIMINARILY
ANNE KEHLER, MARTIN KEHLER, and)	APPROVING STIPULATED
LISA FUOG,)	FINAL JUDGMENT AND
)	CLASS ACTION
Intervenors,)	SETTLEMENT AND SETTING
v.)	FAIRNESS HEARING
)	
BILL GOULDD, <u>et al.</u> ,)	
)	
Defendants.)	
)	

Plaintiffs Federal Trade Commission (“FTC” or “Commission”) and the States of Hawaii, Maryland, Nevada, North Carolina, Pennsylvania and South Carolina commenced this action on August 3, 1999, with the filing of a Complaint for Permanent Injunction and Other Equitable Relief and an *Ex Parte* Application for a Temporary Restraining Order (“TRO”) and Other Equitable Relief. The Court entered a TRO with asset freeze and receivership provisions on August 5, 1999. On September 14, 1999 following a three-day hearing, the Court entered an order partially granting the Plaintiffs’ Motion for a Preliminary Injunction. South Carolina withdrew from the action in November 1999. On November 19, 1999, the FTC and the

remaining , state plaintiffs, joined by the states of Michigan, Tennessee and Virginia (collectively “Government Plaintiffs”), filed their First Amended Complaint for Permanent Injunction and Other Equitable Relief.

The First Amended Complaint charges Defendants Equinox International Corporation (“Equinox”), Advanced Marketing Seminars, Inc. (“AMS”), BG Management, Inc. (“BGM”) and Bill Gould (collectively “Defendants”) with violations of Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45, and violations of State statutes dealing with securities, deceptive trade practices, false advertising, pyramid schemes and licensing requirements. Hawaii Revised Statutes § 485-1 et seq., of the Hawaii Uniform Securities Act; the Maryland Securities Act, Md. Code Ann., Corps. & Ass’ns §§ 11-101 et seq. (1993 Repl. Vol. and Supp. 1999), and the Maryland Multilevel Distribution Companies Law, Md. Code Ann., Bus. Reg. §§ 14-301, et seq. (1998); the Michigan Consumer Protection Act, Mich. Comp. Laws § 445.901 et seq., and the Michigan Franchise Investment Law, Mich. Comp. Laws § 445.1501 et seq., of which the Pyramid Promotion Act, Mich. Comp. Laws § 445.1528, is a part; the Nevada Revised Statutes 598.0915(11), 598.0923(2), 598.110 and 207.171; the North Carolina Unfair and Deceptive Trade Practices Act, N.C. Gen. Stat. §§ 75-1.1 et seq., and the North Carolina Pyramid and Chain Schemes Act, N.C. Gen. Stat. § 14-291.1; the Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. § 201-1 et seq., as amended; the Tennessee Consumer Protection Act of 1977, Tenn. Code Ann. §§ 47-18-101 et seq., the Virginia Consumer Protection Act, Va. Code §§ 59.1-196 through 59.1-207, as amended, and the Virginia Pyramid Statute, Va. Code §§ 18.2-239 through 18.2-240.

On January 7, 1997, Intervenor Glenn Lowrance, Annette Reagor, Anne Kehler, Martin Kehler and Lisa Fuog filed a class action against Bill Gould, Equinox, AMS, and Marc Accetta in the district court of Lubbock County, Texas (“Texas court”), alleging claims under the Nevada Deceptive Trade Practices Act and the federal Securities Act of 1933. The Texas court granted Intervenor’s motion for class certification, certifying a class consisting of the following:

All persons and entities (excluding Defendants Equinox International Corporation, Bill Gould, Marc Accetta, and Advanced Marketing Seminars, Inc., any trusts or other entities that Defendants control; and Defendants’ respective officers, directors, and affiliates and members of their immediate families) who became Equinox International Corporation independent distributors between January 1, 1991 and January 7, 1997.

The class action was subsequently dismissed from the Texas court, pursuant to an Agreed Dismissal Order, so that it could be refiled in Clark County, Nevada. On November 12, 1999, the Court granted Intervenor’s motion to intervene in this action and to pursue on behalf of the class the claims alleged in Intervenor’s second amended petition.

On February 11, 2000, the Court entered an order provisionally certifying a non-mandatory class under Fed. R. Civ. P. 23(b)(3). The Court noted therein that such class certification was provisional and that it may be altered or amended at any time before a decision on the merits. The Court also approved the dissemination of class notice. The deadline for opting out of the class was March 31, 2000.

Government Plaintiffs and Intervenor (collectively “Plaintiffs”), and Defendants have agreed to the entry of a Stipulated Final Judgment and Class Action Settlement, the terms of

which are set forth below, to resolve all matters of dispute between them in this action. Based on the extensive record in this case and the Court's familiarity with the dispute between the parties, the Court hereby enters this Order preliminarily to approve the terms of the Stipulated Final Judgment and Class Action Settlement, to schedule a fairness hearing on the Stipulated Final Judgment and Class Action Settlement, and to provide guidance to the parties as to their rights and responsibilities pending the fairness hearing and final approval of the Stipulated Final Judgment and Class Action Settlement.

THEREFORE, it is hereby ORDERED, ADJUDGED and DECREED as follows:

**PRELIMINARY APPROVAL OF
STIPULATED FINAL JUDGMENT**

Pursuant to Fed. R. Civ. P. 23(e), the Court finds the terms and conditions of this Stipulated Final Judgment and Class Action Settlement ("Order") to be fundamentally fair, adequate, reasonable and free from collusion. *See Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1026 - 27 (9th Cir. 1998) (affirming final approval of class settlement); *Marshall v. Holiday Magic, Inc.*, 550 F.2d 1173, 1178 (9th Cir. 1977) (affirming final approval of class settlement in pyramid scheme case). The Court therefore preliminarily approves the following terms and conditions of this Order, as to which all parties have agreed.

I. General Terms

- A. This Court has jurisdiction over the subject matter and the parties.
- B. Venue is proper as to all parties in the United States District Court for the District of Nevada.

C. The First Amended Complaint and the Complaint in Intervention filed with leave of the Court on April 19, 2000, state a claim upon which relief may be granted against the Defendants under the acts and statutes set forth above.

D. Defendants have entered into this Order freely and without coercion. Defendants further acknowledge that they have read the provisions of this Order and are prepared to abide by them.

E. Plaintiffs and Defendants, by and through their counsel, have agreed that the entry of this Order resolves all matters of dispute between them arising from the First Amended Complaint and Intervenor's Complaint in Intervention in this action, up to the date of entry of this Order.

F. Plaintiffs and Defendants waive all rights to seek appellate review or otherwise challenge or contest the validity of this Order. Parties agree that nothing herein shall preclude any party from seeking appellate review of any proceeding to enforce this Order, but agree not to challenge or contest, in any manner, the validity of this Order in such a proceeding. Defendants further waive and release any claim they may have against the Plaintiffs, their employees, representatives or agents and the Receiver as of the date of entry of this Order.

G. The Plaintiffs, all members of the class the Intervenor represents, the Receiver and their affiliates, affiliated companies, subsidiaries, employees, servants, officers, directors, agents, attorneys, heirs, personal representatives, predecessors, successors, and assigns, past and present (hereafter collectively referred to as "Plaintiff Releasers"), for and in consideration of the agreements set forth in this Order, the sufficiency of which is hereby acknowledged, do hereby release, acquit, and forever discharge the Defendants and their

affiliates, affiliated companies, subsidiaries, employees, servants, officers, directors, agents, attorneys, heirs, personal representatives, predecessors, successors, and assigns, past and present (hereafter collectively referred to as “Equinox Releasees”), from any and all civil claims, including but not limited to contingent claims, counterclaims, cross-claims, third-party claims, liabilities, demands, losses, judgments, actions, suits, causes of action, accountings, rights, damages, punitive damages, and interests, direct or derivative, nominally or beneficially, possessed or claimed, known or unknown, suspected or unsuspected, choate or inchoate, and whether or not Equinox Releasees or any of them are at fault, that Plaintiff Releasors had, now have, may have at any time in the future, or claim to have or have had and that relate to the causes of action set forth in *Federal Trade Commission, et al., vs. Equinox International Corporation, et al.*, Case No. CV-S-99-0969-JBR-RLH (United States District Court for the District of Nevada), or that could have been set forth in this action, for or by reason of any cause, matter, or thing whatsoever from the beginning of the world through and including the date of this Order.

Any person or entity released by the foregoing may plead this release as a complete defense and bar to any action, claim, or demand brought in contravention hereof.

Each of the undersigned Plaintiff Releasors has entered into this release freely and voluntarily, with no duress or coercion (as those terms are defined by law), after consulting with counsel and receiving counsel’s explanation of each of the terms of the release. The Plaintiff Releasors appreciate and understand the terms of this release.

H. Defendants and their affiliates, affiliated companies, subsidiaries, employees, servants, officers, directors, agents, attorneys, heirs, personal representatives,

predecessors, successors, and assigns, past and present (hereafter collectively referred to as “Equinox Releasors”), for and in consideration of the agreements set forth in this Order, the sufficiency of which is hereby acknowledged, do hereby release, acquit, and forever discharge the Plaintiffs all members of the class the Intervenor represent, the Receiver and their affiliates, affiliated companies, subsidiaries, employees, servants, officers, directors, agents, attorneys, heirs, personal representatives, predecessors, successors, and assigns, past and present (hereafter collectively referred to as “Plaintiff Releasees”), from any and all civil claims, including but not limited to contingent claims, counterclaims, cross claims, third-party claims, liabilities, demands, losses, judgments, actions, suits, causes of action, accountings, rights, damages, punitive damages, and interests, direct or derivative, nominally or beneficially, possessed or claimed, known or unknown, suspected or unsuspected, choate or inchoate, and whether or not Plaintiff Releasees or any of them are at fault, that Equinox Releasors had, now have, may have at any time in the future, or claim to have or have had that relate to the causes of action set forth in *Federal Trade Commission, et al., vs. Equinox International Corporation, et al.*, Case No. CV-S-99-0969-JBR-RLH (United States District Court for the District of Nevada), or that could have been set forth in this action, for or by reason of any cause, matter, or thing whatsoever from the beginning of the world through and including the date of this Order.

Any person or entity released by the foregoing may plead this release as a complete defense and bar to any action, claim, or demand brought in contravention hereof.

Each of the undersigned Equinox Releasors has entered into this release freely and voluntarily, with no duress or coercion (as those terms are defined by law), after consulting with

counsel and receiving counsel's explanation of each of the terms of the release. The Equinox Releasors appreciate and understand the terms of this release.

I. Defendants have agreed that this Order does not entitle Defendants to seek or to obtain attorneys' fees as a prevailing party under the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended by Pub. L. No. 104-121, 110 Stat. 847, 863-64 (1996), and Defendants further waive any rights to attorneys' fees that may arise under said provision of law.

J. By entering into this Order, Defendants do not admit liability or wrongdoing.

K. Entry of this Order is in the public interest.

L. The parties agree that this action is appropriate for a mandatory settlement class and that this settlement is fair.

II. Definitions

For the purposes of this Order, the following definitions apply:

A. "Gould" means Bill, also known as William, Gould, individually, and as an officer of the Corporate Defendants. "Corporate Defendants" means Equinox International Corporation, Advanced Marketing Seminars, Inc., BG Management, Inc., their subsidiaries or affiliates, and all other corporations or business entities owned or controlled by any of the Corporate Defendants.

B. "Multi-level marketing program" means any marketing program in which participants pay money to the program promoter in return for which the participants obtain the right to: (1) recruit additional participants, or have additional participants placed by the promoter or any other person into the program participant's downline, tree, cooperative, income center, or

other similar program grouping; (2) sell goods or services; and (3) receive payment or other compensation, in whole or in part, based upon the sales of those in the participant's downline, tree, cooperative, income center or similar program grouping.

C. "Pyramid scheme" means a sales scheme, Ponzi scheme, chain marketing scheme, or other marketing plan or program in which participants pay money or valuable consideration to the company in return for which they receive: (1) the right to sell a product or service; and (2) the right to receive in return for recruiting other participants into the program rewards which are unrelated to sale of products or services to ultimate users. For the purposes of this definition, "sale of products or services to ultimate users" does not include sales to other participants or recruits in the multi-level marketing program or to participants' own accounts.

D. "Assets" means all real and personal property of any Defendant or held for the benefit of any Defendant, or in which any Defendant has any legal or equitable interest, or right or claim to, including all assets held by any Related Entities as defined in Subsection II.E , below, including but not limited to, chattels, goods, instruments, equipment, fixtures, general intangibles, leaseholds, inventory, checks, notes, accounts, credits, contracts, receivables, shares of stock, and all cash, wherever located.

E. "Related Entities" means all entities related to any Defendant, of whatever form, including but not limited to, corporations, proprietorships, trusts, partnerships, limited partnerships or limited liability companies that hold any assets for or for the benefit of any Defendant. These entities specifically include, but are not limited to: (1) the Bill Gould 1994 Living Trust; (2) JLS Services, Inc.; (3) the Bill Gould Charitable Remainder Trust; (4) Cashco, FLP; (5) Eagle Aircraft Services, FLP; (6) Four Seasons Adventures, FLP; (7) Pure Water, FLP;

(8) Rocky Mountain Holdings, FLP; (9) Royal Palms Holdings, FLP; (10) AMSCO Holdings, FLP; (11) Summit Multi-Media, FLP; (12) International Purity Corp.; (13) IP, FLP; (14) Four Seasons Adventures, LLC; (15) Franco, LLC; (16) Patcor, LLC; (17) EQ Futures, LLC; (18) Pure Water, LLC; (19) Rocky Mountain Holdings, LLC; (20) AMSCO Holdings, LLC; (21) Summit Multi-Media, LLC; (22) Royal Holdings, LLC; (23) Sandhill, LLC; and (24) Stellar Communications.

F. “Receiver” means Robb Evans, the receiver previously appointed by the Court in this matter as a Temporary Receiver over the Corporate Defendants, and appointed as a Full Equity Receiver by the Court in this Order.

G. “Receivership Estate” includes all assets of the Corporate Defendants and all Related Entities, as well as all current assets of Gould, except as specifically provided for in Section VIII, below.

III. Permanent Ban

IT IS ORDERED that Defendants, their successors, assigns, officers, agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are permanently restrained and enjoined from engaging, participating or assisting in any manner or capacity whatsoever, directly, or in concert with others, individually or through any business entity or other device, in any multi-level marketing program or pyramid scheme in which any Defendant engages, participates or assists, including, but not limited to, the advertising, promotion, offering for sale, or sale of, or the provision of services to or for any such multi-level marketing program or pyramid scheme.

IV. Securities Ban in Maryland and Hawaii

IT IS FURTHER ORDERED that Defendants are permanently restrained and enjoined from promoting, offering or selling securities in the State of Maryland or the State of Hawaii, as defined by those respective States' securities acts, provided, however, that Gould, may offer and sell securities on his own behalf and can participate in a registered public offering of any company with which he is involved directly or indirectly as a minority owner. In order to participate in a registered public offering of any company with which Gould is involved directly or indirectly as a majority owner, this Order shall be fully disclosed in the company's offering materials and such offering otherwise will comply with state and federal securities laws. Gould may petition the State of Maryland or the State of Hawaii to modify or waive this disclosure requirement.

V. Prohibited Representations

IT IS FURTHER ORDERED that, in connection with the advertising, promoting, offering for sale, sale, or distribution of any multi-level marketing program or pyramid scheme, the Defendants, their successors, assigns, officers, agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are hereby permanently restrained and enjoined from making or assisting in the making of, expressly or by implication, directly or indirectly, orally or in writing, any false or misleading statement or misrepresentation of material fact, including but not limited to, the following:

A. Any false or misleading representation about the potential earnings or income derived from such activity;

B. Any false or misleading representation about the benefits any person participating in such an activity actually can receive from such activity;

C. Any false or misleading representation about the amount of sales a person actually made or can potentially make through such activity; and

D. Any false or misleading hypothetical earnings claims.

VI. Advertising Prohibition in Nevada

IT IS FURTHER ORDERED that, within the State of Nevada, Defendants, their successors, assigns, officers, agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are permanently restrained and enjoined from advertising under the guise of obtaining sales personnel when in fact their purpose is to sell goods or services.

VII. Prohibition Against Providing Means and Instrumentalities

IT IS FURTHER ORDERED that, in connection with the advertising, promoting, offering for sale, sale, or distribution of any multi-level marketing program or pyramid scheme, the Defendants, their successors, assigns, officers, agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are hereby permanently restrained and enjoined from providing to others the means and instrumentalities with which to make, expressly or by implication, orally or in writing, any false or misleading representations of material fact.

VIII. Monetary Judgment and Redress

IT IS FURTHER ORDERED that:

A. Except as set forth in Subsection VIII.B below, Defendants and Related Entities shall within one week of the date of the entry of this Order transfer, assign, turn over or otherwise convey or shall cause the transfer, assignment, turn over, or other conveyance of title, ownership and control of all assets as the term assets is defined herein to Robb Evans, the Full Equity Receiver appointed by this Order.

B. Notwithstanding the provisions of Subsection VIII.A above, Goulddd shall be entitled to retain the following from the assets referred to in Subsection VIII.A above: (1) one home at 6064 NW 31st Way, Boca Raton, Florida, at which Goulddd's former spouse currently resides; (2) Goulddd's tenancy-in-common interest in a home at 6122 NW 31st Court, Boca Raton, Florida, at which Goulddd's former significant other resides; (3) reasonable household furnishings in such homes listed in Subsection VIII.B. (1) & (2) above, no such single furnishing to exceed \$5,000 in value, provided that Goulddd shall provide a list of such household furnishings to the Receiver within 30 days of this Order; (4) any interest attributable to Goulddd in the IRC Section 419A(f)(6) Welfare Benefit Trust established by and for the benefit of the employees of BGM; (5) one 1997 yellow Range Rover; (6) debentures of Sandhill Capital; (7) one watch not to exceed approximately \$11,000 in value; (8) Goulddd's clothing; and (9) personal effects not to exceed \$50,000 in value, provided that Goulddd shall provide a list of such personal

effects to the Receiver within 30 days of this Order. As used in this Section the term “value” shall mean fair market value.

C. Plaintiffs’ agreement to file a satisfaction of judgment with respect to Gould upon Defendants’ fulfillment of the provisions of this Subsection VIII.C is expressly premised upon the truthfulness, accuracy, and completeness of the sworn financial affidavits required by Subsection VIII.E of this Paragraph and related documents that were submitted to Plaintiffs reflecting Defendants’ financial condition. These documents contain material information upon which Plaintiffs relied in negotiating and agreeing to this Order. If, upon motion by any Plaintiff, this Court finds that any Defendant has failed to disclose any material asset in the financial statements and related documents described above, or has made any other material misstatement or omission in the financial statements and related documents described above, the Court shall enter an order requiring transfer of any unreported assets to the Receiver.

D. All distributor agreements are hereby rescinded and declared void *ab initio*.

E. Defendants have agreed to complete a sworn financial affidavit in the form attached hereto as Appendix A listing all assets, as defined herein, of all Defendants or any related entity, and submit a copy to the Court and to Plaintiffs within ten (10) days after the filing of this Order with the Court.

F. Gould shall have thirty (30) days to vacate his residence at 765 Lake Drive, Boca Raton, Florida, and to determine the personal effects he desires to keep pursuant to Subsection VIII.B(9).

IX. Appointment of a Permanent Receiver

IT IS FURTHER ORDERED that Robb Evans is appointed as permanent Receiver, with the full power of an equity receiver, for the Corporate Defendants and Related entities (hereinafter “Receivership Entities”), and of all assets to be transferred, assigned, turned over or otherwise conveyed pursuant to Subsection VIII.A & Section XIII, with directions and authority to accomplish the following:

A. Assume and maintain full control of the Receivership Entities, by among other things, removing Gould and any other officer, employee, independent contractor, or agent of the Corporate Defendants, from control and management of the affairs of the Receivership Entities.

B. Suspend the operation of the Receivership Entities, including terminating all sales and promotional efforts, in order to prepare for the liquidation and dissolution of the Receivership Entities.

C. Collect, marshal, maintain and take custody, control, and possession of all the funds, property, premises, accounts, mail and other assets of, or in the possession or under the control of, the Receivership Entities, wherever situated, the income and profits therefrom, and all sums of money now or hereafter due or owing to the Receivership Entities, with full power to:

collect, receive and take possession of all goods, chattels, rights, credits, monies, effects, lands, leases, books and records, work papers, and records of accounts, including computer-maintained information, contracts, financial records, monies on hand in banks and other financial institutions, and other papers and documents of the Receivership Entities and purchasers of the Corporate Defendants' programs, goods, and services whose interests are now held by or under the direction, possession, custody, or control of the Receivership Entities.

D. Perform all acts necessary to protect, conserve, preserve, and prevent from waste or dissipation the funds, property, premises, accounts, and other assets of the Receivership Entities in order to insure that funds are available to provide restitution to purchasers of the Corporate Defendants' programs, goods or services, including members of the class defined below.

E. Enter into agreements in connection with administration of the Receivership, including, but not limited to: (1) the retention and employment of managers, agents, investigators, attorneys or accountants of the Receiver's choice, including, without limitation, members and employees of the Receiver's firm, to assist, advise, and represent the Receiver; (2) the movement and storage of any equipment, furniture, records, files or other physical property of the Receivership Entities; and (3) the retention of auctioneers or other professionals to assist in the liquidation of the Receivership Entities' assets.

F. Subject to the releases set forth above in Subsections I., G. & H. institute, prosecute, compromise, adjust, intervene in or become party to such actions or proceedings in

state, federal, or foreign courts that the Receiver deems necessary and advisable to preserve or increase the value of the Receivership estate, or that the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order, and likewise to defend, compromise, or adjust or otherwise dispose of any and all actions or proceedings instituted against the Receiver or the Receivership Entities that the Receiver deems necessary and advisable to preserve the properties of the Receivership Entities or that the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order.

G. Liquidate assets of the Receivership Entities and all assets transferred to the Receiver in accordance with the terms of this Order or any prior or subsequent order of this Court; and to transfer Receivership property to storage facilities, cancel leases, and to terminate and enter contracts. Neither Defendants nor the Receiver shall convey any proprietary rights to the names "Equinox" or "Equinox International Corporation."

H. Execute all bills of sale and deeds to personal and real property belonging to or coming into possession of the Receiver or the Receivership Entities.

I. Prepare and submit periodic reports, as necessary, to this Court and to the Plaintiffs, describing the Receiver's efforts to comply with the terms of this Order, and recommendations of any additional action required by this Court to ensure that the funds, property, premises, accounts and other assets of Receivership Entities are preserved in order to provide restitution to purchasers of Corporate Defendants' programs, goods or services including members of the class defined below and any other claimants as may be approved by the Court.

J. To maximize the amount of funds available for consumer redress, formulate (in consultation with the Plaintiffs) a plan for distribution of the assets of the Receivership estate to consumers who sent money to the Corporate Defendants in connection with purchasing the Corporate Defendants' programs, goods, or services, including members of the class (defined below). The final distribution plan shall be approved by the Court. The Plaintiffs shall have the opportunity to object to or comment upon any distribution plan proposed by the Receiver or to the payment of funds to any person or entity pursuant to such plan.

K. The Receiver and those he employs are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the costs of actual out-of-pocket expenses incurred by them, including ordinary and necessary expenses incurred by the Receivership for professional and other services, from the assets now held by or in the possession or control of the Receiver or the Receivership Entities without the need for Court approval and such payments shall have priority over all other distributions from Receivership assets. The Receiver shall report to the Court periodically on these expenses and submit to the Court requests for payment of his own expenses.

L. The Receiver shall maintain with the Clerk of this Court a bond in the sum of \$50,000 with sureties to be approved by the Court, conditioned that the Receiver will well and truly perform the duties of the office and abide by and perform all acts the Court directs.

M. The Receiver shall employ all employees of the Corporate Defendants (other than officers) for at least two weeks from the date that this Order is submitted to the Court.

The Receiver may employ any of the Corporate Defendants' employees (including officers) for a longer period if the Receiver believes that such employment would assist him in the fulfillment of his responsibilities. The Receiver shall pay all employees of the Corporate Defendants (other than officers) for one-third of their unused PTO (paid time off), up to but not to exceed one week of PTO, provided, however, that if the Corporate Defendants are legally obligated to pay employees, including officers, for additional PTO time, the Receiver shall honor this legal obligation. The Receiver shall provide all employees of the Corporate Defendants, including officers, with current health benefits for one month from the date this Order is submitted to this Court, and the Receiver shall honor any legal obligation of Defendants under COBRA. All employees of Defendants (including officers) shall retain the proceeds of their 401K plans, and the Receiver shall take all reasonable steps to provide a mechanism for the employees to roll over such proceeds into another plan without adverse tax consequences. The Receiver shall allow management of the Corporate Defendants a reasonable opportunity to inform the employees of the Corporate Defendants and the independent distributors of Equinox of the provisions of this Order.

N. The Receiver shall maintain a repository of documents (including computer records) in the possession of Equinox and shall provide access to such documents to Gould as Gould reasonably finds necessary to protect his interests in legal proceedings. All documents in the possession of Defendants that are protected by the attorney-client privilege or the work product doctrine shall be separately maintained by the Receiver in files marked "Confidential – Attorney-Client Privilege; Work Product." The Receiver shall not disclose such

documents to third parties and shall not waive the attorney-client privilege or the work product doctrine, except that the Receiver may use such documents relating to assets to determine whether Defendants have hidden assets, and in the event that the Receiver determines that the Defendants have hidden assets, the Receiver may openly use such documents related to any hidden assets.

O. The Receiver assumes all obligations (other than tort liabilities and liabilities related to any and all claims and actions containing allegations substantially similar to those of the Plaintiffs in this action) of Gould relating to any and all assets, Corporate Defendants, and Related Entities that have been transferred to the Receiver, and agrees to indemnify and hold harmless Gould from any claims, legal fees or expenses arising from such obligations. This indemnification is limited to the assets of the Receivership Estate. For the purposes of this Subsection, the term “obligations” includes, but is not limited to, federal, state and local tax obligations that arise by virtue of possession, ownership, use or sale of any asset by the Receiver. The parties expressly agree that the Receiver shall not be personally liable for any claims, legal fees or expenses arising from the aforementioned obligations.

X. Winding Up Receivership Entities

IT IS FURTHER ORDERED that the Receiver shall liquidate all assets of the Receivership Entities, wind up all activities and operations of the Receivership Entities, and prepare to dissolve the Receivership Entities. The Receivership assets and proceeds of liquidation shall be held and maintained pending final approval of this Order and the formulation

and implementation of a plan to resolve all claims that accrued against the Receivership Entities prior to entry of this Order, and to distribute those assets, as provided in Paragraph IX.J. Defendants shall have no right to contest the manner or plan of distribution chosen by the Plaintiffs, or the Receiver, or approved by the Court.

XI. Termination of Receivership

IT IS FURTHER ORDERED that, after a final distribution plan is approved and implemented, the Receiver shall file his final report. The Receiver's final report and request for fees and expenses shall be served upon the parties through counsel. Plaintiffs may object to the Receiver's request for fees and expenses within 15 days of receipt, but Defendants shall have no right to object to the Receiver's request for fees and expenses. Upon entry of the Court's Order for Final Payment, the Receivership shall terminate.

XII. Cooperation with Receiver

IT IS FURTHER ORDERED that Gould shall cooperate fully with the Receiver in: (A) pursuing any and all claims by the Receivership against third parties; (B) assisting the Receiver in defending any and all actions or claims brought against the Receivership by third parties; and (C) executing any documents necessary to transfer assets or ownership interests to the Receiver pursuant to the terms of this Order.

XIII. Turnover to Receiver

IT IS FURTHER ORDERED that, except as provided for in section VIII above, within thirty days of service of this Order upon them, Gould and any other person or entity

served with a copy of this Order, if they have not done so already, deliver to the Receiver: (A) possession and custody of all funds, assets, property owned beneficially or otherwise, and all other assets, wherever situated, of the Receivership Entities; (B) all stock, ownership, legal, beneficial, or other interests that they hold in the Receivership Entities; (C) possession and custody of all books and records of accounts, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, title documents and other papers of the Receivership Entities; (D) possession and custody of all funds and other assets belonging to members of the public now held by the Receivership Entities; (E) all keys, computer passwords, entry codes, combinations to locks required to open or gain access to any of the property or effects of the Receivership Entities; (F) all monies in any financial institutions deposited to the credit of the Receivership Entities, wherever situated; and (G) information identifying the accounts, employees, properties, or other assets or obligations of the Receivership Entities. The turn over requirements set forth in this section do not delay the obligation of the Defendants or the Related Entities to comply with the turn over obligations in Subsection VIII.A.

XIV. Lifting of Asset Freeze

IT IS FURTHER ORDERED that the freeze against the assets of the Defendants pursuant to the Preliminary Injunction entered by this Court on September 14, 1999, shall be lifted to the extent necessary for the transfer of assets to the Receiver required by Subsection VIII.A. & Section XIII of this Order and upon compliance with those requirements, shall be lifted permanently.

XV. Transfer of Customer Lists

IT IS FURTHER ORDERED that the Defendants, their successors, assigns, officers, agents, servants, employees and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are hereby permanently restrained and enjoined from selling, renting, leasing, transferring or otherwise disclosing the name, address, telephone number, credit card number, bank account number, e-mail address, or other identifying information of any person who has paid any money to any Defendant at any time prior to entry of this Order, in connection with the Corporate Defendants' programs, goods or services; *provided, however*, that Defendants may disclose such identifying information to a law enforcement agency, or as required by law or regulation, including the limited disclosures required by the Franchise Rule, or court order.

XVI. Acknowledgement of Receipt of Order

IT IS FURTHER ORDERED that within five (5) business days of receipt of the Order as entered by the Court, Gould shall submit to the Plaintiffs a truthful sworn statement, in the form shown on Appendix B, that shall acknowledge the receipt of the Order.

XVII. Compliance Reporting by Defendants

IT IS FURTHER ORDERED that, in order that compliance with the provisions of this Order may be monitored:

A. For a period of five (5) years after the date of entry of this Order, Gould shall notify the Government Plaintiffs in writing of the following:

1. Any changes in his residence, mailing addresses and telephone numbers, within ten (10) days of the date of such change;

2. Any changes in his employment status (including self-employment), within ten (10) days of such change. Such notice shall include the name and address of each business that Gould is affiliated with or employed by, a statement of the nature of the business, and a statement of Gould's duties and responsibilities in connection with the business or employment;

B. Upon written request by a representative of any Government Plaintiff, Defendants shall produce documents on thirty (30) days' written notice with respect to any conduct that is subject to this Order;

C. For the purposes of this Order, Defendants shall, unless otherwise directed by a representative of the Commission, identify all written notifications to the FTC with reference to *Equinox et al.*, District Court of Nevada, CV-S-99-0969-JBR-RLH, X990077 and mail them to:

Associate Director
Division of Marketing Practices
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

The FTC shall make such written notifications available to any State Plaintiff upon request;

D. For the purposes of this Section, "employment" includes the performance of services as an employee, consultant, or independent contractor; and "employers" includes any individual or entity for whom Gould performs services as an employee, consultant, or independent contractor; and

E. For purposes of the compliance reporting required by this Section, the Government Plaintiffs are authorized to communicate directly with Gould. For the purposes of this Order, Plaintiffs shall mail all notices to Gould at his home address.

XVIII. Indemnification of Claims

The Receivership estate agrees to indemnify and hold harmless Gould from any and all claims and actions containing allegations substantially similar to those of the Plaintiffs, including but not limited to the Nowakowski and Trek cases, that have been or hereinafter are brought against Gould arising out of his official duties with any of the Corporate Defendants. This indemnity provision covers legal fees, liabilities, expenses and any settlement amounts. The dollar amount of this indemnity shall in no event exceed \$300,000 regardless of the number of the covered claims and actions. This indemnity shall remain in place and funds shall be reserved for three years, or for the duration of the Receivership, whichever is longer. Nothing in this Section requires the Receiver to assert defenses on Gould's behalf that are inconsistent with Plaintiffs' claims in this action; provided however, that the Receiver shall be required to reimburse Gould for legal fees and expenses incurred asserting such defenses up to the limit of this indemnity.

XIX. Authority to Monitor Compliance

IT IS FURTHER ORDERED that the Plaintiffs are authorized to monitor Defendants' compliance with this Order by all lawful means, in the case of the Commission, including but not limited to the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49 and 57b-1, to investigate whether Defendants have violated any provision herein or Section 5 of the FTC Act, 15 U.S.C. § 45, or any applicable

rule or regulation promulgated and enforced by the Commission, including the Franchise Rule, 16 C.F.R. § 436.

XX. Costs and Fees

IT IS FURTHER ORDERED that the Receiver shall pay plaintiff states and Intervenor for their reasonable costs and fees upon application to and approval by the Court. Intervenor's application shall be governed by the common fund doctrine. *See Hanlon v. Chrysler Corp.*, 150 F.3d at 1029; *Torrise v. Tucson Elec. Power Co.*, 8 F.3d 1370, 1376-77 (9th Cir. 1993).

XXI. Retention of Jurisdiction

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

XXII. Final Judgment and Order

The parties hereby consent to entry of the foregoing Order which, upon final approval, shall constitute a final judgment and order in this matter.

AMENDMENT OF CLASS DEFINITION AND APPROVAL OF MANDATORY SETTLEMENT CLASS

Pursuant to Fed. R. Civ. P. 23(c)(1), the Court hereby amends the definition of the class and certifies the following class:

All persons and entities (excluding Equinox International Corporation, Bill Gould, BG Management, Inc., Advanced Marketing Seminars, Inc., and any trusts or other entities that they control) who have ever been or are now Equinox International Corporation independent distributors (including but not limited to in the United States, Mexico, or Taiwan but excluding distributors who received a total of \$150,000 or more in bonuses and rebates).

For the reasons set forth in the Court's Order of February 11, 2000, the Court finds that this class meets the requirements of Fed. R. Civ. P. 23(a).

Furthermore, based on the extensive record in this case, the Court finds that the class meets the requirements of Fed. R. Civ. P. 23(b)(1). In particular, the prosecution of equitable claims by individual members of the class, including claims for the rescission of their distributorship agreements, would create a risk of "inconsistent or varying adjudications . . . which would establish incompatible standards of conduct" for Defendants. Fed. R. Civ. P. 23(b)(1)(A). Moreover, the limited funds available for distribution to members of the class, the role of the Receiver and creation of the Receivership Estate, and the winding up of the Corporate Defendants contemplated by this Order "would as a practical matter be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests." *Id.* 23(b)(1)(B); *see Ortiz v. Fibreboard Corp.*, 119 S. Ct. 2295 (1999) (discussing criteria for mandatory settlement class in "limited fund" cases).

**SCHEDULING OF FAIRNESS HEARING
ON THE PROPOSED ENTRY OF FINAL JUDGEMENT**

The Court hereby sets a fairness hearing on the terms of this settlement and the final judgment for September 8, 2000, at 1:00 pm. Any objections to the terms of this Stipulated Final Judgment and Class Action Settlement must be submitted to the Court in writing by September 8, 2000. Pursuant to Fed. R. Civ. P. 23(d), the Court hereby directs class counsel to distribute notice of the fairness hearing and the proposed entry of final judgment, in a form agreed upon by all parties, advising all members of the class of the terms of the proposed settlement and Intervenor's application for an award of attorney's fees and reimbursement of

expenses, their rights to present written objections to the proposed settlement and Intervenor's application, and the fairness hearing. This notice shall be distributed by first-class mail to the last-known addresses of all members of the class and by publication notice in one weekday edition of USA Today. Funds necessary for the printing, publication, and dissemination of the notice shall be provided by the Receiver.

In the event that this settlement is not finally approved by the Court, any assets transferred pursuant to this Order shall be returned forthwith, subject to the provisions of the Preliminary Injunction.

SO ORDERED.

Signed this _____ day of April 2000.

Johnnie B. Rawlinson
United States District Judge

STIPULATED AND AGREED:

Bill Gould

EQUINOX INTERNATIONAL CORPORATION

By: Bill Gould, CEO

ADVANCED MARKETING SEMINARS, INC.

By:

BG MANAGEMENT, INC.

By:

FOR THE DEFENDANTS

By: Daniel F. Katz, Esq.
Philip A. Sechler, Esq.
Robert A. Cary, Esq.
Williams & Connolly LLP
725 Twelfth Street, N.W.
Washington, D.C. 20005
Counsel for Defendants

FEDERAL TRADE COMMISSION
DEBRA A. VALENTINE
General Counsel

JENNIFER M. GRANHOLM
Attorney General of Michigan

By: David C. Fix
Frank M. Gorman
Gary L. Ivens
Lawrence Hodapp
FEDERAL TRADE COMMISSION
600 Pennsylvania Ave., N.W., Room 238
Washington, D.C. 20580

By: Katharyn Barron
Assistant Attorney General
P.O. Box 30213
G. Mennen Williams Blds.
525 W. Ottawa Street, Suite 60
Lansing, MI 48913

J. JOSEPH CURRAN, JR.
Attorney General of Maryland
MELANIE SENTER LUBIN
Maryland Securities Commissioner

MICHAEL F. EASLEY
Attorney General of North Carolina

By: Dale E. Cantone
Assistant Attorney General
200 Saint Paul Place
Baltimore, MD 21202-2020

By: Kristine Lanning
Assistant Attorney General
114 West Edenton Street
P.O. Box 629
Raleigh, NC 27602

BENJAMIN CAYETANO, Governor
State of Hawaii
RYAN S. USHIJIMA
Commissioner of Securities

FRANKIE SUE DEL PAPA
Attorney General of Nevada

By: Dean A. Soma, Attorney
Securities Enforcement Unit
250 South King Street, Suite 400
Honolulu, HI 96813

By: Tracey Brierly
Deputy Attorney General
555 E. Washington, Ave., #3900
Las Vegas, Nevada 98101

MARK L. EARLEY
Attorney General of Virginia

PAUL G. SUMMERS
Attorney General and Reporter of Tennessee

By: Gregory C. Fleming
Assistant Attorney General
900 E. Main Street
Richmond, VA 23219

By: Jennifer L. Rawls
Assistant Attorney General
425 5th Avenue, 2nd Floor
Nashville, TN 37243

D. MICHAEL FISHER
Attorney General of Pennsylvania

By: J.P. McGowan
Senior Deputy Attorney General
Bureau of Consumer Protection
214 Samter Building
101 Penn Avenue
Scranton, PA 18503

INTERVENORS

By: Barry C. Barnett
Susman Godfrey, L.L.P.
901 Main Street, Suite 4100
Dallas, TX 75202
Counsel for Intervenors

RECEIVER

Robb Evans



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://www.state.nv.us/ag/>

E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 20, 2000

CONTACTS:
Tracey Brierly (702) 486-3128
Richard Linstrom (702) 486-3196

**EQUINOX ORDERED DISSOLVED:
MILLIONS IN ASSETS TO BE LIQUIDATED FOR RESTITUTION**

Las Vegas – Attorney General Frankie Sue Del Papa has announced that U.S. District Judge Johnnie B. Rawlinson today approved the preliminary settlement of a civil enforcement action brought by Nevada, seven other states (Hawaii, Maryland, Michigan, North Carolina, Pennsylvania, Tennessee, and Virginia), and the Federal Trade Commission, against Equinox International Corporation and its founder, Bill Gould.

Key terms of the settlement include:

- **Dissolution of Las Vegas-based Equinox International Corporation.** A court-appointed Receiver will take over the business and close it down. All employees, except officers (including those at the corporate headquarters in Summerlin and a distribution center on W. Cheyenne Avenue), will remain employed for at least two weeks, and may be employed longer, if necessary.
- **Consumer restitution fund estimated to be some \$30 – 40 million will be established.** The Receiver will liquidate all Equinox corporate assets, and various personal assets of Gould, in order to fund a claims program for Defendants' victims.
- **Equinox founder Bill Gould is permanently restrained and enjoined from engaging, participating, or assisting in any multi-level marketing program.** He is further banned in Nevada from advertising under the guise of obtaining sales personnel when, in fact, his purpose is to sell goods or services.

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The government's lawsuit against Equinox was filed in Las Vegas on August 3, 1999 in U.S. District Court. It was alleged that Equinox operated as an illegal pyramid scheme in violation of state and federal laws. The State of Nevada additionally charged that the Defendants engaged in false advertising and deceptive trade practices. On August 5, 1999, Judge Rawlinson entered a Temporary Restraining Order and Asset Freeze, and appointed a Receiver. Following a three-day hearing, the Judge issued a Preliminary Injunction, which allowed Equinox to continue in business with modification of its business practices and under the supervision of the Receiver, pending trial. The trial, which began on April 3, 2000, was halted on April 17 when the parties informed the Court that a negotiated settlement was possible.

A hearing will be held on September 8, 2000 in order to finalize the agreement. At that time, the court will determine if the amount of restitution agreed upon is fair to the Defendants' victims, who will, pursuant to the agreement, be certified as a "class."

Equinox distributors who are class members eligible for restitution will be notified by mail (from addresses obtained from Equinox records) with instructions on procedures for filing a claim for restitution. A Notice will also be published in a weekday edition of *USA Today*. For more information on the settlement, call the Bureau of Consumer Protection's **Equinox Hotline (702) 486-3132**. Information and a copy of the "Order Preliminarily Approving Stipulated Final Judgment and Class Action and Setting Fairness Hearing" may be accessed on the Attorney General's Web site at <http://www.state.nv.us/ag/>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://www.state.nv.us/ag/>

E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 19, 2000

CONTACT: Ronda Clifton
(775) 688-1835

RENO MAN PLEADS GUILTY TO INSURANCE FRAUD

Reno-- Jerry Stonecipher, age 53, today pleaded guilty before Washoe County District Court Judge James Hardesty to the charge of Conspiracy to Defraud an Insurance Company.

Stonecipher had submitted false receipts and made material misrepresentations to Safeco Insurance Company in support of a claim following an alleged fire to his residence.

"Insurance Fraud is one of the costliest white-collar crimes in the United States, ranking second only to tax evasion," Del Papa said. "Ultimately, insurance fraud results in increased premiums for policyholders, along with costing taxpayers and the general public, who pick up the tab through higher taxes and inflated prices for consumer goods and services."

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 Web site at www.state.nv.us/ag/

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

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WEBSITE: <http://www.state.nv.us/ag/>

E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 19, 2000

CONTACT: Robert Bony
(775) 688-1815

MAN SENTENCED FOR INSURANCE FRAUD

Reno-- Reggie Harris, age 34, today was sentenced by Washoe County District Court Judge Steven Kosach for two counts of Conspiracy to Commit Insurance Fraud.

Harris made material misrepresentations to California Insurance Group in order to obtain an insurance policy and, after obtaining the automobile policy, made material misrepresentations to California Insurance Group regarding damages to his vehicle. The National Insurance Crime Bureau assisted with the investigation of this case.

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 Web site at www.state.nv.us/ag/

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://www.state.nv.us/ag/>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 18, 2000

Contact: Matthew Dushoff
(702) 486-3195

**NEVADA COALITION AGAINST SEXUAL VIOLENCE PROPOSES
CHANGES TO SEXUAL ASSAULT STATUTES**

Las Vegas – The Nevada Coalition Against Sexual Violence is seeking enhanced punishment for defendants who are convicted for sexual intercourse with a minor under the age of 14. The Coalition was initiated by Nevada Attorney General Frankie Sue Del Papa to confront the issues regarding sexual violence in Nevada, and is considering proposing changes to current sex assault statutes to the State Legislative Committee on Sexual Violence.

The intent of the proposed bill is to enhance the penalties on adults who prey on children and abuse them sexually. If adopted, the bill would prohibit adult sex offenders from using the defense that the child under the age of 14 consented to having sexual intercourse. The legislation would make a person having sexual intercourse with a child under the age of 14 guilty of sexual assault.

Lewdness with a Minor under the age of 14 is currently a category "A" felony, punishable by a minimum of 10 years in prison. However, pursuant to existing Statutory Sexual Seduction laws (Statutory Rape), adults over the age of 21 who have sexual intercourse with a child under the age of 14 can be charged, at the most, with a category "C" felony, which carries a penalty of a minimum of only one year in jail and a maximum sentence of five years incarceration.

According to those same existing Statutory Sexual Seduction statutes, someone under the age of 21 years of age having sexual intercourse with a child under the age of 14 can be charged, at most, with a gross misdemeanor, which carries a penalty of a maximum of one year in jail and a \$2,000 fine.

Therefore, as currently written, the Statutory Sexual Seduction statutes carry a more severe penalty for touching a child under the age of 14's private parts than for having sexual intercourse with that same child. Though consent is not a defense in statutory sexual seduction cases, it is often used as a mitigating circumstance. Otherwise, the adult would be charged with sexual assault in all statutory sexual seduction cases.

--more--

The Coalition is also proposing to increase the age range from 14 – 17 years of age the laws concerning sexual conduct between certain employees of schools and pupils. As the law reads now:

A person, who is 21 years of age or older; and is in a position of authority by a public school or private school; and engages in sexual conduct with a pupil who is 16 or 17 years of age and who is enrolled in or attending the public school or private school at which the person is employed, is guilty of a category C felony.

The Coalition is committed to the elimination of sexual violence through the enhancement of sexual assault prevention, intervention, education, research, legislation and public policy. It consists of a diverse membership of individuals from law enforcement, Sexual Assault Nurse Examiners, University system, juvenile justice system, Indian Health Services, Child Haven, Community Action Against Rape, Nevada Hispanic Services, KVVU Channel 5, county health departments, the Andre Agassi Foundation, and many other organizations concerned with the prevention and prosecution of sexual violence in our state. The approximately 80-member Coalition is determined to create and train sexual assault response teams for all Nevada counties and, is focusing on creating statewide multi-disciplinary training.

The Coalition is also focusing attention on Internet Crimes Against Children. The Coalition recently received a \$300,000 federal grant to address the issue of sexual predators on the Internet. The money will be used:

- For proactive investigations by law enforcement.
- For improved response in the case of a missing child.
- For prevention education.

For more information on the Nevada Coalition Against Sexual Violence, please call Renata Cirri at Community Action Against Rape, “CAAR,” at (702) 385-2153; Pat Thacker at Clark County SAINT/Child Haven at (702) 5371; or Deputy Attorney General Matthew Dushoff at (702) 486-3195.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://www.state.nv.us/ag/>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 17, 2000

CONTACT: Dorene Whitworth
(775) 684-1124

**APPLICATIONS AVAILABLE FOR VIOLENCE AGAINST WOMEN
GRANT PROGRAM**

Carson City---Attorney General Frankie Sue Del Papa has announced that applications for funding under the “**STOP**” (Service - Training - Officers - Prosecution) Violence Against Women Act (VAWA) Grant Program are now available. Nevada has been allocated \$1,156,000 from the U.S. Department of Justice (DOJ) under VAWA Grant program. The grant money will be allocated to qualified programs that meet the specific federal and state VAWA Grant objectives.

The purpose of the **STOP** Violence Against Women program is to encourage the development and implementation of effective law enforcement and prosecution strategies to combat violent crimes against women, and the development and enhancement of victim services in cases involving crimes against women.

This is the sixth year the Attorney General’s Office has received and administered **STOP** Grant funds on behalf of programs throughout Nevada. Including this year’s grant allocation from the DOJ, nearly \$6 million will have been distributed statewide to organizations and groups to assist in combating crimes against women.

Sub-grant application kits have been sent to all law enforcement and prosecution agencies, judicial officers, and all prior VAWA Grant recipients. To receive an application kit, or for more information on the grants, please call Dorene Whitworth, Office of the Attorney General, at (775) 684-1124. Applications are due by May 15, 2000.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108

WEBSITE: <http://www.state.nv.us/ag/>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
April 14, 2000

CONTACT: Stephanie Parker
(702) 486-3326

**NEVADA ATTORNEY GENERAL'S OFFICE TEAMS WITH RACECAR DRIVER
IN SEARCH FOR MISSING LAS VEGAS GIRL**

Las Vegas —Attorney General Frankie Sue Del Papa's Missing Children Clearinghouse is teaming up with the NASCAR racing industry to bring attention to the plight of a missing child. On Saturday, April 15, 2000, at 7:00pm, an image of Michelle Lee, a Las Vegas girl who was abducted by her mother in 1992, will be featured on the hood of driver Jerry Spilsbury's car during the NASCAR Winston Racing Series race at the Las Vegas Motor Speedway.

Spilsbury said he cannot imagine what Larry Lee, the father of Michelle, is going through. "The pain and anguish have to be unbearable," Spilsbury said. When asked why he, his JMS Racing Team and his sponsors—Quality Mechanical, Ahern Rentals and Carrier Air Conditioning--would forego the advertising opportunity this event offers to instead feature Lee's image, Spilsbury replied, "I am fortunate. I have my children with me. This is my opportunity to do the right thing, to help someone in need. I guess it's like the picture of the child on the milk carton. If someone sees Michelle's picture, hopefully, they will do the right thing and contact authorities."

Larry Lee will be on hand to share his story of the abduction of his daughter, now 12 years old. Her mother, Mi Young Lee, abducted the child in September of 1992. A warrant has been issued for her arrest. Mr. Lee is hoping that someone who recognizes his daughter will be able to provide information to authorities.

"We have been able to partner with several other racecar drivers in past events at the Las Vegas Motor Speedway," Del Papa said. "This is a great example of the sports industry, business community, law enforcement and the public working effectively together."

The Adera Corporation is donating its time and services to do the imaging on the car. The Las Vegas Motor Speedway is helping by providing accommodations.

--more--

The Nevada Missing Children Clearinghouse was created by the State Legislature in 1991 in response to the staggering number of children reported missing in the United States each year. In Nevada alone, more than 6,000 children are reported missing each year, most of them the result of a parental abduction. The Clearinghouse not only acts as a central registry for missing children reports, it is also an information resource for child protection issues. The Nevada Missing Children Clearinghouse works in tandem with the National Center for Missing and Exploited Children.

For more information on Nevada's Missing Children Clearinghouse, visit the Attorney General's website at: **www.state.nv.us/ag/**, or call (702) 486-3539.

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**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

April 10, 2000

CONTACT: Michael Pennington

(775) 684-1100

**ATTORNEYS GENERAL REPORT STUDENT PERSPECTIVES ON
CAUSES OF YOUTH VIOLENCE**

CARSON CITY---The National Association of Attorneys General (NAAG) today issued a report entitled, *Bruised Inside, What Our Children Say about Youth Violence, What Causes It, and What We Should Do About It*, that points to home life and harassment by kids as key causes of youth violence. The report looks at the problem of youth violence from the perspective of those who see it first-hand -- children, their teachers, school administrators and parents.

"The threat of school violence on our campuses is something that all of us are concerned about," said Attorney General Frankie Sue Del Papa. "It is imperative that we search for the roots to the causes that have led to several tragedies on school campuses across the nation. This report offers some real guidance to school administrators and state legislators on how to help curtail harassment, which can lead to violence."

Findings and recommendations in the report came from listening conferences held by NAAG and individual attorneys general around the country.

"We were surprised by the common themes raised in school rooms across the nation," said Washington state Attorney General and NAAG President, Christine Gregoire.

The student "experts" told attorneys general that they need someone to teach them right from wrong, set boundaries in their lives, talk with them about their problems and give them a sense of belonging.

The report finds that many of the answers to youth violence lie ultimately with parents and youth. The attorneys general said their conversations with students also confirmed findings by various studies that many children who grow up with violence in the home use violence to solve their problems outside the

home.

The number two cause of youth violence is how young people treat each other. Bullying, outcasting and "dissing" were reportedly pervasive throughout all grade levels, starting in grade school and often escalating to violence by the middle school years. The attorneys general urge schools to prohibit bullying and train staff to quickly respond to it. They also urge youth to take personal responsibility and foster respect for their peers to break the cycle of bullying and insults before they escalate to violence.

"During my discussions with youth during forums on our school campuses, I was told that many students do not report problems due to fear of retaliation," Del Papa said. "We must provide an anonymous avenue for students to report acts of violence, harassment and/or crimes on campus so they feel free to come forward. By doing so, we can help alleviate the fear of retaliation and, at the same time, take a major step in helping to reduce these types of incidents on our campuses."

The report is being distributed to the President, Congress, and state officials to help them address youth violence and school safety issues in the wake of school tragedies such as last April's shooting at Columbine High School in Littleton, Colorado.

The report can be found on NAAG's Web site at www.naag.org. For more information on the report, please call Dave Horn, Washington state Assistant Attorney General, at (206) 464-7030, or Brian Smith, AGO Public Affairs, at (360) 664-4953.

Several brochures addressing youth violence and harassment on school campuses can be found on the Nevada Attorney General's Web site.

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

April 11, 2000

CONTACT: L. Scott Walshaw

(775) 687-4259

DESERT ESCROW POSSESSION ORDER ISSUED

The Department of Business and Industry, Financial Institutions Division and the Office of the Attorney General announced today that an Order has been issued by the Division, taking possession of Desert Escrow, Inc., doing business as Escrow Associates, Inc., a licensed escrow company in Reno, Nevada. The company is owned by Jennie Jacobs. The Order requires Ms. Jacobs to immediately turn over possession of the business to Financial Institutions Division Commissioner L. Scott Walshaw.

The Order alleges, among other things, that a shortage of approximately \$229,000.00 exists in Escrow Associates' trust account and that the business has been damaged by the owner's poor business practices. Under state law, the company has 60 days to remedy the unsafe conditions that prompted the takeover, or the Commissioner may request a receiver be appointed by the state district court. The investigation of the business will continue.

For more information, contact L. Scott Walshaw, Commissioner (775) 687-4259, or Doug Walther, Senior Deputy Attorney General (775) 684-1213.

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

April 6, 2000

CONTACT: Steve George

(775) 684-1114

**ATTORNEY GENERAL WARNS OF SCAM SWEEPING ACROSS
NORTHERN NEVADA**

Reno---Attorney General Frankie Sue Del Papa is warning northern Nevadans to be on the alert concerning an age-old, worldwide scam involving a group referring to themselves as representing the Nigerian Federal Ministry of Finance, Foreign Contract Department. The Attorney General's Bureau of Consumer Protection office has recently received several calls from consumers who have received information on this scam.

A message sent via fax machine or letter to scores of people around the world states that the group is secretly contacting you about a large sum of money (\$96,000,000) that you can lay a 30% claim to, if you send the group your bank and residential information. In fact, what happens is that victims who fall prey to this "get rich quick" scam have their bank accounts wiped out.

Although it is illegal in Nevada (NRS 207.325) to make or cause to be made an unsolicited electronic or telephone transmission to a fax machine to solicit a person to purchase real property, goods or services, it is almost impossible to stop this type of activity.

"Unfortunately, Nigerian government officials have not been cooperative with law enforcement agencies throughout the world in putting a stop to this illegal scam," Del Papa said. "Nevadans should beware of this decades-old scam, as they should any so-called deal that sounds too good to be true."

Key signals to look for when confronted by an offer such as this are:

* A stranger contacts you via mail, telephone, fax or email offering to share a large amount of money with you.

- * The stranger is usually someone from out of state or out of the country.
- * The stranger tells you that little or no effort is required on your part to collect the money.
- * The stranger tells you that you must first send him money before you can collect.
- * The stranger tells you that secrecy is important.

Complaints regarding this scam should be directed to:

U.S. Secret Service Office
600 South Las Vegas Blvd.
Las Vegas, NV 89101
(702) 388-6571

If you believe someone may be perpetrating consumer fraud in Nevada, call the Attorney General's Bureau of Consumer Protection in Reno at (775) 688-1818; or in Carson City at (775) 687-6300. Consumer protection information and complaint forms can be found on the Attorney General's Web site.

**STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL**

Protecting Citizens, Solving Problems, Making Government Work

FOR IMMEDIATE RELEASE

April 5, 2000

CONTACT: Jo Ann Gibbs

(702) 486-3782

**LEADING SWEEPSTAKES COMPANY TO MAKE MAJOR
CHANGES IN DISCLOSURES, AND PAY \$30 MILLION IN
RESTITUTION**

(LAS VEGAS) - Attorney General Frankie Sue Del Papa today announced a multi-state settlement that requires one of the country's largest sweepstakes companies to make dramatic changes in what it tells consumers, and to pay more than \$30 million in restitution to consumers.

Del Papa joined with the attorneys general of 47 other states and the District of Columbia in reaching an agreement with United States Sales Corp., of Northridge, Calif., which does business as United States Purchasing Exchange and USPE. The agreement requires USPE to provide clear and conspicuous "Sweepstakes Facts" (included in this fax) on the sweepstakes entry form itself, including: a statement that the consumer has not yet won; the odds of winning a prize; and that a product purchase is not required to win.

Each year, USPE sends out tens of millions of mailings nationwide. As with many sweepstakes mailings, USPE mailings include offers for purchasing products, along with sweepstakes entry forms. In the case of USPE, the products offered are household and personal products. Del Papa stated that some consumers in Nevada and elsewhere, particularly elder citizens, have purchased the products because they believed the purchases would enhance their chances of winning the sweepstakes.

The assurance of voluntary compliance signed by USPE and the attorneys general establishes a fund of \$30.4 million for restitution to those consumers nationwide who spent at least \$1,870 with USPE in any one of calendar years 1997, 1998 or 1999. USPE also will pay the settling states more than \$1.3 million for the costs of the investigation, and will set aside another \$3.6 million to pay for the cost of administering the repayment program to consumers. The State of Nevada will receive \$20,000 from the settlement for its investigative and administrative costs.

In order to stop unnecessary purchases by high activity customers, USPE will also discontinue sweepstakes mailings to any person who makes 25 purchases, or who spends more than \$935 in a 12-month period in response to sweepstakes offers. In addition, the company agreed to improve its disclosures of how consumers can enter its sweepstakes without making a purchase, and how consumers can enter even if they do not receive a sweepstakes offer from the company.

USPE will also contact so-called "high activity" customers with a separate letter to let them know they can enter the company's sweepstakes as often as they like without making a purchase.

The agreement also requires that USPE:

- * Offer only a single, standard means of entering sweepstakes, regardless of whether a purchase is made;
- * Not represent that a consumer received a sweepstakes offer because he is a customer, or that the consumer may receive additional sweepstakes offers if he remains a customer;
- * Not represent that a consumer has a better chance of winning a sweepstakes than others;
- * Not use personalized, simulated checks to represent sweepstakes prizes in its solicitations;
- * Fully disclose the nature and value of any bonus items offered to purchasers if any such items are described;
- * Ensure that all sweepstakes have a single response deadline, rather than numerous intermediate response deadlines; and
- * Maintain a toll-free telephone number for consumers to call if they wish to be placed on the company's "Do Not Contact" list.

Del Papa stated that the USPE agreement requiring the sweepstakes facts sheet be mailed with entry forms now sets the standard for the sweepstakes industry. Sweepstakes are an area of concern for attorneys general across the country, with reports of consumers purchasing multiple magazine subscriptions or products they don't want or need because they believed that purchases would help their chances of winning.

A recent report produced by the National Association of Attorneys General (NAAG) strongly recommended that sweepstakes marketers include a standardized "sweepstakes facts sheet" with their mailings to help consumers better understand contest odds and that no purchase is required to win. NAAG issued the report following hearings on sweepstakes last year in Indianapolis.

Each eligible consumer will be sent a notice by the restitution administrator, which will include a

telephone number for consumers to call if they have questions regarding the process. If there is no further court action, the restitution account should be fully funded by USPE in about six months. Consumers who are eligible for restitution will be contacted directly by the restitution administrator. Consumers may also contact the Office of the Attorney Generals Bureau of Consumer Protection at (702) 486-3194.

For additional consumer protection information, check out the Attorney General's Web site.

**STATE OF NEVADA
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FOR IMMEDIATE RELEASE

April 5, 2000

CONTACT: Kateri Cavin

(775) 684-1218

**ATTORNEY GENERAL ISSUES OPINION ON FEDERAL TERM
LIMITS**

Carson City--Attorney General Frankie Sue Del Papa announced today that a provision added to the Nevada Constitution in 1998 violates the U.S. Constitution and, therefore, cannot be enforced. The provision attempts to force state legislators and federal congressional delegates to enact and support federal term limits. Several other states have enacted similar provisions, which were later challenged in both state Supreme Courts and in federal courts. The courts have unanimously found the provisions violate the U.S. Constitution.

Under the provision to the Nevada Constitution, the Secretary of State would have been required to determine if a state legislator or federal congressman had supported federal term limits when the issue came before his legislative body. If it was determined that the legislator had failed to do so, the Secretary of State would have been required to place the label "DISREGARDED VOTERS' INSTRUCTIONS ON TERM LIMITS" after the person's name when it appeared on the ballot. The courts have unanimously found that this type of provision undermines an individual legislator's right to free speech.

"Although the citizens of Nevada have made it clear they want Federal term limits, if limits are enacted, they must be done within the framework of the U.S. Constitution or they will not pass muster in the courts," Del Papa said. "This was a difficult opinion for me. I'm sensitive to the will of the people, but the court cases are clear. By issuing an opinion that might be popular with the people, but not hold up in court, I would not be upholding my sworn duty to uphold the law."

The opinion was in answer to a request from Secretary of State Dean Heller who, under the provision, was responsible for determining whether a state legislator or federal congressman supported federal term limits. Heller, who commented he is also aware of the sensitive nature of the issue, said he will be

guided by the clarification from the Attorney General.

At least seven other states that enacted similar legislation that was later overturned by the courts. Those states are California, Colorado, Idaho, Maine, Missouri, Nebraska and South Dakota.

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FOR IMMEDIATE RELEASE

April 4, 2000

CONTACT: Steve George

(775) 684-1114

**ATTORNEY GENERAL'S OFFICE COMPLIES WITH COURT
ORDER: ISSUES STATEMENT REGARDING DISSEMINATION OF
DOCUMENTS**

The following is a statement from Attorney General Frankie Sue Del Papa concerning the court-ordered dissemination of some 1000 pages of documents that were gathered as a result of the investigation into convicted slot-cheat Ron Harris.

Carson City--Eighth Judicial District Court Judge James Mahan has ordered the public dissemination of approximately 1000 pages of documents and copies of videotaped interviews generated as a result of the investigation, prosecution and conviction of an 11-year Gaming Control Board employee and electronics expert, Ronald Dale Harris, and three accomplices, for very serious and complex slot cheating crimes. The Office of the Attorney General has opposed such public dissemination of these materials for two basic reasons: (1) the materials contain the names of numerous innocent persons some of whom were the subject of unfounded allegations of criminal conduct; and (2) the materials contain names of various informants whose identities we do not believe should be made public, as such publicity tends to deter persons from cooperating with law enforcement officials.

Although we do not agree with the Court's order of dissemination, the judge has issued a discretionary ruling which we have determined not to challenge to a higher court. Moreover, whether or not such materials are to be disseminated is a side issue that has arisen during the course of civil litigation brought by a former investigator against the Office of Attorney General. The allegations this former employee has made against this office and various individuals are untrue. In fact, the materials the Court has ordered disseminated help establish the baseless nature of plaintiff Michael Anzalone's claims. The unwarranted and often exaggerated attention that has been given to this side issue has thus far served only to delay an objective, judicial analysis of Mr. Anzalone's claims. We are confident that the repeated distortion of facts and the failure to follow events in chronological context by the plaintiff, as well as

certain other individuals and media representatives, will not withstand objective scrutiny.

Finally, during what were intended to be in camera proceedings in the Eighth Judicial District Court to resolve this office's request that the criminal investigative file not be disclosed, the Discovery Commissioner publicly revealed the identities of certain individuals whose names appeared in the investigative materials, and also publicly opined and commented upon the contents of those materials, before a ruling concerning disclosure could be rendered by the presiding district court judge. Consequently, it is no longer possible to maintain the confidentiality of certain names and information contained in the investigative file.

It is for all these reasons that we have decided not to further challenge the Court's order for public dissemination. It must be emphasized, however, that the opposition to public dissemination of investigative materials has been based upon the very valid and important considerations noted above. Those considerations come into play in nearly every criminal investigation a law enforcement agency conducts, and we will not hesitate to assert those concerns in future matters in order to preserve interests related to personal privacy, public safety and justice.

This office has been accused by plaintiff Michael Anzalone of conducting an "illegal intelligence investigation" into the activities of former GCB Chairman Bill Bible and others. Specifically, Anzalone has untruthfully alleged, among other things, that while employed as an AG investigator, he was ordered to obtain Mr. Bible's banking and telephone records without first obtaining legally required subpoenas. This is not true. The materials being disseminated pursuant to Court order establish that the Office of the Attorney General conducted a thorough and professional investigation into what turned out to be the most complex slot cheating conspiracy in the history of Nevada, and convicted the criminal perpetrators as a result. The materials also establish that plaintiff Michael Anzalone's allegations of an unlawful and politically motivated investigation are utterly false. With regard to Mr. Bible, this office received allegations of criminal conduct in connection with the Harris investigation; specifically that Bible had received bribes in exchange for official action. A limited search of public records concerning real estate holdings, and of automobile title and registration information, was conducted. That inquiry, which occurred more than a year after Michael Anzalone left his employment with the Attorney General's Office, indicated to this office that the allegations against Bill Bible were unfounded.

Ironically and disingenuously, certain individuals have elected to fault this office for conducting such an inquiry. The fact is that we performed our statutory responsibility to investigate allegations of criminal conduct committed by state officers in the course of their duties. This office would rightfully be subject to severe criticism had we failed to perform that duty. We have never in the past and will never ignore allegations of criminal conduct within our jurisdiction simply because the people against whom such allegations are made are too big, or too rich, or too powerful. We have never subscribed to that view and never will.

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April 4, 2000

CONTACT: Steve George

(775) 684-1114

**ATTORNEY GENERAL AND ALCOHOL BEVERAGE INDUSTRY
JOIN FORCES TO STOP UNDERAGE DRINKING**

Carson City-At news conferences in Sparks and Las Vegas today, Attorney General Frankie Sue Del Papa, brewer Anheuser-Busch and Nevada retailers announced a comprehensive schedule of server training classes designed to help bartenders, waitresses and others, who serve and sell alcoholic beverages, prevent sales to minors. The training classes are the latest element in a "Stop Underage Drinking" initiative Del Papa announced last September.

The classes, conducted by TIPS (Training for Intervention Procedures by Servers of Alcohol), the largest server training organization in the country, will be offered over the next six months in Nevada. Since Del Papa's underage drinking initiative began last fall, a number of retailer employees already have been certified as trained instructors in TIPS alcohol intervention techniques. Those instructors have already trained more than 300 fellow employees at casinos, bars, taverns and restaurants around the state. The TIPS trainings over the next six months will reach hundreds of additional servers.

"Offering training to those on the front lines is a key element in making further progress in stopping underage drinking," said Del Papa. "Bartenders, waitresses and others involved in serving and selling of alcohol beverages will greatly benefit from receiving instruction in how to spot fake ID's and better deal with troublesome underage drinking situations. We're delighted to be partnering with Anheuser-Busch and the Nevada Retailers Association in this important initiative."

The six upcoming training classes are scheduled to begin in mid-April and run through November. The estimated cost for this entire training initiative is \$20,000. It is being paid for by Anheuser-Busch. The classes, which are by invitation-only to employees of alcohol beverage retailers, will be held at Anheuser-Busch beer distributor facilities on the following dates: April 20 & 21, Carson City; August 10 & 11, Sparks; and November 9 & 10, Carson City.

"A recent national survey revealed 84% of the public believes server training is among the best tools for a brewer like Anheuser-Busch to be involved with, in helping to fight underage drinking," said Francine Katz, vice president of consumer affairs, Anheuser-Busch. "Our own experience has shown retailer employees appreciate this instruction because it helps them do a better job in stopping underage drinking. We're delighted to work with Frankie Sue as she makes this training available to even more retailers in Nevada."

Katz explained that server training covers topics such as how to spot a fake ID; how to detect and take appropriate action when encountering typical ploys by underage drinkers to illegally attempt to buy alcohol beverages; and how to deal with potentially threatening incidents in which adult consumers are purchasing alcoholic beverages for those under the legal drinking age.

Anheuser-Busch, she added, has been involved in conducting server training for more than 15 years. Over the last 10 years, nearly 800 servers have been trained by Anheuser-Busch beer distributors in Nevada alone. These trainings, among other efforts to prevent underage drinking, have contributed to a 77% reduction in teen drunk driving fatalities in Nevada since 1982.

The "Stop Underage Drinking" initiative is supported by a broad coalition of private and public entities including retailers represented by the Nevada Petroleum Marketers Association; Retail Association of Nevada; 7-11 Corporation; Anheuser-Busch Companies, Inc.; Miller Brewing Company; Coors Brewing Company; The Century Council (represents distilled spirits industry); and several state agencies.

For more information on the Anheuser-Busch Companies', Inc. role in the "Stop Underage Drinking" initiative, please contact Jim Schwartz at 314-577-9625. To find out more about what the Nevada Attorney General's office is doing to combat underage drinking, contact Senior Deputy Attorney General John Albrecht at 775-688-1872, or visit the office's web site at: <http://ag.state.nv.us/>

Sources for more information:

* For more information about Anheuser-Busch programs to stop underage drinking and other forms of alcohol abuse, go to www.beeresponsible.com.

* Teen drunk driving crash statistics: Fatal Accident Reporting System, National Highway Traffic Safety Administration (1999).

* Server training statistics: Data Development Corporation (2000).

Most recent Youth Risk Behavior Survey Statistics show:

* 81% of Nevada High School students have had one full drink of alcohol during their lifetime; increase of 3% over 1997 survey

- * 38 % of students had first full drink before age of 13 nearly 3 % more than in 1997
- * During the 30 days before they took the survey,
- * 53% of students had one drink of alcohol (increase by 6% from 1997)
- * 36% had five or more drinks in a row (increase by 13 % from 1997)
- * 7% drank alcohol on school property (down 13% from 1997)

Mixing alcohol and driving is a major cause of accidents and fatalities in Nevada.

- * In 1998, 157 lives were lost, and another 2, 696 people were injured, on Nevada roadways due to alcohol- involved crashes.
- * In fact, in 1998, more than 43% of all fatal crashes in Nevada involved alcohol.
- * And in 1998, there were 12,196 D-U-I arrests in Nevada.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
May 25, 2000

CONTACT: Stephanie Parker
Crime Prevention Coordinator
(702) 486-3326

MAY 25TH IS NATIONAL MISSING CHILDREN'S DAY

Carson City—May 25, 2000 is National Missing Children's Day, a time to bring attention to the plight of missing children and their families, and to renew our nations' efforts to reunite children with their families. In 1983, former President Ronald Reagan proclaimed May 25 National Missing Children's Day in honor of six-year-old Etan Patz, who disappeared in New York City on his way to school in 1978 and has never been seen again.

In honor of Missing Children's Day, the Nevada Attorney General's Missing Children Clearinghouse and several other groups and law enforcement agencies will be conducting special events. This year's theme is "Picture Them Home."

"One of the most tragic situations that any parent can face is the disappearance of a child, no matter what the circumstance," Attorney General Frankie Sue Del Papa said. "We must all join forces in our communities to do whatever we can to help prevent the catastrophic heartbreak that a family goes through when a child is abducted or missing."

On Thursday, May 25, 2000, the families of two Nevada missing children will gather in the lobby of the Grant Sawyer Building in Las Vegas at 10:00 am to discuss their particular situations. Larry Lee will talk about his eight year, ongoing search for his daughter Michelle, who was abducted by her mother, Mi Lee. The parents of Karla Rodriguez will share the story of their daughter's disappearance and ongoing search for her since October 1999. Joining the parents will be Maria Emeterio, an investigator with the Missing Children Clearinghouse, Senior Deputy Attorney General Jan Cohen, representatives from the Las Vegas Metropolitan Police Department, and Nevada Child Seekers Executive Director Jill LeMasurier. Nevada Child Seekers is a non-profit agency that is dedicated to locating missing children, along with supplying families with information on child abduction prevention materials. LeMasurier will speak about the plight of an endangered runaway.

--more--

Through a partnership among the Missing Children Clearinghouse, the group Search for the Missing Children, and several drivers and their teams, the pictures of Micelle Lee and Karla Rodriguez have been featured on the hoods of racecars at the Las Vegas Motor Speedway and at other tracks.

On Saturday, May 27, 2000, from 11:00 am to 3:00 pm, the Missing Children Clearinghouse and Nevada Child Seekers will be providing free child identification packets as part of "Child Safety Day" at the Galleria Mall in Henderson.

The packets include a Parent Resource envelope that contains materials for photographs and fingerprints, a list of emergency and resource numbers, the publication "A Guide to Child Safety," and the National Center for Missing Children's "Eight Rules For Safety." Sunset Station Hotel & Casino has donated money for the purchase of film to be used to photograph the children for the packets.

Members of the Henderson Police Department, Nevada Highway Patrol, Las Vegas Metropolitan Police Department, Boulder City Police Department, Clark County School District Police Department, and the Community College of Southern Nevada Law Enforcement Training Academy will be on hand during "Child Safety Day" at the Galleria Mall to distribute crime prevention and safety information, and to fingerprint each child for the identification packets.

"By taking necessary precautions, including the preparation of an identification packet and teaching your child about safety, a parent can help prevent his or her child from becoming the victim of an abduction," Del Papa said. "Should a child be abducted or end up as a runaway, precious time will be saved in the search for that child if a completed identification packet can be quickly delivered to law enforcement."

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 1999 alone, the Nevada Missing Children Clearinghouse received a total of 633 reported cases of a missing child, including cases of family abductions, parental abductions and non-family abductions. Of those, 464 were between the ages of one and ten. And, last year, there were just under 8,000 children who were reported as runaways in Nevada. The Nevada Missing Children Clearinghouse works in tandem with the National Center for Missing and Exploited Children.

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 Web site at <http://ag.state.nv.us>, or call (702) 486-3539. The Web site address for the National Center for Missing and Exploited Children is www.missingkids.com.

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OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE

May 23, 2000

General

(702) 486-3793

CONTACT: Matthew Gabe

Deputy Attorney

MAN SENTENCED TO PRISON FOR INVESTMENT SCAM

Las Vegas – Clark County District Court Judge Sally Loehrer today sentenced Jessie S. Williams, age 44, of Las Vegas, Nevada, for committing one count of securities fraud in connection to a scheme in which he feloniously defrauded numerous investors out of thousands of dollars. Williams was sentenced to 24-60 months in state prison and ordered to pay \$17,000 in restitution to his victims.

Williams' scheme involved befriending Clark County residents while playing golf. He would then offer to make investments for them. Williams misrepresented, among other things, that he was a licensed stockbroker with Merrill Lynch, and that he held a seat on the New York, Chicago and Pacific Stock Exchanges.

The charge was the result of an investigation conducted by the Secretary of State, Securities Division.

People who believe they are victims of securities fraud should call the Nevada Securities Division in Las Vegas at (702) 486-2440, or in Reno at (775) 688-1855. Consumer protection information is available on the Attorney General's Web site at <http://ag.state.nv.us>.

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OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
May 22, 2000

CONTACT: Matthew Gabe
(702) 486-3793

KANSAS MAN PLEADS GUILTY TO OIL AND GAS SCAM

Las Vegas--Charles W. Sanders, age 64, of Wichita, Kansas today pleaded guilty to one count of securities fraud pursuant to Alford decision for his involvement in a scheme that defrauded investors out of \$10,500.

Sanders told victims that he was selling one percent (1%) interests in an oil and gas well site located in Nye County, Nevada. He informed the victims that his company, Southwest Oil and Gas, was raising investment funds to conduct drilling activities on the well site.

Sanders committed securities fraud by failing to disclose to the investors, among other things, that his drilling equipment had previously been put up for sale in a Sheriff's sale; that the federal and state drilling permits for the well site had previously expired; and that he had previously been convicted for conspiracy to commit mail fraud in North Dakota and securities fraud in Kansas.

The charges were the result of an investigation conducted by the Secretary of State, Securities Division.

As part of the negotiated plea agreement, Sanders will pay restitution to the victims within six months.

People who believe they are victims of securities fraud should call the Nevada Securities Division in Las Vegas at (702) 486-2440, or in Reno at (775) 688-1855. Consumer protection information is available on the Attorney General's Web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://ag.state.nv.us>

E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
May 22, 2000

CONTACT: Laurel A. Duffy
Deputy Attorney General
Insurance Fraud Unit
(702) 486-3433

FALSE CLAIM FOR CAR THEFT LEADS TO GUILTY PLEA

Las Vegas— Linda Marie Engelhardt, age 40, of Las Vegas, today pleaded guilty to Attempting To Make A False Claim For Insurance Benefits to USAA Insurance Company before Clark County District Court Judge John McGroarty. She will be sentenced on October 2, 2000. Engelhardt faces up to one year in jail and a fine of up to \$2,000.

On March 14, 1998, Engelhardt reported that her 1990 black Chevrolet pickup truck had been stolen from her friend's apartment parking lot sometime between February 28, 1998 and March 1, 1998, when Engelhardt was supposedly out of town. Engelhardt received \$11,272 from USAA on her claim.

But an investigation revealed that Engelhardt's truck had been impounded by the Henderson, Nevada Police Department on March 1, 1998, as evidence on a Felony Evading/Failure to Stop for Police charge. A witness reported to police that he saw Linda Marie Engelhardt in the truck on March 1, 1998, during the course of the activity that led to the truck being impounded.

Persons who suspect any type of insurance fraud may contact the Attorney General's toll-free hotline at 1-800-266-8688. Insurance fraud information, including a brochure entitled, "You are a Daily Victim of Crime," can be found on the Attorney General's Web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://ag.state.nv.us>

E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
May 11, 2000

CONTACT: Tim Terry
(775) 687-4704

REGISTERED NURSE CHARGED WITH ELDER NEGLECT

Las Vegas--Attorney General Frankie Sue Del Papa announced today that Las Vegas Registered Nurse, Patricia Ella Cain, age 45, has been charged with one count of Felony Elder Neglect. The Medicaid Fraud Control Unit (MFCU) is handling prosecution of the case.

According to MFCU Director Tim Terry, Cain is alleged to have caused substantial bodily harm to a 69-year-old male resident at Integrated Health Services of Las Vegas. Specifically, it is alleged Cain misdirected a feeding tube through the resident's abdominal cavity. She complicated her neglect by failing to chart her activities, and then leaving the resident alone. This resulted in his subsequent feeding being dispersed into the abdominal cavity rather than his stomach.

"Registered nurses and other health-care professionals must be held accountable when they knowingly fail to provide services in a safe and appropriate manner," Del Papa said in reiterating her office's zero tolerance policy against those who abuse or neglect the elderly.

The charges against Cain are merely allegations. She is presumed innocent until proven otherwise in a court of law.

Anyone suspecting the abuse or neglect of an elderly person may report it to the MFCU in Carson City at (775) 687-4704, in Las Vegas at (702) 486-3420, or to the Division for Aging Services in Reno at (775) 688-2964, in Carson City at (775) 687-4210, or in Las Vegas at (702) 486-3545, or to any local law enforcement agency.

Elder abuse prevention information can be found on the Attorney General's Web site at <http://ag.state.nv.us>.

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FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
May 10, 2000

CONTACT: Steve George
(775) 684-1114

**ATTORNEY GENERAL'S OFFICE RESPONDS TO CLAIM OF
ILLEGAL WIRETAPPING**

Carson City---In court papers filed this morning, the Attorney General's Office noted that no credible evidence exists to support recent allegations that members of the Las Vegas Police Metropolitan Police Department (LVMPD) illegally monitored a phone line at the office of attorney JoNell Thomas. The assertions, made by Las Vegas Attorney Richard Wright, co-counsel John Moran Jr. and Thomas, are contained in a defense motion to dismiss a criminal complaint that alleges criminal money laundering activities by defendants Billy Walters, Daniel Pray, Jimmie Hanley and John Tognino. The defendants have been the subjects of three separate criminal indictments handed down by a Clark County Grand Jury for alleged criminal activities conducted in 1996.

In opposing the motion, the prosecution offered the sworn testimony of numerous individuals, including two Sprint Telephone employees. That evidence establishes that a technical malfunction at Sprint's Central Office switching facility resulted in a temporary crossover of telephone lines assigned to Metro's Secret Witness program and the law office of JoNell Thomas. When the crossover was discovered by Secret Witness Program Director Russ White, the problem was promptly reported to Sprint Telephone, and the cause of the malfunction was identified and remedied by Sprint technicians.

"Like Sheriff Keller and his staff, my staff and I are well aware of the statutory requirements imposed by the Nevada legislature regarding the process for obtaining court authorization for a phone intercept," said Attorney General Frankie Sue Del Papa. "To suggest that Metro officers or members of the Attorney General's staff would engage in felony unauthorized wiretapping is irresponsible, ludicrous and unsupported by any credible evidence. The unsubstantiated allegations are supported only by attorney Wright's 'sworn beliefs.' His beliefs do not constitute evidence, and are completely at odds with the facts."

The testimony of Sprint technicians attached to the opposition filed today by Del Papa's office notes that the source of the crossover between phone lines assigned to Secret Witness and Thomas' office was a stray piece of bare wire that had fallen onto and interconnected two "plug attachments" contained in Sprint's central office switching frame. The frame contains thousands of such attachments, also referred to as aluminum "pens," which are spaced approximately one-quarter of an inch from one another.

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The plug attachments for phone lines assigned to Secret Witness and to the law office of JoNell Thomas happen to be located next to one another, as is established in a photograph of Sprint's switching frame, which accompanies the prosecution's opposition. In testimony offered by Sprint Technician Anton Schrader, Jr., he notes that Sprint performs between 100 and 150 installations and disconnects per day, and that line crossover shorts occur approximately 3 to 4 times per day. The reasons noted by Schrader for such crossover shorts include wires left behind and crossing two or more attachments, as occurred in this case, as well as wires pulled partially from an attachment and left touching a neighboring attachment, or attachments that become bent during frame servicing.

According to a second sworn statement, Sprint Technician Richard Dufault responded on April 25, 2000, to a request for service by LVMPD Secret Witness Program Director, Detective Russ White. White indicated he had experienced interference in the form of "bleed over" on his phone lines, during which two other people engaging in conversation would interrupt his conversation. During one of White's conversations with America West Investigator William Hengler that day, a female voice interrupted their conversation. According to Hengler's sworn statement, the woman indicated they were "coming in on this line and this is a law office that represents Billy Walters." In another conversation that occurred that day, White indicated he recalled hearing a recording announce, "You have reached the law offices of JoNell Thomas." Dufault could not find a reason for the problem at the Secret Witness office, so he contacted Schrader at Sprint's central office and the source of the problem was quickly located and repaired.

In his sworn testimony, Schrader further noted that the Sprint facility is secured on a twenty-four hour basis and that "it is highly improbable that anyone could gain access to the building, and they would most likely not have the knowledge to determine which lens are connected to a certain telephone number. Therefore, I conclude that this was an accident and no wiretap was installed on either len telephone number."

The Attorney General's response also included the supporting sworn statement of LVMPD Lieutenant Mike McClary, head of the Intelligence Section. McClary indicated he reviews and approves all applications for interception orders and that he had not reviewed any such application regarding the Walters matter. McClary stated that he had not approved, nor would he approve, any request for an illegal interception.

"This is a money laundering case," Del Papa stated. "It has never been a case involving the category of crimes for which an intercept order can even be requested from a state court. The evidence in this case was developed long ago through the execution of court issued search warrants and other lawful means. That evidence has been presented to three grand juries consisting of Clark County citizens. Mr. Wright's assertion that law enforcement authorities in this case would commit felony violations in order to illegally gather evidence is preposterous."

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E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
May 10, 2000

Contact: Kirk Hendrick
Chief Deputy Attorney General
(702) 486-3105

**ATTORNEY GENERAL JOINS OTHER STATES IN SUPPORTING
RECOMMENDATIONS BY NATIONAL BOXING TASK FORCE**

Carson City--Attorney General Frankie Sue Del Papa announced today that she has signed on as a supporter of the recommendations being made by the National Association of Attorneys General (NAAG) Boxing Task Force. New York Attorney General Eliot Spitzer, Task Force Chairman, presented the report today to Senator John McCain (R-Ariz.). Senator McCain and Senator Richard Bryan (D-Nev.) have introduced several pieces of legislation to improve the sport of boxing.

The NAAG Boxing Task Force, comprised of 18 member states, spent more than a year receiving nationwide input from boxers, promoters, managers, regulators, sanctioning organizations, judges, referees, ringside physicians and fans of the sport. The culmination of those efforts resulted in the report that was released today. The report details boxing practices in the United States, identifies problems in regulating the sport, and recommends ways to improve health, safety and ethical standards throughout the industry.

Del Papa was represented throughout the yearlong process by Deputy Attorneys General Kirk Hendrick and Keith Kizer, legal counsel for the Nevada Athletic Commission. Nevada Athletic Commission Executive Director Marc Ratner, Nevada's Medical Advisory Board Chairman Dr. Edwin "Flip" Homansky, Nevada ringside physician Dr. Margaret Goodman, referee Richard Steele, and former judge (and now television boxing commentator) Mills Lane also provided expert testimony.

Although Del Papa does not agree with every recommendation in the report, she believes that as a whole, the report contains many very good recommendations for improving a sport that so strongly impacts Nevada's economy.

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“Nevada’s expertise in the industry was repeatedly acknowledged by those working on the Task Force, Del Papa said. “Nevada is generally accepted as the ‘Boxing Capital of the World,’ and those who are trying to improve the industry consistently referenced many of Nevada’s practices as the way the sport should be regulated.”

As further evidence of its position as a leader in the boxing industry, many of the recommendations in the report are already in place in Nevada. For instance, the Task Force is recommending that boxing contracts contain a provision allowing a state’s athletic commission to arbitrate any contractual disputes that may arise. Nevada’s commission has been providing that service to boxers and managers for more than a decade.

“If implemented by the states, many of the Task Force’s recommendations concerning the health, safety and finances of boxers will go a long way to preventing these athletes from retiring injured and/or broke,” Del Papa said.

Copies of the report may be obtained from the Attorney General’s Office next week. Anyone interested in seeing the report should contact Kirk Hendrick at (702) 486-3105.

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E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
May 10, 2000

CONTACT: Marta Adams
(775) 684-1237

**ATTORNEY GENERAL FILES MOTION TO INTERVENE
IN YUCCA MOUNTAIN CASE**

Carson City—Seeking to be a participant in a conflict of interest case brought by the law firm of LeBoeuf, Lamb, Greene & MacRae against the U.S. Department of Energy in U.S. District Court in Las Vegas, the Office of the Attorney General, on behalf of the Nevada Agency for Nuclear Projects, today filed a Motion to Intervene.

The suit claims that a \$16.5 million contract awarded by the DOE to the Chicago law firm of Winston & Strawn is a conflict of interest because the firm also represents TRW Environmental Safety Services, Inc., the prime contractor at Yucca Mountain. Allegations in the complaint charge that Winston & Strawn cannot perform the required independent review of DOE's license application to construct and operate the proposed Yucca Mountain repository due to conflicts of interest.

"It is vitally important to the citizens of Nevada that any proceeding to review the Department of Energy's Yucca Mountain license application be as fair and impartial as possible," stated Attorney General Frankie Sue Del Papa. "There is no other entity, other than the State of Nevada, which can speak for Nevada's public interest in this case. In the event the Yucca Mountain repository is recommended to Congress and a licensing application is presented to the U.S. Nuclear Regulatory Commission, Nevada must be prepared to assure that any conflict of interest does not compromise the licensing proceeding."

The U.S. Nuclear Regulatory Commission has the final approval authority to determine whether a repository can be built at Yucca Mountain. The site must first be approved by the President and Congress.

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Fax (775) 684-1108

WEBSITE: <http://ag.state.nv.us>

E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE

HOJNOWSKI

May 5, 2000

CONTACT: **GREGORY R.**

Deputy Attorney General
Insurance Fraud Unit
(702) 486-3783

NORTH LAS VEGAS MAN INDICTED FOR INSURANCE FRAUD

Las Vegas--The Clark County Grand Jury has indicted John Keith Rhodes, age 35, for Making False Statements in Support of a Claim for Insurance Benefits and Attempting to Obtain Money Under False Pretenses. Both charges are felonies. RHODES is scheduled for his initial arraignment before District Court Judge ***** on *****.

The case presented to the Grand Jury by the Attorney General's Insurance Fraud Unit involves a residential burglary claim made by Rhodes to State Farm Insurance Company in September of 1998. Rhodes is accused of submitting numerous false and misleading statements in support of his claim for \$10,200.46.

Evidence presented to the Grand Jury included: a notarized Sworn Statement in Support of Loss and a Personal Property Inventory, both of which were completed by Rhodes; a receipt for golf clubs alleged to have been owned by Rhodes and then stolen, which the investigation revealed was false; and transcripts of recorded statements given by Rhodes to State Farm in the processing of his claim.

A grand jury indictment is merely a finding that there is probable cause to believe that a crime has been committed, and that the accused is responsible. An indictment is not a finding of guilt. All individuals accused of crimes are to be presumed innocent until proved otherwise.

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 Web site at: **<http://ag.state.nv.us>**.

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E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
May 1, 2000

CONTACT: Verónica Frenkel
(775) 688-1846

LATEST NEVADA DOMESTIC VIOLENCE STATISTICS RELEASED

Carson City--Attorney General Frankie Sue Del Papa, who chairs the Nevada Domestic Violence Prevention Council, announced today the release of statewide law enforcement statistics regarding reported incidents of domestic violence in Nevada during the third and fourth quarters of 1999 (July-September and October-December 1999). These reports, part of a continuing series, are the result of a collaborative effort between the Domestic Violence Ombudsman of the Attorney General's Office and the Nevada Uniform Crime Reporting (UCR) Program, which is administered by the Nevada Department of Motor Vehicle and Public Safety, Highway Patrol Division.

The report, "Domestic Violence in Nevada," covers statistics for the third and fourth quarters of 1999. According to the report, Nevada law enforcement agencies responded to 4,691 domestic violence incidents during the third quarter of 1999, an increase of 499 incidents reported during the third quarter of 1998. Law enforcement responded to 4,634 incidents during the fourth quarter of 1999, a sharp increase of 900 incidents reported during the fourth quarter of 1998. "The increase in the number of reports may be a reflection of improvements in reporting by law enforcement," stated Verónica Frenkel, Domestic Violence Ombudsman and author of the reports. "Greater familiarity with the reporting form and process has likely resulted in more consistent and complete participation by local agencies and, therefore, greater accuracy in their reporting."

According to the report, arrests were made in approximately 53% of the responses, consistent with the first half of 1999, and slightly higher than the 50% arrest rate reported during 1998. The report also indicates that children were present in approximately 37% of the reported cases, consistent with reports from the first half of this year and from 1998.

The statistics also show that roughly 74% of the incidents occurred in Clark County, where 68% of the state's population resides. "The high incidence of reporting in Clark County is likely a reflection of the well-developed systems in place to respond to victims of domestic violence in the region," commented Frenkel. "Additionally, some of the rural jurisdictions of our state probably experience a certain degree of underreporting, which indicates the need to support and strengthen victim services in these regions."

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“In order to assess the extent of domestic violence in our state, it is also important to recognize that many victims of domestic violence do not contact law enforcement,” stated Sue Meuschke, Executive Director of the Nevada Network against Domestic Violence. Meuschke said 8,764 victims made first-time contacts with domestic violence programs in Nevada during the third quarter of 1999; 7,779 during the fourth quarter. Programs also documented that, for each quarter, 3,265 and 2,982 of those individuals had also contacted law enforcement.

“We must work together to send a clear message that there is no excuse for domestic violence,” Del Papa said. “Anything that anyone of us can do to break the cycle of violence is important. Awareness is the key to prevention. There are many ways that people can better educate themselves, their co-workers, neighbors, and their own families about the realities of domestic violence. Together we can make a difference.”

On January 1, 1998, Nevada law enforcement agencies began utilizing a standardized domestic violence statistical form developed by the UCR Program to facilitate the collection of domestic violence statistics from throughout the state. Since 1998, as required by NRS 228.450 §1a, the Domestic Violence Ombudsman has prepared quarterly reports based on these law enforcement statistics. Copies of the report are distributed statewide to law enforcement, legislators and others interested in domestic violence prevention.

Frenkel said that she and Highway Patrol Officials continue to work to modify, update, and improve the “Domestic Violence in Nevada” reports in response to public input. Frenkel stated that she and the UCR program are currently in the process of modifying the domestic violence statistical form itself to enhance the specificity and quality of the data that is gathered. For more information about the report, please contact Frenkel in the Reno office of the Attorney General at (775) 688-1846, or you may visit the Attorney General’s Web site at <http://ag.state.nv.us>.

For more information on how to help with efforts to reduce domestic violence in Nevada, call Nevada’s toll free domestic violence information and referral line at 1-800-230-1955. If you are being abused, or know someone who is, call Nevada’s Domestic Violence Hotline at 1-800-500-1556, 24 hours a day, to get help.

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OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 27, 2000

Contact: Tracey J. Brierly
(702) 486-3128

**ATTORNEY GENERAL WARNS CONSUMERS
ABOUT BUYING PRESCRIPTION DRUGS ONLINE**

Attorney General Frankie Sue Del Papa is warning consumers about the dangers of buying prescription drugs online.

"The Internet makes it easy for unscrupulous people to sell drugs to patients without traditional safeguards in place," Del Papa said. "Consumers need to know the risks in buying prescription drugs online so they can remain vigilant."

Statistics show there are more than 200 domestic web sites, and an additional 200 foreign web sites, offering to sell consumers prescription drugs. The Attorney General's Bureau of Consumer Protection advises consumers of the following dangers in buying prescription medications online:

- Purchasing a medication from an illegal web site puts you at risk of receiving contaminated or counterfeit products, the wrong product, an incorrect dose, or no product at all.
- Taking an unsafe or inappropriate medication puts you at risk for dangerous drug interactions and other serious health consequences.
- Getting a prescription drug by filling out a questionnaire without seeing a doctor poses serious health risks. A questionnaire does not provide sufficient information for a healthcare professional to determine if a drug is right for you and/or safe to use, if other treatment is more appropriate, or if you have an underlying medical condition whereby using that drug may be harmful. The American Medical Association has determined this practice is generally substandard medical care.

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The Bureau of Consumer Protection offers the following tips to help consumers purchase prescription medications online with more security:

- Check with the National Association of Boards of Pharmacy (www.nabp.net, (847) 698-6227) to determine whether a web site is a licensed pharmacy in good standing. A web site may appear to be associated with a legitimate pharmacy when, in fact, it is not.
- Do not buy from sites that offer to prescribe a first-time prescription drug without a physical exam, sell a prescription drug without a prescription, or sell drugs not approved by the Food and Drug Administration (FDA).
- Do not do business with sites that have no access to a registered pharmacist to answer your questions.
- Do not purchase drugs from foreign web sites. It is generally illegal to import drugs bought from these sites, the risks are greater, and there is very little the U.S. government can do if you get ripped off.

Persons with concerns regarding or complaints against any Internet company 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**](http://ag.state.nv.us)

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WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 26, 2000

CONTACT: Gregory R. Hojnowski
Deputy Attorney General
Insurance Fraud Unit
(702) 486-3783

LAS VEGAS MAN SENTENCED FOR COMMITTING INSURANCE FRAUD

Las Vegas—Clark County District Court Judge John S. McGroarty today sentenced Eddie Raidel Santana, age 33, of Las Vegas, to one year in the county jail for committing insurance fraud. Judge McGroarty suspended the sentence, provided Santana pays a fine of \$1,000, complete an English as a second language course, and complete 16 hours of community service each month of his probation.

Santana, who entered the United States as a Cuban refugee in 1994, had no prior criminal record in the United States. Co-defendant Israel Antonio Gonzalez, age 30, also of Las Vegas, has also pleaded guilty to insurance fraud. He has agreed to pay \$2,012.40 in restitution to Farmers Insurance. Gonzalez is scheduled to be sentenced on July 6, 2000. He remains in Immigration and Naturalization Services custody and faces a potential deportation proceeding.

In December 1997, Santana purchased auto insurance through Farmers/Mid-Century Insurance Company. On the application for insurance, Santana stated that he had no prior accidents. In January 1998, Santana and Gonzalez were allegedly involved in a traffic accident that resulted in Gonzalez retaining an attorney and demanding \$5000 to settle his claim. Both men denied knowing each other prior to the alleged accident.

An investigation by Farmers, the National Insurance Crime Bureau, and the Attorney General's Insurance Fraud Unit, established that Gonzalez and Santana had, in fact, known each other prior to the alleged accident, and that Santana had purposefully failed to disclose prior accidents he had been involved in. Both men took responsibility for their deception when confronted by the Insurance Fraud Unit.

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 web site at <http://ag.state.nv.us>.

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E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 26, 2000

CONTACT: Brian Kunzi
(702) 486-3102

**LAS VEGAS CONTRACTOR FOUND GUILTY OF VIOLATING
STATE PREVAILING WAGE LAWS**

Las Vegas--Deputy Labor Commissioner David Hill has found City Plan Development, Inc., guilty of violating the state's prevailing wage laws during the construction of Fire Station #26. Hill barred the contractor from accepting public works projects in Nevada for three years. The Commissioner also awarded Hispanic workers the sum of \$37,228.90, including penalties, as underpayment of their wages.

City Plan Development, Inc., operated by Ernesto Savino, allegedly utilized a Hispanic labor broker to secure Hispanic workers, who are typically unaware of the wage requirements for public works projects. Other allegations raised against City Plan Development include: that the company was "backing-in hours," whereby a contractor reports fewer hours worked at the correct prevailing wage, while in reality paying the worker for the full hours worked but at a lesser rate; and the identification of a factitious worker whose paycheck was used to pay workers not identified in the payroll records, which are statutorily required to be filed with the Labor Commissioner's office.

Nevada prevailing wage statutes require contractors to pay the annually determined prevailing wage for workers on public works projects in exchange for receiving the lucrative awards.

An administrative hearing is scheduled for late July concerning City Plan Development's construction of Variety Elementary School in Las Vegas.

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E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 22, 2000

CONTACT: Tim Terry
(775) 687-4704

ORTHODONTIST CHARGED WITH MEDICAID FRAUD

Attorney General Frankie Sue Del Papa announced today that former Las Vegas orthodontist Steven D. Yatrofsky, age 54, has been charged with four counts of Medicaid Fraud, all of which are felony counts. The Medicaid Fraud Control Unit (MFCU) is handling the prosecution of the case.

According to MFCU Director Tim Terry, Yatrofsky is alleged to have improperly billed Nevada Medicaid for services that were either partially or never performed. Additionally, Yatrofsky failed to reimburse Nevada Medicaid monies he was paid for future services that were to be performed, but never were.

Yatrofsky made his initial appearance relating to the charges in front of Justice of the Peace William D. Jansen in Las Vegas Justice Court this morning. The matter was set for preliminary hearing on October 13, 2000 and Yatrofsky was released on his own recognizance (O/R) subject to certain restrictions. Yatrofsky who lives in Las Vegas is no longer licensed to practice in Nevada, but he is practicing in California. Because his work will require him to be out of the state on a regular basis Justice Jansen made supervision by the Justice Court's Intake Services Unit on a weekly basis a condition of Yatrofsky's O/R release.

"Any medical professional who agrees to provide services for Medicaid recipients enters into a contract and position of trust with all Nevadans," Del Papa said. "When a provider of services violates that trust, it is essential that our Medicaid Fraud Control Unit take decisive action to eliminate the harm being enacted on our citizens".

The charges against Yatrofsky are merely allegations. He is presumed innocent until proven otherwise in a court of law.

Anyone with questions about Medicaid fraud is urged to contact the MFCU in Carson City at (775) 687-4704 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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E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 22, 2000

CONTACT: Leo Drozdoff
(775) 687-4670, ext. 3142

SETTLEMENT REACHED ON JARBIDGE CANYON ROAD

Carson City--A proposed settlement agreement that includes the reconstruction of the South Canyon Road leading into the Jarbidge River area of Elko County has been announced. The agreement was jointly announced by the Nevada Division of Environmental Protection, the Office of the Nevada Attorney General, US Forest Service, US Fish and Wildlife Service, and Elko County. The mediation, which began in March of this year, was ordered by U.S. District Court Judge David Hagen. The agreement will be presented to the Elko County Commission for its approval on June 28, 2000.

"We believe the proposed settlement agreement will enhance public access and the environment," stated Allen Biaggi, Administrator of the Division of Environmental Protection. Attorney General Frankie Sue Del Papa commented, "The agreement sets the stage for a better working relationship between all levels of government in Elko County."

The proposed action includes the reconstruction of the South Canyon Road in a manner designed and engineered to create the least impact to fish habitat. It also specifies the improvement of fish habitat throughout the watershed in order to enhance fish populations. The action will be subject to the National Environmental Policy Act, and will comply with all federal, state and local environmental requirements. Representatives from the Division of Environmental Protection and the Attorney General's Office will be in Elko County on June 28, 2000 to their express support for the agreement.

For further information contact Leo Drozdoff, Chief of the Bureau of Water Pollution Control at (775) 687-4670 extension 3142.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
BUREAU OF CONSUMER PROTECTION

1000 East William Street, Suite 200
Carson City, Nevada 89701

Telephone (775) 687-6300

Fax (775) 687-6304

WEBSITE: <http://www.ag.state.nv.us>
e-mail: bcpinfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General
THOMAS M. PATTON
First Assistant Attorney General

TIMOTHY D. HAY
Chief Deputy Attorney General
NANCY WENZEL
Senior Deputy Attorney General

FOR IMMEDIATE RELEASE
June 22, 2000

CONTACT: Timothy Hay
(775) 687-6300

**ATTORNEY GENERAL SEEKS TO INTERVENE IN FEDERAL CHALLENGE
TO NEVADA'S ELECTRIC INDUSTRY COMPETITION STATUTE**

Carson City--Attorney General Frankie Sue Del Papa has filed a Motion to Intervene in the federal lawsuit that challenges the constitutionality of the Nevada electric industry restructuring laws that were enacted by the 1997 and 1999 sessions of the Nevada Legislature. The lawsuit was filed by Sierra Pacific Power Company and Nevada Power Company against the Nevada Public Utilities Commission and its members.

"The legislature in 1997 and 1999 devoted countless hours to developing a coherent roadmap to bring the benefits of competition to Nevada consumers," Del Papa said. "My office participated extensively to ensure that small consumers would see the benefits of this competition."

State Consumer Advocate Timothy Hay said, "The delays occasioned by Sierra Pacific's lawsuits have cloaked with uncertainty the complex process of deregulating a historical monopoly. The state, its consumers, and ultimately the company itself, are harmed by Sierra Pacific's apparent attempt to undermine the process by means of this litigation. The statutes are sound and defensible. I am optimistic the federal court will allow the attorney general's office to represent the public interest and protect the interests of small consumers as the legal challenge goes forward."

The Bureau of Consumer Protection filed the Motion to Intervene in federal court on June 21, 2000.

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“Across the country, new opportunities for choice are becoming available for the nation’s electric consumers,” Hay added. “I am optimistic that our participation in the federal action filed by Sierra Pacific will make certain that the interests of residential ratepayers and small commercial customers are protected. Nevada should not be left behind as other states move forward in the electric restructuring process. As new competitors and technologies come to market, the uncertainty caused by Sierra’s litigation strategy disadvantages all Nevadans.”

“The company was intimately involved and agreed to the components included in the legislation, and now to claim that the statutes are defective seems patently disingenuous,” Hay said. “The decline in Sierra’s share price, which seems to have been a factor in initiating this lawsuit, and which the company blames on Nevada’s regulators and the laws passed by the Legislature, is a concern to us all. However, management decisions by the company certainly have played a major role in the share price decline. My hope would be to reestablish a cooperative attitude on the part of all parties to this complex matter, and to move forward so that Nevada is not left behind. Resolving this lawsuit and others of its nature would be a major step toward that goal.”

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 19, 2000

CONTACT: Matthew Gabe
(702) 486-3793

**CRIMINAL COMPLAINT FILED AGAINST FORMER
MERRILL LYNCH SERVICE MANAGER**

Las Vegas - Attorney General Frankie Sue Del Papa announced today that Michael Frederick Sullivan, age 38, of Las Vegas, has been summoned to appear in Las Vegas Justice Court on a charge related to his involvement in a scheme that defrauded Merrill Lynch out of more than \$20,000. Sullivan is scheduled to appear on July 17, 2000, at 8:00am.

According to a one-count Criminal Complaint filed by the Attorney General's Bureau of Consumer Protection, Sullivan was employed as the Service Manager of the Merrill Lynch Las Vegas branch office from January 1996 through September 1999. On numerous occasions from September 1996 through January 1998, without authority, Sullivan drafted checks from a Merrill Lynch Cash Management Money Fund and Merrill Lynch Retirement Reserves Fund accounts of existing clients for his own personal use and benefit. Every time that the Defendant drafted an unauthorized check he affected a sale of a security without the knowledge or consent of Merrill Lynch or the Merrill Lynch account owner.

The Criminal Complaint alleges that the Defendant conspired to transact business as an unlicensed broker-dealer and/or sales representative. According to an investigation conducted by the Secretary of State, Securities Division, Sullivan was not licensed with the State to transact business as a broker-dealer and/or sales representative, as required by statute.

If convicted on the charge of Conspiracy to Transact Business as an Unlicensed Broker-Dealer and/or Sales Representative, Sullivan would face up to one year in the Clark County Detention Center. In addition to any other penalties imposed by the judge, Sullivan would be ordered to pay restitution to Merrill Lynch.

A Criminal Complaint is merely an accusation. The Defendant should be presumed innocent until and unless proven guilty in a court of law.

Persons who believe they may have been victims of securities fraud should call the Nevada Securities Division in Las Vegas at (702) 486-2440, or in Reno at (775) 688-1855. Consumer protection information can be found on the Attorney General's Web site at **<http://ag.state.nv.us>**.

###



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 14, 2000

CONTACT: Paul Taggart
(775) 684-1232

**NEVADA SUPREME COURT ASKED TO PRESERVE RIGHTS
OF HUMBOLDT RIVER WATER USERS**

Carson City--The Office of Attorney General Frankie Sue Del Papa today asked the Nevada Supreme Court to uphold a Lovelock District Court ruling that state officials have the authority to regulate water rights on the South Fork Indian Reservation near Elko. For more than fifty-five years, the District Court's Water Commissioners regulated the water rights of the South Fork Band of the Te-Moak Tribe. In September 1999, the Tribe arrested a Water Commissioner when he attempted to gain access to the Tribe's headgates to regulate their water rights.

In the 1930s, the Lovelock District Court entered a judicial decree that defined all water rights from the Humboldt River between Elko and Lovelock. Since then, the District Court's Water Commissioners have distributed those waters. The Tribe acquired water rights that had been distributed by the Water Commissioners and, for more than fifty years, recognized the authority of those Water Commissioners to travel on and across their reservation to distribute their water rights. But in 1998, the Tribe asserted that its sovereign immunity precludes the District Court and its Water Commissioners from regulating its water rights.

According to Deputy Attorney General Paul G. Taggart, "What the Tribe is doing is wrong. They cannot accept the benefits of state water rights, and then ignore the burdens of those rights. In Nevada, water is the most critical resource for economic survival. When the District Court defined these water rights, its purpose was to create an orderly system for the distribution of those water rights. When the Tribe acquired the rights, it knew the state retains the right to control the distribution of the water. The Tribe should not be allowed to now ignore that law."

The Tribe resides at the headwaters of the South Fork of the Humboldt River. According to Taggart, if the Tribe is not subject to the District Court's jurisdiction, the Tribe will be able to take as much water as it wants, meaning downstream users will have no relief. Since every drop of water in the Humboldt River is owned by someone, if the Tribe takes more than it is entitled to, someone downstream will not receive the water they are rightly entitled to.

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This case is being watched closely throughout the West, and particularly in the downstream Humboldt River basin. If a Tribe can acquire water rights that are subject to state control, and then claim immunity from state court jurisdiction, it can upset water rights systems that have been in place and relied on for more than a century. The District Court ruled that it had jurisdiction over the Tribe, because when the Tribe acquired its water rights, it received water rights that were burdened by the right of state control. Before the District Court could entertain a contempt action against the Tribe for the arrest of its Water Commissioner, the Tribe filed an emergency petition with the Nevada Supreme Court. Taggart today urged the Court to promptly deny the petition because “every day the Tribe is allowed to thwart the Humboldt Decree, it takes water in violation of the Decree, injuring downstream water users.”



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 13, 2000

CONTACT: Laurel A. Duffy
Deputy Attorney General
Insurance Fraud Unit
(702) 486-3433

LAS VEGAS MAN VIOLATES PROBATION FOR INSURANCE FRAUD

Las Vegas--Clark County District Court Judge John S. McGroarty today revoked the probation of William Lancaster, age 27, who had been convicted on November 5, 1998 for attempting to submit a false claim for insurance benefits, a gross misdemeanor. Lancaster received a sentence of three years probation. Judge McGroarty today sentenced Lancaster to serve time in the Clark County Detention Center for a period to run concurrent with his remaining sentence.

Lancaster's conviction was based on a false report he made to his insurance company on October 8, 1996, in which he stated that his vehicle had been stolen. Lancaster's insurance company paid him \$5544.94 to replace the vehicle. On April 4, 1997, an investigator with the insurance company received an anonymous call from an individual who stated that the "stolen" vehicle could be located in the garage of Lancaster's residence. The vehicle was located in a garage rented by Lancaster.

In his original sentence for insurance fraud, William Lancaster received three years probation and was ordered to pay full restitution to the insurance company. He was recently given notice that he had violated his probation by failing to report monthly to his probation officer, by being arrested in California for possessing a controlled substance, by violating the laws of the state of California, by traveling out of state without permission, and by failing to maintain full time employment.

Lancaster has been in custody since his probation was revoked on May 2, 2000.

If you have knowledge or suspect that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 800-266-8688. Information about the Insurance Fraud Unit can be found on the Attorney General's web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 9, 2000

Contact: Anne Cathcart
(775) 684-1115

**RECENT DEBT COLLECTION MANAGEMENT SEMINARS WILL ASSIST STATE
AGENCIES IN COLLECTING MONEY OWED**

Carson City--According to recent figures released by the State Controller, Nevada businesses and individuals owe a grand total of \$158 million to state agencies for fines, fees, taxes or assessments. Attorney General Frankie Sue Del Papa believes that due to recent training of state employees on debt collections procedures, this figure will be greatly reduced. "We recently co-sponsored three five-hour seminars for more than 200 state employees to teach them about state debt collection laws, and help them with record keeping and collection procedures so that debt collection practices of every agency will be improved and enhanced," Del Papa said. "Obviously, it is going to take some time for state agencies to put these new procedures into place, and to see tangible results from the seminars."

The training covered the newly adopted State Administrative Manual requirements for state agencies in keeping records of debts, and discussed Senate Bill 500, approved by the 1999 Legislature to give agencies more debt collection alternatives. Part of the seminar was devoted to the efforts of the Controller's office to implement its new IFS Advanced Receivables system within the next two years. Training materials included many different sample letters and forms for agencies to adapt to their own debt collection needs. "The seminars gave the agencies the tools they need to develop sound debt management practices," Del Papa said. "We continue to offer additional training through a videotape that was recorded at the most recent seminar, and we have deputies who are available to state clients to assist them in developing their debt management procedures."

In November of 1997, the Legislative Auditor reported that the state had accounts receivable exceeding \$450 million, and that an estimated \$50 million of the 1996 fiscal year-end receivable balance, reported by the six agencies that were audited, was not likely to be collected. The auditor noted several problems, including:

- That agencies needed better fiscal data to effectively manage their debt collection efforts.
- That there was no centralized system for agencies to share information about debtors.
- That agencies lacked statutory authority to utilize some debt collection methods.

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After receiving the Legislative Auditor's report, the Attorney General's Office, the Office of Administration, the Controller's Office and a variety of state agencies formed the Debt Collection Management Task Force. Its mission was to review the problems with collecting debts owed to the state, with the goal of making recommendations to improve existing systems.

The Task Force met approximately six times. At the conclusion of those meetings, the Attorney General's office prepared proposed legislation for the 1999 Legislature (Senate Bill 500) to better enable state agencies to collect debts. Senate Bill 500 gave state agencies more collection options: liens, small claims actions, collection agencies, and authorized regulations to be added to the State Administrative Manual to provide minimum debt collection standards for state agencies.

During the fall, the Attorney General's staff assisted the Department of Administration in developing the State Administrative Manual (SAM) regulations for state agencies, establishing minimum standards for debt collection. At the same time, the Controller developed a policy for handling past due receivables, known as the IFS Advances Receivables system.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 8, 2000

Contact: Tracey J. Brierly
(702) 486-3128

TWO NEVADA MEN ARRESTED IN INVESTMENT SCAM

Las Vegas - Attorney General Frankie Sue Del Papa announced today that Douglas Kent Bawden and Bernard Joseph Titony of Las Vegas, Nevada, have been arrested on charges related to an investment scheme that defrauded three investors out of \$45,500. The investors include a 72-year-old Nevada woman, a Las Vegas woman, and a Southern California man. Charged with Bawden and Titony is Philip Gardner of Southern California. Bawden and Titony were taken into custody on the afternoon of June 7, 2000.

According to a 10-count felony complaint filed by the Attorney General's Bureau of Consumer Protection, Bawden, Titony and Gardner offered and sold investments in "The ATM Store." The Defendants told prospective investors that The ATM Store would buy and place ATM machines in locations throughout the United States. Investors were told that after a 60-to-90 day "ramp-up period," investors would begin receiving dividends based on surcharge fees from their ATM machines. In order to entice investors out of large sums of money, they were often wine and dine and told that ATM machines were a "safe investment."

The complaint alleges that the Defendants committed securities fraud by misrepresenting material facts to investors including the fact that no ATM machines would be placed on their behalf. It is further alleged that the Defendants failed to disclose material facts to prospective investors, such as that the securities were not registered with the Nevada Secretary of State, Securities Division; the Defendants were not licensed with the State as broker-dealers and/or sales representatives; and that investment funds would be used by the Defendants to pay commissions.

The charges are the result of an investigation conducted by the Nevada Secretary of State, Securities Division.

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If convicted on the felony charges of Securities Fraud, Offer and/or Sale of an Unregistered Security, and Transacting Business as an Unlicensed Sales Representative, as charged in the complaint, the Defendants face up to forty-five years in state prison, along with substantial fines. In connection with their crimes against the 72-year-old Las Vegas woman, the Defendants are also facing a penalty enhancement for committing crimes against a person 65 years of age or older. If proven, the enhancement would mean the Defendants would be sentenced to a term equal to, and in addition to, the terms for the underlying offenses. In addition, the Defendants may be ordered to pay restitution to their victims.

If anyone has information concerning the Defendants or The ATM Store, please contact the Secretary of State, Securities Division at (775) 688-1856, or the Attorney General's Office at (702) 486-3420.

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

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://ag.state.nv.us>

E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 8, 2000

CONTACT: Ronda Clifton
(775) 688-1835

RENO MAN SENTENCED FOR INSURANCE FRAUD

Reno— Washoe County District Court Judge Jerome Polaha today sentenced 34-year-old Jose Morales to nine months in jail for Conspiracy to Commit Insurance Fraud. The sentence was suspended, and Morales was placed on probation.

Morales had conspired with Flavio Miranda to stage an automobile accident. Morales reported the accident to Farmers Insurance Group, claiming he had sustained property damage and bodily injuries. Insurance experts, hired by the National Insurance Crime Bureau (NICB), reported that the damage to the vehicles was not consistent with the report given by the drivers. The experts all agreed that this was not a moving vehicle accident, but clearly a staged accident where one vehicle rammed into a stationary vehicle.

“While fulfilling our duty to investigate possible cases of Insurance fraud, we often rely upon expert testimony and the assistance of agencies like the NICB to prosecute cases,” Del Papa said. “Staged accidents are one of the most popular ways of defrauding insurance companies. Unfortunately, this and other types of insurance fraud hurt every citizen in the form of increased premiums. The average American household pays an additional \$300 a year to make up for fraud perpetrated on insurance companies.”

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 Web site at <http://ag.state.nv.us>.

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Protecting Citizens, Solving Problems, Making Government Work



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 5, 2000

CONTACT: John Albrecht
(775) 688-1872

**PHILIP MORRIS AGREES TO PULL MAGAZINE ADS
WITH SIGNIFICANT YOUTH READERSHIP**

Carson City--Attorney General Frankie Sue Del Papa announced today that Philip Morris has volunteered to comply with proposed FDA rules regarding advertising in magazines with significant youth readership. As a result of the decision, the tobacco company will pull advertising from 42 publications with a large youth readership, including Rolling Stone and Sports Illustrated. Philip Morris also has agreed to stop advertising on highly visible back covers of publications.

The decision by Philip Morris comes after months of discussions between the tobacco company and state attorneys general. Washington Attorney General Christine Gregoire, who is president of the National Association of Attorneys General (NAAG), said the decision by Philip Morris is a significant step in stopping marketing practices that reach youth by the tobacco industry.

A settlement agreement reached between tobacco companies and 46 states in 1998 prohibits the industry from marketing to children.

About 3,000 kids a day become addicted to tobacco and public health experts contend most people can avoid becoming smokers if they can be kept tobacco free through the age of 18.

"We have stated from the outset of the tobacco litigation process that our main thrust was curtailing youth smoking," Del Papa said. "Today's decision by Philip Morris to voluntarily discontinue its advertising in magazines that many children are exposed to is a step in the right direction."

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Philip Morris President Michael Szymanczyk said his company will suspend advertising in any publication whose readers younger than 18 years of age constitute 15 percent or more of the total readership or is read by more than 2 million persons younger than 18. Those numbers are the standards set for defining adult publications by FDA's proposed tobacco rules.

State attorneys general will continue discussions with Philip Morris about how youth readership is measured and the reliability of those measurements.

So far, other tobacco companies have not pledged to suspend advertising. Therefore, the Tobacco Committee of Attorneys General will continue an investigation into advertising practices by those companies.

For more information on the Master Settlement Agreement and the Nevada Attorney General's efforts to curtail youth smoking in Nevada, visit the office's web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://ag.state.nv.us>

E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
June 5, 2000

CONTACT: Tracey J. Brierly
(702) 486-3128

ATTORNEY GENERAL ARRESTS INTERNET FRAUD PERPETRATOR

Las Vegas- Attorney General Frankie Sue Del Papa has announced that Michael Anthony Rossi of Las Vegas, Nevada, was arrested today on three felony counts of Obtaining Money Under False Pretenses in connection with his Internet services company, ACI.

The Criminal Complaint against Rossi charges him with setting up his ACI Internet business and advertising, via electronic mail, that it could perform a variety of high tech functions for clients. Rossi and his company contracted to offer products and services including, but not limited to, bulk email, website creation and website registration. Rossi would also offer to provide various software products to his clients. ACI accepted payment for said products and services, but then failed to provide any products or services to its clients.

The complaint alleges that Rossi defrauded at least three victims out of \$2,249, \$1,465 and \$500, respectively.

"The Attorney General's Office is working closely with the High Tech Crime Task Force to try to stay ahead of those who prey upon consumers on the Internet," Del Papa said. "It is important for consumers to make sure they are dealing with a reputable dealer when purchasing anything over the Internet. Checking with the Better Business Bureau, Consumer Affairs Division and/or the Bureau of Consumer Protection on the reputation of a company can save consumers from making a mistake which could cost them thousands of dollars."

The Attorney General's Bureau of Consumer Protection offers the following tips to avoid becoming scammed online:

- **Deal only with established, reputable retailers.** An impressive-looking Internet site or email solicitation does not guarantee legitimacy. Whether shopping in a store, by phone or in cyberspace, try to shop only with companies that you already know.

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- **Protect your privacy.** When shopping on the Internet, remember that online sellers often collect information to market back to you, or to sell to other companies. Ideally, shop with a vendor that posts privacy policies online and offers options about the use of personal information. In most cases, your password, credit card number and shipping information are all that a vendor should require.
- **Pay with a credit card, and order only from a secure server when shopping online.** Beware if an online seller asks for your banking account number, offers to debit money from your account, or asks you to fax him a check. It is best to use a credit card when ordering, as a credit card purchase offers you protections that you will not otherwise have. It is also extremely important to verify that you are ordering from a secure server prior to putting in your personal and credit card information.

As in all criminal cases, Michael Anthony Rossi is considered innocent until proven guilty in a court of law.

If you believe that you have been a victim of an Internet scheme, or would like further information, please 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. Consumer protection information can be found on the Attorney General's Web site at <http://ag.state.nv.us>

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
July 31, 2000

CONTACT: Matthew Gabe
(702) 486-3793

**FORMER MERRILL LYNCH SERVICE MANAGER
PLEADS GUILTY TO SECURITIES SCAM**

Las Vegas - Michael Frederick Sullivan, age 38, of Las Vegas, today pleaded guilty to a charge related to his involvement in a scheme that defrauded Merrill Lynch and its customers out of more than \$22,000.

While employed as the Service Manager of the Merrill Lynch Las Vegas branch office from September 1996 through January 1996, Sullivan conspired to transact business as an unlicensed broker-dealer and/or sales representative. On numerous occasions, without authority, Sullivan drafted checks from a Merrill Lynch Cash Management Money Fund and Merrill Lynch Retirement Reserves Fund accounts of existing clients, for his own personal use and benefit. Each time he drafted an unauthorized check, he affected a sale of a security without the knowledge or consent of Merrill Lynch or the Merrill Lynch account owner.

The charge was the result of an investigation conducted by the Secretary of State, Securities Division.

As part of a negotiated plea agreement, Sullivan paid restitution to Merrill Lynch. In addition, he was sentenced to time served.

Persons who believe they are victims of securities fraud should call the Nevada Securities Division in Las Vegas at (702) 486-2440 or in Reno at (775) 688-1855. Consumer protection information is also available on the Attorney General's web site at <http://www.state.nv.us/ag>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
July 26, 2000

CONTACT: Frederick R. Olmstead
775) 688-1815

RENO FATHER AND SON PLEAD GUILTY TO INSURANCE FRAUD

Reno—Father and son, Joeri (age 50) and Joel (age 29) Mondragon, today pleaded guilty to the charge of Conspiracy to Defraud An Insurance Company before Washoe County District Court Judge Brent Adams.

The Mondragons conspired to submit false claims to State Farm Insurance Company. Joel Mondragon twice filed claims with State Farm claiming that the windshield on his vehicle had been damaged in sand storms. State Farm paid both claims. An investigation found that the work, supposedly performed at Joeri Mondragon's Repair Shop, has never been performed.

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 web site at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
July 26, 2000

CONTACT: Steve George
(775) 684-1114

TRUTH TOUR WILL ARRIVE IN LAS VEGAS ON JULY 28th

Las Vegas—Attorney General Frankie Sue Del Papa is encouraging Clark County residents, especially teenagers, to take advantage of the opportunity to hear the truth about the dangers of underage smoking, when the American Legacy Foundation's *Truth Tour* arrives in Las Vegas on July 28, 2000. The *Truth Tour* is a teen-led, anti-tobacco caravan that will traverse the nation, visiting 27 cities, to bring a message to teens on how they can help in the battle to curtail teen smoking. The tour was launched on June 26, 2000, following the *Truth Summit*, which brought more than 1,000 teen participants from throughout the nation to Seattle, Washington for a four-day conference on preventing teen smoking. The Las Vegas stop will be the tour's only stop in Nevada.

During *Truth Tour* stops, tour leaders will direct training sessions with local teens on how to plan and execute activities that target youth smoking. Participants will also hear how tobacco companies have targeted youth through magazine advertising. The *Truth Tour* vehicles, brightly colored orange trucks with the *Truth* logo on each side, are loaded with state-of-the-art audiovisual equipment, including Internet hook-ups, turntables and CD burners, sound systems and Sony Playstations. The vans will arrive at Cashman Center in Las Vegas on July 28. On Saturday, July 29, one van will be parked at The Boulevard Mall from 10:00am till 4:00pm. Through part of the 29th, another *Truth Tour* vehicle will appear at: Planet Plywood Skate Park (4837 Lincoln Rd. in North Las Vegas); Mountasia Family Fun Park (2050 Olympic Ave. in Henderson); North Las Vegas Rec Center (1638 N. Bruce Street in North Las Vegas); Sunset Lanes (4565 E. Sunset Blvd. in Henderson); and at Scandia (2900 Cyrus Street in Las Vegas). For more specific information concerning the tour, to set up interviews with participants, or to arrange for a ride-along with the tour, please visit www.truthpartners.com, or call Todd Phillips at (202) 973-3640.

"Statistics show that 90% of all smokers begin using tobacco before the age of 19," Del Papa said. "The *Truth Tour* will be a fun and informative way for teens to get the message that smoking is harmful to their health."

One of the major components of the tour is the "Rip It Out" event, where teens rip out tobacco product ads from popular magazines. The ads will be collected at all 27 stops on the tour and then be delivered to Chicago, Illinois during the World Tobacco Conference on August 6, 2000. The "Rip It Out" event in Las Vegas will take place on Saturday, July 29, at The Boulevard Mall.

Over the past few months, *Truth* ads have appeared in magazines and on television. The \$185 million truth campaign ads include a ticker-counter that demonstrate how damaging and addictive tobacco products can be, along with encouraging America's youth to make a more informed decision not to smoke.

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The American Legacy Foundation was established in March 1999, as a result of the Master Settlement Agreement between 46 state attorneys general and five U.S. territories and the tobacco industry. The Foundation's mission is to advance collaborative, innovative, evidence-based solutions to prevent youth smoking. For more information about the Foundation, visit **www.americanlegacy.org**.

Since 1995, the Nevada Attorney General's office has been responsible for conducting inspections of retailers who sell tobacco, to make sure they are in compliance with state law that prohibits the sale of tobacco to anyone under the age of 18. In 1998, the USFDA contracted with the Nevada Attorney General's office to conduct checks under federal regulations.

"We have come a long way in Nevada in our efforts to restrict tobacco product access by minors," Del Papa said. "Nevada was the first state in the nation to inspect every tobacco retailer during stings designed to lower the teen over-the-counter buy rate."

According to the results of a study conducted by the Attorney General's office in the fall of 1998, the youth buy rate in Nevada has dropped from *63% in 1994 to 16.8% in 1999.

*A statewide study of 250 stores conducted in 1994 by the Nevada Bureau of Alcohol and Drug Abuse found that underage youths could buy tobacco 63% of the time, while an American Cancer Society survey conducted in 1994 of all stores located in one zip code in Las Vegas found the youth buy rate to be 64%.

For more information on the MSA, tobacco product restrictions, or on the youth tobacco product buy rate, call (775) 688-1872, or visit the Attorney General's web site at **<http://ag.state.nv.us>**.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://ag.state.nv.us>

E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

For Immediate Release
July 24, 2000

Contact: Tim Terry
(775) 687-4704

**LAS VEGAS PHARMACIST PLEADS GUILTY
TO FELONY MEDICAID FRAUD**

Carson City--Attorney General Frankie Sue Del Papa has announced that Las Vegas pharmacist James Bradford Beck, age 50, has entered a guilty plea to one count of Medicaid fraud. The felony charge carries a potential penalty of up to four years incarceration and a fine of up to a \$5,000. District Court Judge Joseph T. Bonaventure accepted the plea and scheduled September 11, 2000 for sentencing.

MFCU Director Tim Terry said the charges stem from an investigation into allegations that Beck improperly billed for drugs he claimed to have provided to Medicaid recipients when, in fact, he diverted the drugs to other entities.

"It is essential in today's medical services environment that all of our financial resources be spent wisely," Del Papa said. "This is another example of how our Medicaid Fraud Control Unit acted quickly to stop a financial drain on our prescription drug resources, and has helped to bring a culpable party to justice."

Anyone with questions about Medicaid fraud is urged to contact the MFCU in Carson City at (775) 687-4704, or in Las Vegas at (702) 486-3420. Medicaid fraud information can be found on the Attorney General's web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
July 14, 2000

CONTACT: Steve George
(775) 684-1114

**PUNITIVE DAMAGE AWARD IN FLORIDA TOBACCO CASE SHOULD NOT AFFECT
NEVADA'S SHARE OF MASTER SETTLEMENT AGREEMENT MONEY**

Carson City—Attorney General Frankie Sue Del Papa says today's punitive damage award of \$146 billion by a Florida jury in the class action lawsuit on behalf of an estimated 300,000-700,000 Florida residents against the tobacco industry is unlikely to force the industry into bankruptcy.

"Florida law prohibits punitive damage awards that would put a company out of business," Del Papa said. "The law requires judges to reduce such awards if a company would be forced to declare bankruptcy. Under Florida law, punitive damages are limited to an award that, 'may properly punish each wrongdoer by exacting from his pocketbook a sum of money which, according to his financial ability, will hurt, but not bankrupt.' Therefore, large punitive damage awards by juries are reviewed by the trial judge and by the appellate courts and are often reduced."

Under the terms of the Master Settlement Agreement between 46 states and the tobacco industry, tobacco companies agreed to pay \$246 billion to the settling states. Nevada has already received some \$27 million of its anticipated share of more than one billion dollars. The next scheduled payment to the states is on January 10, 2001.

As a precautionary step, the National Association of Attorneys General earlier this year retained the services of the nationally recognized bankruptcy firm of Pachulski, Stang, Ziehl, Young and Jones. The firm has been working on an analysis of the states' options, if a tobacco company or companies did file for bankruptcy.

"I want to clearly state that we fully intend to collect every dime that the State of Nevada is owed as part of the Master Settlement Agreement," Del Papa said.

For more information on Nevada's settlement with the tobacco industry, visit the Nevada Attorney General's web site at <http://ag.state.nv.us>.

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STATE OF NEVADA

OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://www.state.nv.us/ag/>

E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
July 11, 2000

CONTACT: Thomas M. Patton
(775) 684-1116

**ATTORNEY GENERAL ANNOUNCES APPOINTMENT OF SOLICITOR GENERAL,
CHIEF FINANCIAL OFFICER AND DEPUTY CHIEF INVESTIGATOR**

Attorney General Frankie Sue Del Papa today announced the appointment of three new individuals to key management positions. Alan Beckman has been named to take the position of Solicitor General where he will supervise the handling of litigation. Beckman received a bachelor of arts degree in education from the University of Florida, and earned his law degree from the University of Memphis. Beckman has previously served as a prosecutor with the Florida State Attorney's Office in Miami and the Colorado Attorney General's Office. Beckman later served for a period of ten years as a judge in Colorado's Arapahoe County Court. Most recently, Beckman has been engaged by the University of Nevada at Las Vegas as an adjunct professor teaching pre-law courses in Criminal Law, Constitutional Law, Business Law, Torts, Contracts and Paralegal Studies. Mr. Beckman will take over his post part-time on July 18, 2000. After concluding his summer teaching contracts at UNLV, Mr. Beckman will commence his full-time duties effective August 15, 2000.

Paul Hewen has been named to take over as Chief Financial Officer effective July 24, 2000. Mr. Hewen holds a bachelor of arts degree in finance from Northern Arizona University, and an M.B.A. in international business from the American University in Washington, D.C. Mr. Hewen has previously served in accounting, auditing and information technology positions for a variety of private corporations, including Harrah's Hotel and Casino, Northwest Alaskan Pipeline, Caesar's World, Southwest Gas Corporation, and Lockheed Environmental Systems and Technologies Company. For the past four years Mr. Hewen has served as an information systems specialist for the State of Nevada where he has been involved in numerous projects including NOMADS, the Integrated Financial System (IFS) and the DMV's Project Genesis.

Greg Smith has been promoted from the position of Senior Investigator with the Attorney General's Workers Compensation Fraud Unit to the position of Deputy Chief Investigator. In his new position, Mr. Smith will be responsible for communication and coordination with other state and local law enforcement agencies, and will provide general supervision over the Attorney General's investigative staff in Las Vegas. Mr. Smith will also handle investigations in the areas of insurance and workers compensation fraud. Mr. Smith previously worked in security at the Nevada Test Site while employed by Wackenhut Services, Inc. Smith has been a member of the Attorney General's team since 1993 and also serves as an adjunct criminal justice professor for the Community College of Southern Nevada's Peace Office and Standards Training program.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
July 7, 2000

CONTACT: JO ANN GIBBS
(702) 486-3782

LAS VEGAS MAN ARRESTED IN SUPER BOWL SCAM

Las Vegas---Attorney General Frankie Sue Del Papa announced the arrest today of a 22-year-old Las Vegas man accused of defrauding several people in a Super Bowl ticket scam. Ricky James Mooneyhan (also known as Rick Mooneyham, Ricky Moneyhan, Ricky Mooneyhan. Mooneyhan) was arrested this afternoon at his residence in Las Vegas by investigators from the Nevada Attorney General's Bureau of Consumer Protection on suspicion of theft by false pretenses and attempted theft by false pretenses.

Mooneyhan is accused of placing advertisements in various newspapers around the country offering to sell tickets to the 1998 and 2000 Super Bowls. According to the Attorney General's complaint, filed in Las Vegas Justice Court, individuals responding to the advertisement sent cash payments of up to \$3,000 to Mooneyhan via Western Union in Las Vegas. No one who sent money received a ticket.

Mooneyhan was booked into Clark County Detention Center. Bail was set at \$19,000.

As with all criminal cases, the charges against the defendant are accusations. The defendant is to be considered innocent until and unless he is proven guilty in a court of law.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 25, 2000

CONTACT: Steve George
(775) 684-1114

CONSUMER UPDATE REGARDING FIRESTONE TIRES RECALL

Carson City-- The Office of the Attorney General has received numerous consumer inquiries on how to obtain replacement tires for those recently recalled by Bridgestone-Firestone. On August 9, 2000 the makers of Firestone tires recalled millions of all-terrain tires used on sport-utility vehicles and light trucks. The tires recalled were Firestone's P235/75R15 Radial ATX and ATX2 tires and P235/75R15 Wilderness AT tires (whose serial number begins with "vd").

Consumers with these tires should have them inspected and replaced at their local Ford or Firestone dealership. However, because of a shortage of available tires, many of these dealerships have waiting lists that consumers are being placed on. Consumers are therefore being encouraged to go to any tire store and buy replacement tires. Firestone will reimburse consumers for the costs related to exchanging tires that are included in the recall. The reimbursement is up to \$100 per tire, including applicable mounting and balancing charges and taxes. As previously noted in earlier releases from the Attorney General's Office, consumers can also get replacement tires, at no cost, at several independent tire dealerships throughout Nevada.

Consumers should have their tires inspected and get paperwork from the inspector indicating that their tires are part of the recall. Consumers should also keep copies of their receipts for the costs of the replacement tires. Finally, consumers who buy replacement tires from a store other than Firestone or a Ford dealer, should keep the recalled tires themselves, because the tires must be turned into Firestone for reimbursement.

Firestone announced this week that because of the shortage of available replacement tires, the company is shipping tires from Japan, as well as increasing production of tires at its plants in the United States.

Attorney General Frankie Sue Del Papa sent a letter to Firestone officials on August 11, 2000, demanding that Nevada consumers be included in the "first tier" of Firestone's recall. Several other state attorneys general sent similar letters on behalf of their citizens. Firestone has since abandoned the tier system.

Consumers can obtain more information on the recall and reimbursement policy on Firestone's website at www.Firestone.com. Additionally, Firestone has a toll-free number, 1-800-465-1904 as does Ford, 1-800-660-4719. Persons with concerns or complaints regarding the recall can call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 25, 2000

CONTACT: Steve George
(775) 684-1114

**ATTORNEY GENERAL OFFERS ASSISTANCE TO PARENTS
AND STUDENTS AS ANOTHER SCHOOL YEAR BEGINS**

Carson City--As thousands of school children throughout Nevada head back to the classroom, Attorney General Frankie Sue Del Papa would like to remind parents, faculty and students that everyone plays an important role in creating a safe environment in which to grow and learn.

"Parents and students must take an active role, in cooperation with educators, to better ensure that our schools offer a safe environment for children to learn," Del Papa said. "Schools cannot on their own eradicate the causes and consequences of violence. However, schools can be a powerful force for change, for preserving the hopes and opportunities of the children they educate, and for supporting the families in their communities."

The Nevada Attorney General's office has often partnered with outgoing Nevada Superintendent of Public Education Mary Peterson, the National Association of Attorneys General (NAAG), and the National School Boards Association (NSBA) to develop several brochures aimed at providing better protection against violence in our schools.

"SCHOOL SAFETY: A Message to the Community," includes ten steps kids can take to help prevent violence in their school, along with outlining ten basic points of a Safe School Plan.

"Protecting Students From Harassment and Hate Crimes: A Guide For Schools," provides a five-point plan on how schools can better prevent these types of violent acts: identify the hate crime laws that apply in the school's jurisdiction; recognize bias-motivated crime and violence; referrals to law enforcement agencies; coordinate the school's anti-harassment activities with the larger community; and enforce the district's anti-harassment policies consistently and vigorously.

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In response to the need of professional educators charged with the difficult responsibility of maintaining order, “*School Violence: A Guide To Search and Seizure in the Public School Setting*,” which outlines the do’s and don’ts of searching school children’s belongings, has also been published.

The brochures can be accessed on the Attorney General’s website at <http://ag.state.nv.us>. Copies of the brochures may be obtained by calling the Attorney General’s office at (775) 684-1125.

NAAG and the NSBA have launched a joint website: **www.keepschoolssafe.org**, which shares ideas and information about various school safety and anti-violence programs, and provides up-to-date information on successful programs and ideas that work toward safer schools. The information can help communities and schools devise the most appropriate response to reducing youth violence. Each month, the web site focuses on a specific aspect of youth violence and school safety problems faced by communities.

“Several barriers to reducing teen violence have been identified through town meetings, community forums, and through talking with teens about the problems they face today in the school environment,” Del Papa said. “Students’ fear of retribution if they report threatening, violent or harassing behavior, often leads to a “code of silence” among school children. By establishing an anonymous way for kids to report violent or potentially violent behavior, we can provide our children with an avenue that can help prevent a violent episode from occurring on one of our campuses.”

Several other publications that address youth issues are also available from the Attorney General’s office, including:

- Keeping Your Child Safe on the Information Superhighway
- A Parent’s Guide; Helping Your Children Avoid Teenage Pregnancy
- Date Rape: Know the Facts
- A Guide To Protecting Yourself From Date-Rape Drugs
- A Guide To Child Safety, a publication of the Nevada Missing Children Clearinghouse.
- Coming of Age in Nevada: A Guide to Your Legal Responsibilities When You Turn 18

The brochures can also be accessed on the Attorney General’s website at <http://ag.state.nv.us>, clicking on the “Search the AG Site,” then on “Hot Topics,” then on “Publications of the OAG.”

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 24, 2000

CONTACT: Richard Linstrom
(702) 486-3196

**NEVADA JOINS 47 OTHER STATES IN SETTLEMENT
WITH TIME, INC. OVER SWEEPSTAKES CONTESTS**

Carson City--Attorney General Frankie Sue Del Papa has announced that her office and attorneys general from 47 other states and the District of Columbia today entered into a settlement with Time Inc. that will require the company to make dramatic changes in what it tells consumers in its sweepstakes mailings.

Time, Inc. is one of the nation's largest sweepstakes mailers. The company sends out millions of pieces of mail annually--usually with the title "Guaranteed and Bonded" stamped on the envelope--each of which offers consumers the opportunity to enter a sweepstakes. These mailings also offer consumers the opportunity to subscribe to one of the many magazines published by Time Inc., buy Time-Life books, or the audio or video collections Time produces.

Today's agreement with Time, Inc. requires that all sweepstakes mailings provide a clear and conspicuous "Sweepstakes Facts" disclosure sheet. Those facts will include: a statement that buying will not help the consumer win the sweepstakes; that the consumer has not yet won; that the consumer does not have to buy anything to enter the sweepstakes; and the odds of winning a prize. Additionally, under the terms of the agreement, Time, Inc. will not be able to misleadingly state that a consumer is the winner or about to become the winner of a sweepstakes, misleadingly tell consumers that they have a better chance of winning a sweepstakes than they actually do, or represent that the sweepstakes package has been sent by special courier or a special class of mail, if it has not been.

A recent report produced by the National Association of Attorneys General (NAAG) strongly recommended that sweepstakes marketers include a standardized "Sweepstakes Facts" sheet in their mailings that would help consumers better understand contest odds, and that no purchase is required to win. NAAG issued the report following hearings the attorneys general conducted on sweepstakes policies and procedures last year in Indianapolis.

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“One of our main focus areas was that we wanted to make certain that consumers who receive sweepstakes mailings understand they do not have to buy anything to have a chance to win, and that buying will not help their chances of winning,” Del Papa said. “We believe the Sweepstakes Facts disclosure sheet will help consumers better understand how sweepstakes contests actually work.”

The settlement establishes a fund of \$4,924,636 to be used by the attorneys general for payment to consumers nationwide who were high activity sweepstakes customers--those spending more than \$500--in any one of calendar years 1997, 1998, or 1999. A third party administrator will be hired by the states to send restitution checks to those individuals who fall into this category. Letters will be sent to those customers. No claim forms will need to be completed. The third party administrator will send those customers a check in about 90 days. In addition, Time will pay the settling states \$3,240,000 for attorneys’ fees and the costs of the investigation. Nevada’s portion of the payment to cover attorneys’ fees will be \$75,000.

Time, Inc. has also agreed to establish a “Sweepstakes Do Not Promote List” for so-called “high activity” customers. The list requires Time, Inc. to stop sending such consumers new sweepstakes solicitations. The criteria for establishing the list are: if after a review of its customer records, the company finds a customer on the list who either has a current subscription to a magazine published by Time, Inc. which lasts more than five years from the date of the review; or that a customer has spent in excess of \$500 dollars, as a result of sweepstakes promotions by any combination of Time, Inc. entities or businesses.

Today’s agreement is the third multistate settlement that state attorneys general have arrived at with a major sweepstakes company since last year’s hearings. The first agreement was reached with US Sales Corporation in March 2000, and earlier this week, a settlement between Publishers Clearing House and the attorneys general from 25 states was announced.

States participating in today’s settlement with Time, Inc. include Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming and the Corporation Counsel of the District of Columbia.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 24, 2000

CONTACT: Paul Taggart
(775) 684-1232

**HIGH COURT UPHOLDS STATE'S RIGHT TO REGULATE
WATER RIGHTS ON INDIAN RESERVATION**

Carson City--The Office of Attorney General Frankie Sue Del Papa today announced that the Nevada Supreme Court upheld the Nevada State Engineer's and Water Commissioner's right to regulate water rights on the South Fork Indian Reservation near Elko. For more than fifty-five years, the State's Water Commissioners regulated the water rights on the reservation. In March 1998, the Tribe stated that Water Commissioner's could not come onto their reservation. In September 1999, the Tribe arrested a Water Commissioner when he attempted to gain access to the Tribe's headgates to regulate their water rights.

In the 1930s, the Winnemucca District Court entered a judicial decree that defined all water rights from the Humboldt River between Elko and Lovelock. Since then, the Water Commissioners have distributed those waters. The Tribe acquired water rights that had been distributed by the Water Commissioners and, for more than fifty years, recognized the authority of those Water Commissioners to travel on and across their reservation to distribute their water rights. But in 1998, the Tribe asserted that its sovereign immunity precludes the District Court and its Water Commissioners from regulating its water rights.

The Court ruled that the Tribe waived its immunity to the State's regulation when it acquired water rights that were subject to state control. According to the Court, the State water commissioners have the right to travel onto the Tribe's reservation to gain access to headgates that serve the Tribe's water rights. This ruling paves the way for the District Court to hold a hearing to determine whether the Tribe's action in escorting the water commissioner off the reservation constituted contempt of court. A hearing on that question is scheduled in Winnemucca for September 11, 2000.

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According to Deputy Attorney General Paul G. Taggart, “The Supreme Court has vindicated the State’s and the District Court’s right to control these waters. The State has no interest in infringing on the Tribe’s sovereignty, and the State has never treated the Tribe any differently than any other water right owner in the Humboldt River system. This case is solely about protecting the State’s ability to preserve the orderly distribution of water rights, as those water rights were distributed before the Tribe’s reservation was created.”

The Tribe resides at the headwaters of the South Fork of the Humboldt River. According to Taggart, if the Tribe were not subject to State jurisdiction, the Tribe could be able to take as much water as it wants, meaning downstream users will have no relief. Since every drop of water in the Humboldt River is owned by someone, if the Tribe takes more than it is entitled to, someone downstream will not receive the water they are rightly entitled to.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 22, 2000

CONTACT: Richard Linstrom
(702) 486-3782

**DEL PAPA ANNOUNCES SETTLEMENT
WITH PUBLISHERS CLEARING HOUSE**

Carson City—Attorney General Frankie Sue Del Papa has announced that her office has joined with 22 other state attorneys general and the District of Columbia in a settlement with Publishers Clearing House (PCH), one of the nation's largest direct mail solicitors. The attorneys general had sued PCH for allegedly using misleading sweepstakes promotional materials that led to many consumers believing they had already won a prize in PCH promotions.

Under terms of today's settlement, PCH will pay nearly \$18.3 million to the states. Most of the money will go into a restitution fund that will be used to refund customers who had placed orders with PCH totaling \$2,500 or more in 1997, 1998, and/or 1999. A third-party administrator, selected by the settling states, will oversee the restitution plan, which should be completed within the next two years. PCH will also pay the State of Nevada \$102,256.55 to cover the cost of litigation.

"Thanks to today's settlement agreement, the next sweepstakes offer that comes in the mail from Publishers Clearing House should make it clearer that the recipient is not necessarily a winner," Del Papa said. "Additionally, under this agreement, Nevada consumers will receive a total of \$280,000 in refunds."

PCH mails more than 100 million solicitations each year. The mailings consist of a series of personalized form letters that imply consumers, many of them senior citizens, have won or are about to win a major sweepstakes prize. The materials enclosed in the mailings lead many consumers to believe they can increase their chances of winning by making more purchases.

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“In Nevada, you never have to pay to enter a sweepstakes contest,” Del Papa said. “Unfortunately, many people believe that the purchase of products or subscriptions increases their chances of being a winner. Today’s settlement agreement will serve to better educate consumers that a purchase does not help their odds of winning.”

Among the terms of the settlement:

- A “Sweepstakes Facts” disclosure sheet, similar to FDA nutrition labels, will be included in PCH sweepstakes mailings. The sheets will include: a statement that buying will not help the consumer win the sweepstakes; that the consumer has not yet won; that the consumer does not have to buy anything to enter the sweepstakes; the odds of winning a prize; and the end date of sweepstakes contests.
- PCH cannot use a document designed to simulate a check, unless the face of the document clearly states it is not a check.
- PCH will identify and send special notices to individuals, who spend more than \$1,000 annually, that they are not required to make purchases in order to have a chance to win the sweepstakes. Furthermore, consumers who make purchases of \$2,500 or more annually will be surveyed to ensure the purchasers understand they do not have to buy anything to participate in the sweepstakes.

Del Papa’s office had filed suit against Publishers Clearing House on January 31, 2000 for alleged violations of the Nevada Deceptive Trade and False Advertising Statutes.

Participating in today’s settlement were the attorneys general from Alabama, Alaska, California, Georgia, Hawaii, Idaho, Illinois, Louisiana, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New York, North Dakota, New Mexico, Ohio, Oklahoma, South Carolina, South Dakota, Virginia, Washington, Wyoming, and the Corporation Counsel of the District of Columbia.

NOTE: In February 2000, an Illinois judge approved a private citizen class-action settlement that provided restitution for consumers who filed claims against PCH. Those settlement figures have not been made available. That settlement is in no way jeopardized by today’s settlement between the states and PCH.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 16, 2000

CONTACT: Steve George
(775) 684-1114

LATEST INFORMATION ON BRIDGESTONE-FIRESTONE TIRE RECALL

Carson City—The Office of Attorney General Frankie Sue Del Papa has received numerous calls from consumers concerned about the status of the Bridgestone-Firestone tire recall. Many Nevada citizens have expressed their fear of waiting for tires to be replaced through the previously announced “tier” system, in which Nevada was placed in the second tier of states that would receive replacement tires.

The Attorney General’s Office has learned that Bridgestone-Firestone has announced, via their web site, that the company is abandoning the tier system and allowing those consumers affected by the recall to seek immediate replacement tires. Information on how the recall and reimbursement process will work can be found on Bridgestone-Firestone’s web site at www.firestone.com.

Del Papa’s office has been instructing consumers to call Les Schwab Tires in Northern Nevada, or Ted Wiens Tire & Auto in Southern Nevada, to receive immediate replacements for those Firestone tires that have been recalled. Additionally, many Costco locations are also replacing recalled tires. The replacement tires being offered are various brands of competitor tires.

Through conversations with the Ford Motor Company, the Attorney General’s Office has learned that Ford is advising their dealerships to immediately replace recalled tires with any other comparable brand.

The Attorney General’s Office further advises consumers to check with other dealerships and stores in your area if one of the aforementioned businesses does not have tires in stock to replace recalled tires. As you can imagine, the supply of tires in some areas may be strained due to the number of consumers seeking replacement tires.

On August 11, 2000, Del Papa’s office sent a strongly worded letter to Bridgestone-Firestone demanding that Nevada be placed in the first tier of states, or legal action may be our next recourse. Several other state attorneys general have followed suit.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 15, 2000

CONTACT: Steve George
(775) 684-1114

SPECIAL ASSISTANT ATTORNEY GENERAL ANNE CATHCART PASSES AWAY

Carson City— The Nevada Attorney General's Office is extremely saddened to report that Special Assistant Attorney General Anne Cathcart succumbed to leukemia this morning in Reno. Anne was 52 years old and is survived by her husband Dr. Robert Bertrando, M.D., daughters Grace and Christine Crosley, and stepsons Neil and Marc Bertrando. Further details concerning arrangements to celebrate Anne's life will be forthcoming.

Anne received a B.A. in Political Science from San Jose State University in 1976, and received her Juris Doctorate in 1983 from the University of Santa Clara School of Law. Anne was admitted to the California bar in 1984, and to the Nevada bar in 1990.

Anne started her career with the Attorney General's office in July 1988 as a legal researcher. On August 13, 1990 Anne was sworn in as a Deputy Attorney General. Anne was promoted in 1994 to Senior Deputy Attorney where she supervised the handling of inmate civil rights litigation for over three years. During that time period, Anne served on the Ninth Circuit Court of Appeals Task Force on Prison Remedy Procedures and chaired the National Association of Attorneys General (NAAG) Eighth Amendment Working Group. Anne was instrumental in working with the U.S. District Court and the Nevada Department of Prisons to establish an early case evaluation system for resolving inmate litigation. Anne also worked with NAAG in support of the Prisoner Litigation Reform Act that was enacted in 1996. As a result of these collaborative efforts and legislative reforms, Nevada has seen a 66 per cent decline in inmate litigation.

In January 1997 Anne was assigned to the administrative division and in June of 1998 was designated the office's Special Assistant Attorney General. In her administrative position Anne worked directly with the Attorney General and the First Assistant Attorney General in the day-to-day administration of the office. Anne also served as the office's legislative liaison and excelled in coordinating the efforts of the attorney general's office with those of other state and local public agencies. Most recently, Anne took over primary responsibility for representing Nevada in the tobacco litigation, which culminated in a multi-billion dollar master settlement agreement between the tobacco industry and the 46 settling states.

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Upon hearing the news this morning of Anne's untimely death, Attorney General Frankie Sue Del Papa expressed her deepest sympathies to Anne's family, coworkers and legion of friends, and requested that all governmental agencies and the public be notified.

First Assistant Attorney General Thomas M. Patton shared in that expression of sympathy and grief and noted that the entire office was shocked and deeply saddened by the news. Patton summed up the sentiment of the office by stating that "Anne was a very special person and was appropriately titled our special deputy. Anne was simply a wonderful person to work with who never had an unkind word to say about anyone and who always wanted to know how she could help. To say that Anne was one in a million would be an understatement -- Anne was truly one of a kind."

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
BUREAU OF CONSUMER PROTECTION

555 East Washington Avenue, Suite 3900

Las Vegas, Nevada 89101

Telephone (702) 486-3786

Fax (702) 486-3283

WEBSITE: <http://ag.state.nv.us/>

E-Mail: bcpinfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

TIMOTHY D. HAY
Chief Deputy Attorney General

JANE D. FEMIANO
Senior Deputy Attorney General

FOR IMMEDIATE RELEASE
August 11, 2000

CONTACT: Steve George
(775) 684-1114

**ATTORNEY GENERAL WARNS BRIDGESTONE-FIRESTONE OF POSSIBLE LEGAL
ACTION IN NEVADA NOT PLACED IN FIRST TIER OF TIRE RECALL**

Carson City—Attorney General Frankie Sue Del Papa today sent a stern letter to Bridgestone-Firestone demanding that the company include Nevada in the first tier of states to have tires being voluntarily recalled replaced. Nevada has been listed in tier two, meaning Nevadans may have to wait up to three months to have tires replaced.

Citing the fact that Nevada temperatures in Southern Nevada reach into the 100's, Del Papa questioned the company's judgment in not including the state in tier one originally.

The letter from Del Papa reads:

Masatoshi Ono
Bridgestone-Firestone
50 Century Boulevard
Nashville, Tennessee 37214

Dear Mr. Ono:

On behalf of all Nevadans, I am encouraged that Bridgestone-Firestone has voluntarily begun a massive recall of ATX, ATX2 and Wilderness AT tires, which have been associated with several accidents that have taken 46 lives. As Attorney General of Nevada and as a private citizen, I find it unacceptable that Nevada has been placed in the second tier for recalls.

The temperature in Las Vegas, Nevada has averaged over 100 degrees for the past five weeks, comparable if not higher than the states presently listed in tier one. It is, therefore, absurd not to place Nevada in tier one. In addition, the State has recently purchased vehicles with Firestone tires for the Division of Wildlife. Our citizens and State employees are at direct risk of injury if one of the tires in question was to malfunction. In fact, one tire on a Division of Wildlife vehicle did blowout in August of this year.

We ask that you immediately reconsider placing Nevada in the first tier of recall. If we do not attain satisfaction to our request by Monday, August 21st, 2000, we may, as South Carolina may, seek legal recourse to remedy this situation.

Cordially,
Frankie Sue Del Papa

"Protecting Citizens, Solving Problems, Making Government Work"

Nevada Attorney General

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After surveying several tire shops in Northern and Southern Nevada, the Attorney General's Office found that two dealers, one each in Southern and Northern Nevada, have been authorized by Bridgestone-Firestone to immediately replace those tires in question, stock permitting. Those companies are: Les Schwab Tires in Northern Nevada, and Ted Wiens Tire and Auto in Southern Nevada. Customers should call those Tire Stores directly for more information.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 9, 2000

CONTACT: JO ANN GIBBS
486-3782

LAS VEGAS MAN SENTENCED IN TELEMARKETING SCAM

Las Vegas--Attorney General Frankie Sue Del Papa has announced that 39-year-old Manuel Ortega Jr., alias Robert Martin, was sentenced today to one year in the Clark County Detention Center after earlier pleading guilty to Conspiracy To Obtain Money Under False Pretenses, a gross misdemeanor. Pursuant to the plea agreement, Clark County District Court Judge John McGroarty ordered Ortega to pay an administrative assessment fee, and placed him on three years probation. Prior to his sentencing, Ortega paid full victim restitution in the amount of \$3,250.

In the telemarketing scheme, elderly persons in Arizona and California were contacted by telephone by a man claiming to be vice president of State Farm Insurance. The victims were told they had won a large amount of money in a cash sweepstakes, but must first send money via Western Union for expenses in order to claim their prizes.

In January 2000, Ortega was arrested by investigators from the Attorney General's Office outside a Smith's grocery store in Las Vegas when he attempted to pick up one victim's Western Union money wire.

"Consumers should never send money to telephone salespersons who claim they are prizewinners in a sweepstakes or other contests," Del Papa said. "Legitimate sweepstakes companies never require prizewinners to send money to collect their prize."

If you believe you have been a victim of telemarketing fraud, contact the Attorney General's Office at (702) 486-3420. Consumer protection information is available on the Attorney General's web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 8, 2000

CONTACT: Shelly O'Neil
(775) 688-1959

**NEVADA JOINS 30 STATES IN FILING ANTITRUST COMPLAINT
AGAINST MUSIC DISTRIBUTORS AND RETAILERS**

Carson City—Attorney General Frankie Sue Del Papa today joined 30 other state attorneys general in filing an antitrust complaint against the nation's largest distributors of recorded music. The complaint alleges the companies conspired with various retailers to fix the prices of their products.

The companies are charged with engaging in an unlawful scheme designed primarily to stop retail outlets, such as Best Buy, Circuit City and Target, from offering music at deep discounts. The emergence of such recorded music outlets in the early 1990's began to offer stiff competition to mall-based music stores.

The complaint, filed in New York federal court, names distributors and affiliated labels BMG Music, Bertelsmann Music Group Inc., Capitol Records Inc. (doing business as EMI Music Distribution), Virgin Records America Inc., Priority Records, LLC, Sony Music Entertainment Inc., Universal Music & Video Distribution Corp., Universal Music Group Inc., UMG Recordings Inc., Warner-Elektra-Atlantic Corp., Warner Music Group Inc., Warner Bros. Records Inc., Atlantic Recording Corp., Elektra Entertainment Group Inc., and Rhino Entertainment Co. Also charged were retail giants Musicland, which operates more than 1,300 retail outlets under the Musicland and Sam Goody trade names; Trans World, which operates more than 900 stores under the names Camelot, FYE, Music & Movies, Planet Music, Record Town, Saturday Matinee, Spec's Music, Strawberries and the Wall; and MTS Inc., doing business as Tower Records. The complaint further targets unnamed co-conspirators, "both known and unknown," and calls for the awarding of triple damages to consumers and the assessment of civil penalties against the companies.

"This is yet another case where the Antitrust Unit from our office is working successfully with those of other state attorneys general offices to ensure that consumers are treated fairly," Del Papa said.

“The Antitrust Unit is tasked with making sure that businesses comply with federal and state laws that are designed to protect consumers from price-fixing and price-gouging. By doing so, Nevada citizens are better assured of receiving the best price possible for goods and services.”

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According to the complaint, the distributors and their labels established minimum advertising price (MAP) policies in 1992. The initial MAP policies withheld distributors' reimbursements for advertising expenditures by retailers, if the advertised price for a particular product was not at or above the distributors' prescribed price. The initial MAP policies were legal, but ineffective at quashing price competition.

The attorneys general charge that the illegal scheme began in February 1995, following a speech at the National Association of Recording Merchandisers (NARM) convention. In his speech, Musicland Chief Executive Officer and NARM President Jack Eugster called for joint action between distributors and retailers to combat lower recorded music prices on both the wholesale and retail levels.

According to the complaint, following the NARM convention, "traditional retailers... continued to press the major distributors to strengthen their MAP programs." Furthermore, key elements of the new, stronger MAP policies were essentially those proposed by Eugster. These traditional retailers also were instrumental in pressuring each of the major distributors to adopt substantially equivalent MAP policies so that they applied market-wide, the complaint says.

The complaint charges that the distributors "transformed their MAP programs into blunt and effective instruments for putting an end to price competition." They did so, in large part, by expanding the reach of MAP policies well beyond just print and electronic media to include all forms of in-store promotion. That change effectively prevented retailers from communicating discount prices to consumers through any means other than the price sticker on the CD itself.

To enforce compliance, a single violation by a retailer would result in the loss of all promotional funds available from the distributor for 60 to 90 days. Moreover, the complaint says, a violation at a single store would jeopardize promotional funds for an entire chain. Non-complying retailers faced the loss of millions of dollars per year in advertising funds.

The states and territories charging the companies with antitrust violations include Arizona, Arkansas, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Mexico, New York, North Carolina, Northern Mariana Islands, Oklahoma, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Texas, Utah, Vermont, Washington, West Virginia, and Wisconsin.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 4, 2000

Contact: Steve George
(775) 684-1114

**PERSONAL CARE ASSISTANT SENTENCED
FOR COMMITTING MEDICAID FRAUD**

Carson City – Attorney General Frankie Sue Del Papa announced today that Mary Dejournett has been sentenced to 12 months in the Washoe County Jail after pleading guilty to one count of Conspiracy to Commit Medicaid Fraud, a gross misdemeanor in violation of NRS 199.480 (3)(g) and 422.540 (1)(a). Washoe County District Court Judge Brent Adams suspended Dejournett's sentence, placing her on 24 months of closely supervised probation. Dejournett was also ordered to pay restitution to the victim in the amount of \$1,630.

Dejournett pleaded guilty in June 2000, following an investigation by the Nevada Attorney General's Medicaid Fraud Control Unit. The investigation found that Dejournett had failed to provide care, on a by-daily basis, to a 71-year-old female with Macular Degeneration and a broken arm, while still billing Nevada Medicaid as if the services were being performed twice a day. The investigation also found that Dejournett did not provide any care or assistance to the elderly female for a ten-day span, while billing Nevada Medicaid for her services each of those days.

"The Medicaid Fraud Control Unit takes its task of providing better protection for our elderly citizens very seriously," Del Papa said. "The outcome of this case shows once again that the Unit will hold those who attempt to take advantage of the elderly responsible for their actions, by prosecuting them to the fullest extent, when appropriate."

The Medicaid Fraud Control Unit investigates and prosecutes instances of patient abuse or neglect, in addition to investigating and prosecuting provider fraud. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City at (775) 687-4704, or in Las Vegas at (702) 486-3187. Medicaid Fraud information can also be found on the Attorney General's web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 4, 2000

Contact: Tracey J. Brierly
(702) 486-3128

**NEVADA MAN ARRESTED FOR ALLEGEDLY
COMMITTING MULTIPLE INVESTMENT SCAMS**

Las Vegas - Attorney General Frankie Sue Del Papa has announced that Peter Cobo--also known as Miguel Luna--of Las Vegas, Nevada, was arrested today on charges related to a multitude of investment schemes that defrauded Nevada investors out of approximately \$150,000. The victims include three men over the age of 65.

According to a 21-count felony complaint filed by the Attorney General's Bureau of Consumer Protection, Cobo offered and sold investments in four schemes: Cuban cigars, Cuban cigarette tobacco, an Internet escort/dating service, and a California construction company.

In the Cuban cigar and tobacco schemes, Cobo told investors he had inside information that the United States was about to lift the trade embargo against Cuba. The Defendant stated he had obtained the exclusive rights to buy and distribute Cuban cigars and cigarette tobacco in the United States, Canada and South America. The Defendant also told investors he had negotiated a contract with Philip Morris to purchase Cuban cigarette tobacco from him. Cobo told investors their money would be used for the purchase and distribution of Cuban cigars and/or Cuban cigarette tobacco.

In the Internet escort/dating service scheme, the Defendant told investors that he knew of an Internet escort/dating service in Florida that was desperately in need of operating capital, because one of the partners had run off with business funds. The Defendant told investors that this investment was a way for them to make "quick cash," because they would receive monthly interest checks until their investments were paid back.

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In the fourth scheme, Cobo represented to investors that he knew of a California construction company that needed operating capital in order to finish a job. The Defendant told investors they would receive a significant return plus their original investment funds back within ninety days.

The complaint alleges that Cobo committed 18 felony counts of securities fraud by misrepresenting and omitting to disclose material facts to investors including: that the Defendant did not have any connections with, nor credible information that, the United States was going to lift the trade embargo against Cuba; that the Defendant did not hold the exclusive right to sell Cuban cigars and tobacco; that investors' money would not be used to purchase or distribute Cuban cigars or tobacco; that the Defendant did not have a contract with Philip Morris; that investment money would not be given to an Internet escort/dating service; and that the Defendant would use investor funds to pay personal expenses. Cobo is further charged with two felony counts of Theft By Obtaining Money Under False Pretenses, in connection with his California Construction Company scheme, because he did not give investment funds to a construction company, but rather used investors' money to pay his own personal expenses. The Complaint also charges the Defendant with one felony count of Racketeering.

The charges were a result of an investigation conducted by the Nevada Secretary of State, Securities Division.

If convicted of the felony charges of Securities Fraud, Theft By Obtaining Money Under False Pretenses, and Racketeering, Cobo faces up to 150 years in a state prison and substantial fines. In connection with his crimes against the three men over 65 years of age, Cobo faces a penalty enhancement. If proven, the enhancement would mean the Defendant would be sentenced to a term equal to, and in addition to, the terms for the underlying offenses. In addition, he may be ordered to pay restitution to his victims.

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

If anyone has information concerning the Defendant, please contact the Secretary of State, Securities Division at (702) 486-2440, or the Attorney General's Office at (702) 486-3420.

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FOR IMMEDIATE RELEASE
August 4, 2000

CONTACT: Michael McCormick
(775) 688-1966

**FIFTH ANNUAL NEVADA DUI AND TRAFFIC SAFETY CONFERENCE
WILL TAKE PLACE IN MESQUITE**

Reno—Law enforcement officers, prosecutors, judges, treatment providers and victim advocates from throughout the state will gather in Mesquite, Nevada, September 13-15, at the Casa Blanca Resort, for the Fifth Annual Nevada DUI and Traffic Safety Conference. The conference, which is being sponsored by the Nevada Prosecution Advisory Council, will feature several nationally prominent experts, including:

- Professor John Kwasnoski, an expert witness and Professor of Forensic Physics.
- Tom Page, a nationally recognized expert on drug recognition (DRE), retired from the Los Angeles Police Department.
- Dr. John Chappel, UNR School of Medicine, will speak on dealing with a driver who is impaired by alcohol or drugs.
- Paul Snodgrass, Impaired Driving Coordinator for the National Highway Traffic Safety Administration.

There will also be a host of workshops for participants to attend.

There is no cost to attend the conference, but pre-registration is required before August 25, 2000. A special room rate of \$40/night is available at the Casa Blanca Resort to conference participants. Please call the Casa Blanca before August 23 at 1-800-459-7529 to secure this special room rate.

For more information on the conference, please contact Michael McCormick, Executive Director of the Prosecution Advisory Council, at (775) 688-1966, or email at npac@govmail.state.nv.us.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 3, 2000

CONTACT: Gianna M. Orlandi
(702) 486-3788

**NEVADA JOINS WITH 46 STATES IN EFFORT
TO PROTECT CONSUMERS' PRIVACY**

Carson City—Attorney General Frankie Sue Del Papa today joined with attorneys general from 46 states in filing an objection to a proposed settlement between the Federal Trade Commission (FTC) and *Toysmart.com*. The objection restates the attorneys general position that the sale of its customer list by *Toysmart* would be unfair and deceptive to *Toysmart* customers. The objection further states that while the FTC settlement proposal does include some good provisions, it does not go far enough in protecting consumers' privacy.

According to the objection, *Toysmart* had a clear policy in place that said the company would "never" share customer information with anyone. Therefore, the attorneys general argue, consumers had an implicit expectation of privacy to their personal information greater than that of a traditional, off-line customer list.

The attorneys general objection takes the stance that consumers on *Toysmart's* list should be notified of the proposed sale, and that their opt-in consent be obtained before their name and personal information can be sold to third parties.

A hearing on the proposed settlement is scheduled for August 17, 2000 in United States Bankruptcy Court in Massachusetts.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 2, 2000

CONTACT: Stephanie Parker
(702) 486- 3326

**LICENSE PLATES THAT WILL BENEFIT NEVADA
MISSING CHILDREN CLEARINGHOUSE NOW AVAILABLE**

Attorney General Frankie Sue Del Papa announced today that special Nevada license plates that will help support the Nevada Missing Children Clearinghouse are now available.

The Clearinghouse was established by the state legislature in 1991 in response to the staggering number of children reported missing each year. In 1999, there were an estimated 8,000 children reported missing in Nevada alone. The Clearinghouse was created as a central repository for information regarding missing children. The Clearinghouse receives missing child reports from throughout the state, maintains a statewide database, works in tandem with the National Center for Missing and Exploited Children, acts as a liaison among national clearinghouses, and assists other states with missing children investigations.

“Educating the public on the plight of missing children and on how to keep our children safer is the primary function of the Clearinghouse,” Del Papa said. “The Clearinghouse is also responsible for investigating and prosecuting parental abductions, and for providing training for law enforcement agencies throughout the state. A portion of the revenue from the sale of these specially designed license plates will assist the Clearinghouse with meeting its number one priority, to better protect our children from harm.”

The plates are available at all full service Department of Motor Vehicles and Safety offices. The cost is \$51, which includes a \$1 Prison Industry Fee. The renewal fee is \$20. Personalized plates are also available for \$86, and a renewal fee of \$40. Applications for personalized plates are available at DMV/PS offices.

For more information on the Nevada Missing Children Clearinghouse, visit the Attorney General’s web site at <http://ag.state.nv.us>, or call (702) 486-3326.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
August 2, 2000

Contact: Jo Ann Gibbs
(702) 486-3782

**ATTORNEY GENERAL ANNOUNCES
SETTLEMENT WITH SCHOOL BOOK SUPPLIER**

Carson City--Attorney General Frankie Sue Del Papa today announced the settlement of a lawsuit brought by her office against the nation's largest supplier of books to public schools and libraries. Baker & Taylor, Inc., and its former owner, W.R. Grace & Co., a Connecticut-based company, were sued by the Nevada Attorney General's Office, U.S. Department of Justice, and 17 other states in 1998, for their alleged involvement in a massive scheme to overcharge schools and libraries for their book purchases, beginning in 1980.

As part of the settlement, the companies will pay a total of \$15.5 million dollars to the states and the Department of Justice. Of that amount, three million dollars will be paid to the Federal Government, the remaining 12.5 million will be divided among the states. Nevada's portion is expected to be \$128,578. Payment to Nevada is expected by mid August.

The lawsuit alleged that the book publishers sold certain types of books, known as trade books, to Baker & Taylor at a large discount from the list price. In its contracts with public school and library customers, Baker & Taylor promised to pass along most of that discount. However, beginning in 1980, the company adopted a massive "Profit Enhancement" scheme to secretly remove thousands of books from the deep discount category. Nevada's suit alleges that, continuing until late 1993, Baker & Taylor engaged in deceptive practices by billing public school and library customers for far more than the agreed upon price for books. Specifically, the State alleged that Baker & Taylor programmed its computers to deliberately defraud schools and libraries throughout the State.

The injunctive provisions in the settlement will ensure that Baker & Taylor fully discloses groupings and classifications in its pricing systems in the future, and that invoices accurately show the appropriate discounts due schools and libraries.

Other states involved in the settlement announced today include Arkansas, California, Connecticut, Florida, Hawaii, Idaho, Kentucky, Massachusetts, Minnesota, Missouri, New Mexico, North Carolina, Oklahoma, Tennessee, Texas, Vermont and Wisconsin.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 25, 2000

CONTACT: L. Timothy Terry
(775) 687-4704

**LAS VEGAS PHARMACIST SENTENCED FOR
FELONY MEDICAID FRAUD**

Carson City—Attorney General Frankie Sue Del Papa has announced that Las Vegas pharmacist James Bradford Beck, age 50, was sentenced today for one count of Medicaid fraud. The felony charge carried a potential penalty of up to four years incarceration and a fine of up to \$5,000. After reviewing a presentence investigation report and listening to arguments of counsel, Clark County District Court Judge Joseph T. Bonaventure sentenced Beck to payment of court costs; 30 months incarceration, suspended; five years of supervised probation; performance of community service; and payment of \$15,000 in restitution.

Medicaid Fraud Control Unit (MFCU) Director L. Timothy Terry said the charges stem from an investigation into allegations that Beck improperly billed for drugs he claimed to have provided to Medicaid recipients when, in fact, he diverted the drugs to other entities. The investigation is continuing in regard to the entities that received the drugs.

“Our Medicaid Fraud Control Unit acted quickly to stop a financial drain in our prescription drug resources,” Del Papa said. “After bringing this party to justice, they will continue to seek out and bring to justice others who were involved in this fraudulent scheme.”

Anyone with questions about Medicaid fraud is urged to contact the MFCU in Carson City at (775) 687-4704, 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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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 25, 2000

CONTACT: Paul Taggart
(775) 684-1232
Marta Adams
(775) 684-1237

**ATTORNEY GENERAL'S OFFICE SUCCESSFULLY ARGUES TO HAVE DECISION ON USE OF
WATER AT YUCCA MOUNTAIN TO BE DECIDED IN STATE COURT**

Carson City—U.S. Federal Judge Roger L. Hunt has dismissed a Federal government appeal of a decision that denied its request for use of ground water at its proposed nuclear waste storage facility at Yucca Mountain. When former State Engineer Michael Turnipseed denied the water request, the Federal government filed two appeals: one in state court and the other in federal court. Attorney General Frankie Sue Del Papa's Office filed two separate motions to dismiss the federal appeal: one motion was filed by Deputy Attorney General Paul Taggart on behalf of the State Engineer; the other motion was filed by Senior Deputy Attorney General Marta Adams of behalf of Nevada's Agency for Nuclear Projects. The motions asserted that the Federal government should only be allowed to appeal the decision in state court. Judge Hunt's ruling, handed down on September 21, 2000, dismisses the Federal appeal based on each of Del Papa's motions.

"This is a significant victory for the citizens of Nevada," Del Papa said. "This office worked very hard in its challenge of the Federal government's attempts to usurp the State's procedure for allocating water. Now the State of Nevada's courts, not the federal courts, will review Nevada's water law and determine whether the State Engineer correctly ruled that the use of ground water at the proposed nuclear waste storage facility would be detrimental to the public interest of our citizens."

The Federal government sought to stay its appeal in state court so it could seek review in Federal court. Now that the Federal appeal has been dismissed, the case will proceed in State court. The Nevada Supreme Court will hear any appeal of the State court's decision.

"We now have a clear road to the Nevada Supreme Court, which will give that court the opportunity to weigh in on the question of whether the storage of nuclear waste in Nevada is against our public interest."

The Federal government is expected to appeal Judge Hunt's ruling to the United States Court of Appeals for the Ninth Circuit. In the meantime, Del Papa's Office will push for an expeditious review of the state court appeal.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 25, 2000

CONTACT: Steve George
(775) 684-1114

ATTORNEY GENERAL ISSUES WARNING ABOUT BOGUS BILLING

Carson City—Attorney General Frankie Sue Del Papa today issued a warning to businesses throughout Nevada concerning a bogus billing being sent to cafes, restaurants and casinos from United Pumping Company. The bills, sent from North Hollywood, California, are for services that have never been performed by the bogus company. The remittances go to an abandoned office in North Hollywood.

“If you receive one of these bills or have already remitted a payment to United Pumping Company, please contact our office immediately,” Del Papa said. “Our office is working in conjunction with the U.S. Postal Inspector’s Office on this case. The statements for services rendered look very official. The scam is patterned after another scam in which companies were sent bogus billings for Yellow Pages ads.”

Companies who receive a billing statement from United Pump Services should contact the Attorney General’s Office at (775) 684-1100, or send the materials to:

Office of the Attorney General
100 N. Carson Street
Carson City, NV 89701-4717

Consumer protection information can be found on the Attorney General’s web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 22, 2000

CONTACT: Gianna Orlandi
(702) 486-3788

**NEVADA JOINS 37 OTHER STATES IN REACHING SETTLEMENT
WITH U.S. BANK OVER POLICY OF SELLING
PERSONAL INFORMATION OF CUSTOMERS**

Carson City—Attorney General Frankie Sue Del Papa announced today that her office has joined with attorneys general from 37 other states and the District of Columbia in entering a settlement agreement with U.S. Bank that will require U.S. Bank to make important changes in how it handles its customers' non-public personal information.

The Nevada Attorney General's Office joined a multi-state group that intervened in a civil complaint filed in Federal court by the State of Minnesota against U.S. Bank. The suit stemmed from U.S. Bank's policy of providing its customers' non-public personal information to non-affiliated third parties, which would then use that information to market financial products or services to those customers. U.S. Bank was also sharing customer information with affiliates of direct marketing companies. The bank was being paid for the customer data.

As part of today's settlement agreement, U.S. Bank is prohibited from sharing customer data with unaffiliated third parties. The settlement also requires U.S. Bank to provide customers with written information on how they can "opt out" of having their personal information shared with unaffiliated third parties. The "opt out" form, complete with a toll free number and an address where to send the form, will be conspicuously displayed at all U.S. Bank branches. U.S. Bank is also required to accept "opt out" forms through its tellers and other bank personnel.

"This settlement is an important step in helping to better protect the privacy of bank customers," Del Papa said.

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As part of the settlement, U.S. Bank has agreed to notify its customers, and reimburse those customers who were charged a fee for any non-financial product or service of an unaffiliated third party, provided the customer did not use the product or service for which the fees were paid since June 1, 1997.

U.S. Bank has also agreed to pay a total of two million dollars to the offices of the attorneys general participating in the settlement of which Nevada's share will be approximately \$66,666.

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STATE OF NEVADA

FOR IMMEDIATE RELEASE
SEPTEMBER 21, 2000

CONTACT: Timothy Hay
775/687-6300
Or Jeff Parker
775/687-6001

Public Utility Commission General Counsel and
Chief Deputy Attorney General Respond To Questions Raised
Regarding the Legal Structure of the Recent Settlement of Issues Including
Fuel and Purchased Power Rate Adjustments

**“Top energy lawyers explain San Diego’s
Experience will not happen in Nevada”**

Due to recent media accounts of questions regarding the legality of the “global settlement” approved this summer by the Public Utilities Commission after extensive negotiations by the PUC staff, the Consumer Advocate, Sierra Pacific Resources, and other parties, Consumer Advocate Timothy Hay and Public Utilities Commission General Counsel Jeff Parker have issued the following joint statement regarding the legal structure of the settlement:

“Concerned citizens have questioned whether the recent settlement is legally sound and consistent with statutes passed by the 1997 and 1999 sessions of the Nevada Legislature. We want to assure Nevada’s citizens not only that the settlement is based on good law, but also that the agreement itself protects residential ratepayers from the uncertainties of deregulation that existed previously. Several independent legal teams have reviewed all aspects of the settlement and have concluded that it is legally solid.

“NRS 704.110(6), a longstanding statutory provision which was not amended or repealed by the legislature in 1997 or 1999, allows a utility to recover its increased costs of purchased power and fuel used to generate power on a monthly basis. The price of natural gas used to generate electricity has nearly doubled in the last year and purchased power costs during peak periods increased more than 100 percent. However, the settlement agreement protects ratepayers by only allowing the utility to recover a portion of its increased costs. The price caps contained in the settlement avoid the legal questions raised about legislatively imposed price caps, which according to the Legislative Counsel (and the legal position of Sierra raised in its federal lawsuit), may be unconstitutional. Ratepayers are protected under the settlement from the type of rate shock evident in the San Diego market this summer because of the variety of caps contained in the settlement.

“The initial rate adjustment for the Las Vegas area under the settlement was authorized by NRS 704.9823 which allowed the PUC to modify rates to account for decisions of the commission relating to cases filed prior to October 1, 1999. The initial rate adjustments included in the settlement were premised on settlement of the Nevada Power deferred rate cases, which were pending judicial review and sought in excess of \$110 million dollars in immediate rate hikes. An initial rate adjustment for the

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Las Vegas area could have occurred with or without the agreement, but the agreement minimizes the potential for larger adjustments. All rate adjustments resulting from the agreement are subject to review by the commission staff, BCP staff, and interested parties as well as audit requirements; the potential for refunds exists depending on the results of the review and or audit.

“Although this agreement is legally complex, we firmly believe it offers the greatest protection to residential ratepayers during this time of transition and uncertainty in the electric industry. It is forward looking and affords protection in a time of volatile energy prices. Residential ratepayers receive a smaller percentage increase than larger customers and the rate caps contained in the settlement will protect Nevada consumers from the rate shocks that have rocked the San Diego area. Additionally, the agreement retains for Nevada ratepayers 100 percent of the above book value proceeds from the sale of Sierra’s generation facilities. Nevada is the first state in the nation to guarantee that utility profits from the sale of generation assets will be given back to ratepayers, and removes all ratepayer exposure to “stranded costs.”

“The agreement also ensures that ratepayers will not have to pay any costs associated with the proposed acquisition of Portland General Electric by Sierra Pacific Resources. Further, the agreement protects ratepayers from the potential impact of lawsuits pending at the time the agreement was consummated, including the company’s suit to recover from ratepayers \$110 million in deferred energy costs.

“Finally, this resolution to these complex issues allows certainty in the regulatory climate in Nevada so that new energy supplies, the best long-term solution to providing reliable and economical energy to Nevada’s consumers, can be quickly developed and Nevada is not left behind in the evolving energy market in the west.”

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 21, 2000

CONTACT: Tracey J. Brierly
(702) 486-3128

**ATTORNEY GENERAL'S OFFICE OBTAINS \$45,500 IN RESTITUTION
FOR THREE VICTIMS OF INVESTMENT SCAM**

Las Vegas - Attorney General Frankie Sue Del Papa announced today that her office has obtained full restitution for three victims of an investment scam: a 72-year-old northern Nevada woman (\$15,500), a Las Vegas woman (\$15,000), and a southern California man (\$15,000). Philip Gardner today pleaded guilty a gross misdemeanor count of Conspiracy to Sell an Unregistered Security in regards to an ATM investment scam. Pursuant to the terms of his guilty plea agreement, Gardner will tomorrow hand over a cashier's check in the amount of \$45,500 that the Attorney General's Office will distribute as restitution to the victims of the scheme.

On June 6, 2000, the Attorney General's Bureau of Consumer Protection filed a criminal case against Gardner, Bernard Titony and Douglas Kent Bawden on charges related to an investment scheme. According to the 10-count complaint, Bawden, Titony and Gardner offered and sold investments in *The ATM Store*. The Defendants told prospective investors that *The ATM Store* would buy and place ATM machines in locations throughout the United States. Investors were told that after a 60-to-90 day "ramp-up period," they would begin receiving dividends based on surcharge fees from their ATM machines. Investors were often wined and dined, and told that ATM machines were a "safe investment," in order to entice them into investing large sums of money.

The complaint alleged that the Defendants committed securities fraud by misrepresenting material facts to investors, including the fact that no ATM machines would be placed on their behalf. It is further alleged that the Defendants failed to disclose material facts to prospective investors, such as the facts that the securities were not registered with the Nevada Secretary of State, Securities Division, that the Defendants were not licensed with the State as broker-dealers and/or sales representatives, and that investment funds would be used by the Defendants to pay commissions.

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Titony is expected to enter a guilty plea next week. The Attorney General did not enter into a plea agreement with the third defendant, Bawden, and will proceed against him on all charges in November of this year.

If you believe that you have been a victim of fraud, call the Bureau of Consumer Protection in Las Vegas at (702) 486-3194; 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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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 21, 2000

CONTACT: Steve George
(775) 684-1100

**ATTORNEY GENERAL AGAIN WARNS PARENTS ABOUT
GERBER SETTLEMENT CLAIM SCAM**

Carson City—Following recent complaints to her office, Attorney General Frankie Sue Del Papa today once again issued an alert to parents concerning rumors pertaining to a cash settlement involving Gerber Baby Foods. As part of the scam, consumers are misled to believe they can receive a \$500 savings bond from the Gerber Products Company if their children were born between 1985 and 1997 if they send in a copy of their child's birth certificate and social security number to a post office box in Minneapolis, Minnesota.

Gerber has stated that it is not involved in any settlement involving reimbursements to customers, and that the rumors that have been circulating for several years are completely false.

Del Papa, who issued a similar consumer alert in July 1999, said, "This is an old hoax that has surfaced once again. These rumors and false claim about a settlement with Gerber Foods have been circulating for some time. I want to strongly caution parents that they should never release birth records or other personal information about their children unless they know that information is going to a legitimate company."

Gerber is not aware of the source of the rumor. Consumers with questions or concerns may find the Gerber statement and warning on their Home Page at: www.gerber.com, or consumers may write to the Gerber Products Company, c/o Consumer Affairs at 445 State Street, Fremont, MI 49413-0001, or telephone the company at 1-800-4-Gerber.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
BUREAU OF CONSUMER PROTECTION

1000 East William Street, Suite 200
Carson City, Nevada 89701

Telephone (775) 687-6300

Fax (775) 687-6304

WEBSITE: <http://ag.state.nv.us>

E-Mail: bcpinfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

TIMOTHY D. HAY
Chief Deputy Attorney General

FOR IMMEDIATE RELEASE
September 20, 2000

CONTACT: Timothy Hay
Phone: (775) 687-6300

Attorney General Frankie Sue Del Papa announced this week the appointment of Jacqueline Rombardo and Christopher Van Dyck to the Bureau of Consumer Protection's Antitrust Division. Rombardo previously served as staff counsel to the Public Utilities Commission and Van Dyck was formerly in private practice in Carson City and Reno. Van Dyck has previous experience with both the Public Service Commission (predecessor to the Public Utilities Commission) and the Bureau of Consumer Protection Utility Consumers' Advocate unit. Also appointed recently was James Polito, Ph.D. who will serve as staff economist for the Bureau and will work on both utility and antitrust issues.

"These professionals will contribute unique strength to protecting consumers' interests in this era of major mergers and consolidations that we see occurring in many industries within our economy," said Del Papa. "Since its establishment, the antitrust division of my office has recovered hundreds of thousands of dollars for Nevada and its consumers through rigorous enforcement of antitrust laws."

The antitrust unit works to ensure effective competitive markets for business in Nevada and low prices for consumers through investigations and enforcement actions and market review. "The antitrust unit will focus special attention on developments resulting from deregulation of the telephone, electricity, and natural gas industries. In light of what we are seeing occur in other states, we need a strong team to detect and prosecute market power abuses as we move toward competition in the electricity market in Nevada, in order to protect the residential ratepayers. That will be a high priority for the antitrust division under the direction of Nevada's Consumer Advocate, Timothy Hay."



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 19, 2000

Contact: DOROTHY NASH HOLMES
(775) 684-1267

NEVADA'S DEATH PENALTY SYSTEM IS WORKING
Report issued by university professor is extremely flawed

Carson City—A study released by a New York University professor in June that claimed that Nevada has a 68% error rate is extremely flawed, according to research done by the Attorney General's Office. The research shows that, in fact, Nevada has a significantly smaller error rate in Nevada Supreme Court cases, according to Capital Case Coordinator Dorothy Nash Holmes.

"Our office independently researched all reported death penalty cases back to 1973," Holmes said. "In only 19% of those cases was the defendant granted a new trial or new sentencing. In half of those cases, the defendant received a death sentence again; the other half received life-in-prison sentences again. We are not talking about innocent people here. Nevada's death penalty review system is working properly."

The Attorney General's Office also researched all federal post-conviction appeals of Nevada death sentences since 1973. Although Professor Liebman's study cited only four federal cases, our research found four times as many cases, only four of which were reversed, with two of those defendants receiving new death sentences when they were re-sentenced.

Holmes said the New York study left the impression that innocent people were being executed or wrongfully convicted when actually the errors were procedural ones, or conduct errors by attorneys, or cases where courts re-interpreted the law about what warrants a death sentence. They were not errors regarding innocence.

"There are no documented cases where an innocent person has been executed in Nevada," Holmes said.

The Attorney General's Office found several flaws in Professor Liebman's study:

- It left out many Nevada cases;
- It did not count cases of the eight men executed in Nevada since 1977 (seven of whom finally ended their appeals after having their death sentences repeatedly affirmed);

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- Incorrect case outcomes were reported;
- Different time-frames were used for each part of the study;
- Unpublished decisions were cited (only published decisions are official statements from a court); and
- Lower court decisions were used.

“We also dispute Professor Liebman’s claim that Nevada has too many death sentences per population,” Holmes added. ‘Professor Liebman misreported Nevada’s overall population and prison population. The State has 1.8 million residents, but more than 45 million visitors each year. With a 50.6% population growth since 1990, Nevada is the fastest growing state in the nation and, as a result, has a high rate of transient crimes. Our research shows that more than 40% of the people now on ‘death row’ in Nevada were non-residents when they committed murder here. Nevada currently has 88 people on death row, out of 992 convicted murderers, from a prison population of over 9,500. That shows that historically, juries have sentenced less than 9% of Nevada’s convicted murderers to death.”

The Attorney General’s Office also says claims made by Richard Siegel of the ACLU that Nevada racially discriminates in its death penalty administration are false.

“Of the 50 men executed in Nevada since 1905, 42 were white, four were native American, two were black and two were Asian,” Holmes said. “That record disproves claims of racial injustice. Nor is there gender discrimination, there are just fewer female murderers. Nationally and historically, only 1.5% of America’s killers are female.”

Holmes noted that Nevada has not yet executed a woman. The sole female on death row, Priscilla Ford, who committed her murders in 1980, has been pursuing appeals since her conviction in 1982.

Nevada Attorney General Frankie Sue Del Papa added, “The death penalty is something that I support because some crimes are so heinous that the death penalty is the appropriate punishment. Professor Liebman’s study has received a great deal of media coverage. It is important that we correct the record as far as Nevada is concerned.”

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 19, 2000

CONTACT: Laurel A. Duffy
Deputy Attorney General
Insurance Fraud Unit
(702) 486-3433

PHONY STOLEN CAR CLAIM LEADS TO CONVICTION

Las Vegas--Clark County District Court Judge Sally Loehrer today accepted a guilty plea from Anthony James Iovino, age 28, for attempting to make a false claim for insurance benefits, a gross misdemeanor. Pursuant to the guilty plea agreement, Iovino was ordered to pay a fine of \$500, plus a \$25 assessment fee.

On December 4, 1999, Iovino reported to Atlanta Casualty Insurance Company that his 1994 Chevrolet pickup truck had been stolen from a parking lot. However, the vehicle was recovered in a burned condition by officers of the Las Vegas Metropolitan Police Department on December 6, 1999. An investigation revealed that the pickup truck had earlier been involved in an accident at the Sienna Golf Course in Clark County when Iovino attempted to drive the truck across the golf course in the early morning hours of December 4, 1999. The vehicle became stuck in a ditch and was damaged. Rather than reporting the actual cause of the damages to his insurance company, Iovino drove the pickup truck to a secluded location, set it on fire, and reported to Atlanta Casualty that it had been stolen.

Insurance fraud is a felony in Nevada, punishable by up to four years in prison and a fine of up to \$5000.

Persons who suspect any type of insurance fraud may contact the Attorney General's toll-free fraud hotline at 1-800-266-8688. Insurance fraud information, including a brochure entitled, "You Are A Daily Victim of Crime," can be found on the Attorney General's web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 14, 2000

CONTACT: Tim Terry
(775) 687-4704

**LAS VEGAS REGISTERD NURSE
SENTENCED FOR ELDER NEGLECT**

Las Vegas—Attorney General Frankie Sue Del Papa has announced that Registered Nurse, Patricia E. Cain, was today found guilty of Elder Neglect, a gross misdemeanor, by Clark County District Judge Joseph T. Bonaventure. Cain entered a plea similar to a no-contest plea. The Medicaid Fraud Control Unit then outlined the evidence it was prepared to present. Upon hearing the presentation, Judge Bonaventure rendered judgment against Cain. She faced up to one year in jail and a \$2,000 fine. The judge sentenced Cain to pay court costs, and was given credit for time already served.

According to Medicaid Fraud Control Unit Director Tim Terry, Cain was alleged to have failed to properly assess a 69-year-old resident of a local long-term care center. Additionally, she misdirected a feeding tube through the resident's abdominal cavity. She compounded her neglect by failing to chart her activities and by leaving the resident alone. Her actions resulted in severe physical pain and medical complications.

Del Papa's office has a zero tolerance policy against those who abuse or neglect the elderly. This prosecution emphasizes that professionals are held accountable when they knowingly fail to provide care in a safe and professional manner.

Anyone suspecting abuse or neglect of an elderly person may report it to the MFCU at (775) 687-4704 (Carson City); (702) 486-3420 (Las Vegas); or to the Division for Aging Services at (775) 688-2946 (Reno); (775) 687-4210 (Carson City); or (702) 486-3545 (Las Vegas); or to any local law enforcement agency.

Elder abuse prevention information can be found on the Attorney General's Web site at: <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 18, 2000

CONTACT: Laurel A. Duffy
Deputy Attorney General
Insurance Fraud Unit
(702) 486-3433

**LAS VEGAS PAIR PLEAD GUILTY TO ATTEMPTING TO CONSPIRE
TO COMMIT INSURANCE FRAUD**

Las Vegas--Clark County District Court Judge Lee Gates today accepted guilty pleas from John Steven Langston, age 33, and Renee Ann Nolan-Galvan, age 34, for attempting to conspire to commit insurance fraud. Pursuant to his guilty plea agreement, Langston was immediately sentenced to one year in Clark County Detention Center. **Nolan-Galvan will receive probation and be formally sentenced at a later date.**

On September 9, 1997, Ms. Nolan-Galvan reported to GRE Insurance Company that her 1990 Toyota Celica caught fire while she and Langston were on their way to a picnic at the Lake Mead Recreational Center. She was subsequently paid \$6,875 by GRE.

An investigation revealed that Langston and Nolan-Galvan had purposely set fire to the car because it was in need of expensive repairs and Nolan-Galvan still owed money to the leinholder.

Insurance fraud is a felony in Nevada, punishable by up to four years in prison and a fine of up to \$5,000

Persons who suspect any type of insurance fraud may contact the Attorney General's toll-free fraud hotline at 1-800-266-8688. Insurance fraud information, including a brochure entitled, "You Are A Daily Victim of Crime," can also be found on the Attorney General's Web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 14, 2000

CONTACT: Jerry Lopez
(702) 486-2691

ATTORNEY GENERAL'S OFFICE SAVES TAXPAYERS \$1.6 MILLION

Carson City—Attorney General Frankie Sue Del Papa has announced that her office won a lawsuit this week that will save southern Nevada electric ratepayers approximately \$1.6 million. Del Papa announced the victory after the Court of Appeals for the Federal Circuit handed down its decision in a case that pitted Southern California Edison Company and the Los Angeles Department of Water and Power against the United States and utilities in California, Arizona and Nevada, including the Colorado River Commission and Boulder City.

Between 1937 and 1987, Southern California Edison, Los Angeles Water and Power and the other utilities all bought power generated at Hoover Dam from the federal government. In 1987, the government refunded \$25 million in overcharges to these Hoover contractors. The Colorado River Commission quickly passed its share of the refund on to its Hoover customers, including Nevada Power Company. Some years later, in 1991, following an internal audit, Edison and Los Angeles charged that the government's methodology for allocating the refund among the Hoover contractors was flawed. They claimed they were owed, collectively, nearly \$6 million more. When Edison and Los Angeles sued for the money in the Court of Federal Claims, the Western Area Power Administration, the federal agency that made the refund, brought all the other Hoover contractors into the lawsuit in order to recover any erroneously paid refunds from them. Of the \$6 million claimed by Edison and Los Angeles, \$1.6 million was allegedly over-refunded to the Colorado River Commission and, in turn, to its Hoover customers, who would have had to return the money through increased rates to their ratepayers.

The trial court found that Western's refund methodology violated applicable ratemaking regulations, and ordered Western to reallocate the refund based on an alternative methodology. The appellate court reversed the trial court, holding that the refund methodology selected by Western reflected a reasonable interpretation of its regulations, and the original refund allocation would remain in place.

"This is a great victory for the ratepayers of Nevada," Del Papa said.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 13, 2000

CONTACT: Matthew Gabe
(702) 486-3793

CONSUMER UPDATE REGARDING FIRESTONE TIRES RECALL

Carson City—The National Highway Traffic Safety Administration (NHTSA) has initiated a congressional inquiry into the tire recall by Bridgestone-Firestone. The tires recalled were Firestone's P235/75R15 Radial ATX and ATX2 tires and P235/75R15 Wilderness AT tires (whose serial number begins with "vd"). Additional, two U.S. Congressional bills have been drafted that would prohibit companies from knowingly selling defective products and/or failing to report defects in products to the NHTSA.

Consumers with these tires should have them inspected and replaced at their local Ford or Firestone dealership. However, because of a shortage of available tires, many of these dealerships have waiting lists that consumers are being placed on. Consumers are therefore being encouraged to go to any tire store and buy replacement tires. Firestone will reimburse consumers for the costs related to exchanging tires that are included in the recall. The reimbursement is up to \$100 per tire, including applicable mounting and balancing charges and taxes. As previously noted in earlier releases from the Attorney General's Office, consumers can also get replacement tires, at no cost, at several independent tire dealerships throughout Nevada.

Consumers should have their tires inspected and get paperwork from the inspector indicating that their tires are part of the recall. Consumers should also keep copies of their receipts for the costs of the replacement tires. Finally, consumers who buy replacement tires from a store other than Firestone or a Ford dealer, should keep the recalled tires themselves, because the tires must be turned into Firestone for reimbursement.

Consumers can obtain more information on the recall and reimbursement policy on Firestone's website at www.Firestone.com. Additionally, Firestone has a toll-free number, 1-800-465-1904 as does Ford, 1-800-660-4719. Persons with concerns or complaints regarding the recall can call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 13, 2000

CONTACT: Jo Ann Gibbs
(702) 486-3782

**ATTORNEY GENERAL'S OFFICE REACHES SETTLEMENT
WITH FOURTH SWEEPSTAKES PROMOTIONS COMPANY**

Las Vegas- Attorney General Frankie Sue Del Papa announced today that her office has joined with attorneys general from 46 other states and the District of Columbia in entering into a settlement with American Express Publishing Corporation (AMEX Publishing Company), which publishes and sells magazines, books and related products through direct mail solicitations and other promotions throughout the United States. This settlement is made in conjunction with the Time, Inc. settlement announced on August 24, 2000. Today's settlement is the fourth multi-state settlement that Nevada and various other state attorneys general have arrived at with sweepstakes companies this year.. The first agreement was reached with U.S. Sales Corporation in March 2000. Settlements followed in August of this year with Time, Inc. and Publishers Clearing House.

Today's settlement with AMEX Publishing Corporation includes identical injunctive language used in the earlier Time, Inc. settlement. That settlement requires that all sweepstakes mailings provide a clear and conspicuous "Sweepstakes Facts" disclosure sheet.

"One of our main concerns is that consumers who receive sweepstakes mailings understand they do not have to buy anything to have a chance to win, and that buying will not help their chances of winning," Del Papa said.

The settlement also prohibits AMEX Publishing Corporation from stating that a consumer is the winner or about to become the winner of a sweepstakes, unless the consumer is actually a winner or about to become a winner. In addition, the company may not misleadingly tell consumers they have a better chance of winning a sweepstakes than they actually do, or represent that the sweepstakes package has been sent by special courier or a special class of mail, if it has not been.

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As no consumer lost more than \$110 annually through magazines subscriptions offered through the "Guaranteed & Bonded" sweepstakes run by AMEX Publishing Corporation, the company is not required to pay restitution. However, the company will pay a total of \$200,000 to reimburse settling states the costs of their investigations. Nevada will receive \$3,488.37 as its share of those costs.

States participating in today's settlement include Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming and the Corporation Counsel of the District of Columbia.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
September 13, 2000

CONTACT: Steve George
(775) 684-1114

**DEL PAPA JOINS 15 ATTORNEYS GENERAL IN DRAFTING NEW LAWS
DESIGNED TO BETTER PROTECT FARMERS AND RANCHERS**

Carson City--Attorney General Frankie Sue Del Papa today announced that she has joined with 15 attorneys general in drafting new laws designed to better protect farmers and ranchers. The laws address contract growers and producers, a growing number of farmers and ranchers who produce livestock or grain on contract with large contractor companies.

"Contracting poses serious risks for producers and ultimately for consumers," the attorneys general wrote in a joint statement accompanying a 13-page model "Producer Protection Act." the legislation, designed to be introduced in state legislatures, would "help preserve competition in agriculture for the benefit of farmers and consumers."

The attorneys general cited their concern about "the rapid trend toward consolidation in agriculture," and that fewer and fewer firms control the production, processing, preparation and retailing of agricultural commodities and food. The rapid rise of production contracts and marketing contracts has dramatically increased vertical integration in U.S. agriculture.

The attorneys general stated, "We worry that this conglomeration of economic power may lead to anti-competitive practices and adversely affect the prices paid to farmers for commodities and, therefore, the prices paid by consumers for food."

"In production contracting, we worry about the great disparity in bargaining power and marketing information between the contractor companies and individual producers," Del Papa said. "Large companies often offer contracts to producers on a take-it-or-leave-it basis. Risks to producers are buried in pages of legalese, and producers easily can be stuck with unfair contract terms. On top of that, they may be barred from disclosing any of the terms to others."

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The Attorneys General said contracting often results in unfair shifting of economic risk to farmers and ranchers, especially those who are required to make large capital investments in buildings and equipment. They said the fact that most agricultural contracting is done in secrecy “severely limits the ability of farmers to compare contracts and negotiate the best or even a fair deal.”

. “Farmers and ranchers should have the freedom to discuss their contracts with other farmers at the coffee shop, not to mention with their own lawyers and bankers,” Del Papa said.

The model state legislation “Producer Protection Act” would:

- **Require contracts to be in plain language and contain disclosure of material risks.**
- **Provide contract producers with a three-day right to review production contracts.**
- **Prohibit confidentiality clauses in contracts.** This provision would help maintain the “market transparency” that historically has been available to farmers and ranchers through auctions and terminal and futures markets.
- **Provide producers with a first-priority lien for payments due under a contract** – in case the contractor company should go out of business.
- **Protect producers from having contracts terminated capriciously or as a form of retribution** if farmers already have made a sizeable capital investment required by the contracts.
- **Make it an unfair practice for processors to retaliate or discriminate against producers who exercise rights including the right to join producer organization.**

The model legislation was endorsed by the attorneys generals of Colorado, Indiana, Iowa, Kentucky, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Vermont, West Virginia, Wisconsin, and Wyoming.

The joint statement of the attorneys general said they did not necessarily agree on every single provision of the model “Producer Protection Act,” and that the legislation would need some customization for each state. But the attorneys general concluded, “Nevertheless, we see a real benefit for states to enact similar laws, and we see this model statute as an important starting point.”

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 30, 2000

CONTACT: Thomas M. Patton
(775) 684-1100

NEW SOLICITOR GENERAL APPOINTED

Carson City—Attorney General Frankie Sue Del Papa announced today that Major General Drennan Anthony (Tony) Clark has been named to fill the position of Solicitor General for the State of Nevada. General Clark will take over the position effective January 22, 2001, following completion of his current term as head of the Nevada National Guard. General Clark has served as Adjutant General for the State of Nevada since 1986, where he serves as the military chief to the governor, commanding more than 3,000 members of Nevada's Air and Army National Guard.

In making the announcement, Del Papa stated, "General Clark brings with him a wealth and wide variety of legal and leadership experience. We are fortunate to have him aboard and very pleased to welcome Tony Clark to the Attorney General's Office."

General Clark was raised in Reno, and graduated from Bishop Manogue High School in 1955. He attended the University of San Francisco, where he received his Bachelor of Science degree in political science in 1959, and his Juris Doctor degree in 1964. General Clark has had a distinguished career in both the military and the law. He began his legal career as a Nevada Supreme Court law clerk in 1964, and subsequently practiced as a member and then partner of the law firm of Guild, Hagen and Clark until his appointment as Adjutant General. In addition, Clark has served nine years as a member of the Nevada Judicial Discipline Commission, two terms as a member of the Nevada Board of Bar Governors, and has also served terms as a member of the Nevada Board of Parole Commissioners and the Tahoe Regional Planning Agency.

Clark joined the Nevada Air National Guard in 1960. He was assigned as the Staff Judge Advocate in May of 1972, and was appointed State Judge Advocate in January 1983. In June 1984, Clark was appointed Assistant Adjutant General, before being appointed Acting Adjutant General in November 1986, and Adjutant General on January 1, 1987. During his military career, General Clark has received many awards and decorations, including the Distinguished Service Medal, Meritorious Service Medal, Air Force Commendation Medal, Air Force Outstanding Unit Award, and the Air Force Organizational Excellence Award, among many others.

General Clark and his wife Andrea live in Reno. They have six children: Kathleen, James, David, Tricia, Jennifer and Laura.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 26, 2000

CONTACT: Frederick R. Olmstead
(775) 688-1815

RENO MAN PLEADS GUILTY TO INSURANCE FRAUD

Reno--Kenneth F. Santor, Jr. has pleaded guilty to the charge of Conspiracy to Defraud an Insurance Company before Washoe County District Court Judge Brent Adams. Santor is scheduled to be sentenced on December 15, 2000, at 9:00am.

Kenneth F. Santor, Jr., aged 42, conspired with unknown persons to submit false claims to Great Northwestern Insurance Company. Specifically, Kenneth F. Santor, Jr. claimed that his residence had been burglarized. He then presented false receipts to the Great Northwestern for the alleged loss of stereo and recording equipment.

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 web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 26, 2000

CONTACT: John Albrecht
(775) 688-1872

**BILL STRENGTHENING TOBACCO MASTER SETTLEMENT
IS PASSED BY HOUSE OF REPRESENTATIVES**

CARSON CITY--Attorney General Frankie Sue Del Papa announced today that the U.S. House of Representatives has passed a bill that strengthens federal laws supporting the state attorneys general settlement with major cigarette manufacturers. The proposed law, part of the Miscellaneous Trade and Tariffs Correction Act of 2000, will ban cigarettes manufactured in foreign countries that are not intended by the manufacturer to be sold in the United States, and make it a crime to divert to domestic use tobacco products manufactured in the U.S. for export. The bill is expected to be heard soon by the U.S. Senate.

"These changes will help protect the integrity of the Master Settlement Agreement payments that are to be made to the states over the next 25 years," Del Papa said. "This law is intended to ban so-called 'gray market' cigarette sales which, if allowed to continue, could significantly cut into the amount of money paid to the states."

The amount of the payment to each state may be reduced if the volume of cigarettes sold by the participating cigarette manufacturers is reduced. Volume is determined by nationwide sales, not on a state-by-state basis. If improperly imported cigarettes are sold in any state, those sales reduce the settlement amount to every state. That could occur if gray market cigarettes that were not sold by participating manufacturers, or by companies that have paid into escrow accounts, as required by state laws as part of the MSA. The changes in the law passed by the House of Representatives help assure that all cigarettes sold in the U.S. will be included in the settlement computations, and further protects the amount received by each state.

The tobacco Master Settlement Agreement (MSA) between 46 states and the major tobacco companies ended all outdoor advertising and limited other forms of advertising of cigarettes by the major manufacturers. In addition, it requires cigarette manufacturers to pay \$206 billion over 25 years to the states. That total payment is distributed to the states by a formula included in the settlement.

For more information on the MSA, or what is being done in Nevada to cut teen smoking, check out the Attorney General's website at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

October 25, 2000

States' Rights Is At The Heart Of The Issue

By Attorney General Frankie Sue Del Papa

There is a substantial misunderstanding on the part of some people that my decision to join amicus briefs asking the U.S. Supreme Court to overturn provisions of the American with Disabilities Act (ADA) means that I am hostile to the disabled community. Nothing could be further from the truth. In fact, I am and have been a strong supporter of the rights of the disabled during my tenure as Secretary of State and Attorney General.

The cases recently heard by the U.S. Supreme Court—*Olmstead v. L.C.* and *Univ. of Alabama Bd. Of Trustees v. Garrett*—have to do with State's rights and States' sovereign immunity, not about taking away the rights of the disabled. In many ways, the States' rights argument we are putting forth is similar to that we have utilized to fight the proposed nuclear waste repository at Yucca Mountain, and the right of the State of Nevada to determine water rights within our boundaries. The State of Nevada has a compelling interest in those decisions; the State's right should supersede the right of the federal government in these areas.

In the *Olmstead* case, the ADA was being interpreted to impose financial obligations on the States without providing funding for those obligations. This is often referred to as an "unfunded mandate." In joining the *Olmstead* amicus brief, we were expressing our concern that the U.S. Congress' adoption of the ADA would impose a significant economic burden of the States without providing supportive federal funding. By doing so, the State of Nevada would be compelled to spend tax dollars without any input from our legislature regarding our unique needs as Nevadans.

The Garrett case dealt with States sovereign immunity: in other words, the States right to self-government in the interest of its citizens. Every State does not have the same issues or concerns. It is important for each state to be able to act in the best interests of its own citizens.

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Neither of the aforementioned cases seeks to limit the ability of the disabled to protect their rights. In Nevada, those rights are protected through various statutes that were in existence long before Congress enacted the ADA. These laws are not dependent upon the ADA for their validity. Even if the U.S. Supreme Court invalidates private party suits under both Titles I and II of the ADA, states likely will not be immune from lawsuits brought by the U.S. Department of Justice seeking injunctive relief under Title II. Additionally, the Rehabilitation Act, a federal law enacted by Congress, provides further protections for those with disabilities. The issue is not whether the disabled have the ability to protect their rights, but whether Congress has the authority to pass legislation to force States to act in a specified manner.

The Nevada Legislature has adopted many provisions and statutes that protect the rights of the disabled in Nevada. I believe that funding decisions on how Nevada tax dollars should be spent should be left up to the Nevada legislature, not to the federal government. The importance of the States' right to act independently should not be overshadowed or minimized by Congress. I wholeheartedly support the two amicus briefs because they are seeking to protect States' rights. I am not seeking to take away the rights of the disabled.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 26, 2000

CONTACT: Steve George
(775) 684-1114

DEL PAPA ATTENDING NATIONAL SYMPOSIUM ON ELDER ISSUES

Carson City—Attorney General Frankie Sue Del Papa has been asked to be a presenter at the “Our Aging Population: Promoting Empowerment, Preventing Victimization, and Improving Coordinated Interventions” national symposium, that is taking place in Washington D.C. on October 30 and 31, 2000. The symposium, being jointly sponsored by the U.S. Department of Justice and the U.S. Department of Health and Human Resources, will bring together representatives from across the country to discuss the prevention and victimization of older persons, and how better to prevent and respond to elder abuse. Del Papa will lead a state team consisting of Suandra Durgin, Las Vegas Metropolitan Police Department; Bobby Gordon, Clark County Social Services; Despina Hatton, Senior Citizens Law Project; Gilda Johnstone, Nevada Division for Aging Services; DeAnna Taha, Clark County Senior Protective Services; and Bonnie Brand, Nevada Deputy Attorney General Office.

The two-day symposium will showcase federal, state and local programs designed to prevent older persons from becoming victims of abuse, exploitation, fraud and neglect, along with addressing how to improve the response of law enforcement and social service agencies when victimization does occur.

Several projects and programs that have brought together social service agencies, advocates, medical professionals, public safety officials, law enforcement personnel and others in the battle to curtail elder abuse will be shared during the symposium.

Del Papa, who will deliver remarks on Nevada’s Elder Abuse Prevention Task Force of which she is the co-chair, said, “Elder abuse is a serious crime that we have addressed in a coordinated manner in Nevada. I look forward to sharing our experiences with the other symposium participants, and I’m sure we’ll learn about promising programs that are being utilized elsewhere.”

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In the fall of 1996, Del Papa formed a partnership with the Division for Aging Services to assemble over sixty advocates and agencies dedicated to protecting Nevada's rapidly growing senior population from elder abuse. Meetings in northern and southern Nevada were held, bringing together in a round table discussion, representatives from more than twenty different public and private agencies and organizations sharing an interest in preventing elder abuse. The primary goal of the project was to develop a coordinated and comprehensive approach to the growing problems of abuse, neglect and financial exploitation of the elderly in Nevada. "An Action Plan to Better Protect Nevada's Elderly" was crafted and the Nevada Elder Abuse Prevention Council (NEAPC) was formed.

Past NEAPC Accomplishments include:

- In conjunction with the State Board of Nursing, a statewide training program for Certified Nursing Assistants (CNA's) was implemented in 1999. Information about their mandatory duty to report elder abuse was distributed to every CNA in Nevada. The program also included statewide training seminars for CNA's.
- In partnership with the Peace Officer Standards and Training Bureau (P.O.S.T.), NEAPC has continued an educational campaign that includes two elder abuse prevention-training videos for law enforcement, a training manual for each law enforcement agency, and a reference card for each Nevada peace officer that outlines how to help in elder abuse cases.
- Developed and began the implementation of an elder abuse training program for law enforcement and prosecutors that included an elder abuse, neglect, exploitation and isolation protocol to assist law enforcement officers and prosecutors in investigating and prosecuting elder abuse.
- Recommended legislation to prevent elder abuse. Supported the enactment and enforcement of several laws that now provide senior citizens with greater protections.
- Have worked on the federal level to enact legislation that would provide greater flexibility for the Attorney General's Medicaid Fraud Control Unit to better combat elder abuse at the state level.
- Helped distribute some 1200 copies of the video "Rx for Abuse" statewide to medical professionals and others who are mandated by law to report elder abuse.
- Created and produced *Elder Abuse Quarterly*, which is distributed by Senior Spectrum newspapers.
- Created a "Guide for Mandated Reporters of Elder Abuse."

For more information on the NEAPC, contact Bruce McAnnany at (702) 486-3577. Elder abuse prevention information can be found on the Nevada Attorney General's website at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 26, 2000

CONTACT: Tracey J. Brierly
(702) 486-3128

**DEFENDANT PLEADS GUILTY TO FELONY
RELATED TO INTERNET SCAM**

Las Vegas- Attorney General Frankie Sue Del Papa has announced that Michael Anthony Rossi of Las Vegas today pleaded guilty to one felony count of Obtaining Money Under False Pretenses in connection with his Internet services company, ACI. The Defendant was ordered to pay restitution in the amount of \$4,214 to his victims.

On May 18, 2000, the Attorney General's Bureau of Consumer Protection filed a Criminal Complaint against Rossi, charging him with three felony counts of Obtaining Money Under False Pretenses. The Complaint charged that Rossi set up his ACI Internet business and advertised, via electronic mail, that it could perform a variety of high tech functions for clients. Rossi contracted to offer products and services including, but not limited to, bulk email, website creation and website registration. Rossi also offered to provide various software products to his clients. Rossi accepted payment for said products and services, but then failed to provide any products or services to its clients. The complaint alleges that Rossi defrauded at least three victims out of \$2,249, \$1,465 and \$500, respectively.

According to the terms of the Guilty Plea Agreement entered today, Rossi will pay restitution to his victims in the amount of \$4,214, and will have to stay out of trouble for at least one year. If Rossi satisfies all terms of the Guilty Plea Agreement, he will be allowed to withdraw his guilty plea to the felony count and enter a plea of guilty to the gross misdemeanor charge of Conspiracy to Commit Theft by Obtaining Money Under False Pretenses. If Rossi fails to comply with the Guilty Plea Agreement, he will be sentenced on the felony charge.

"The Attorney General's Office is working closely with the High Tech Crime Task Force to try to stay ahead of those who prey upon consumers on the Internet," Del Papa said. "It is important for consumers to make sure they are dealing with a reputable dealer when purchasing

anything over the Internet. Checking with the Better Business Bureau, Consumer Affairs Division and/or the Bureau of Consumer Protection on the reputation of a company can save consumers from making a mistake which could cost them thousands of dollars.”

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The Attorney General’s Bureau of Consumer Protection offers the following tips to avoid becoming scammed online:

- **Deal only with established, reputable retailers.** An impressive-looking Internet site or email solicitation does not guarantee legitimacy. Whether shopping in a store, by phone or in cyberspace, try to shop only with companies that you already know.
- **Protect your privacy.** When shopping on the Internet, remember that online sellers often collect information to market back to you, or to sell to other companies. Ideally, shop with a vendor that posts privacy policies online and offers options about the use of personal information. In most cases, your password, credit card number and shipping information are all that a vendor should require.
- **Pay with a credit card, and order only from a secure server when shopping online.** Beware if an online seller asks for your banking account number, offers to debit money from your account, or asks you to fax him a check. It is best to use a credit card when ordering, as a credit card purchase offers you protections that you will not otherwise have. It is also extremely important to verify that you are ordering from a secure server prior to putting in your personal and credit card information.

If you believe that you have been a victim of an Internet scheme, or would like further information, please 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. Consumer protection information can be found on the Attorney General’s Web site at <http://ag.state.nv.us>

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 24, 2000

CONTACT: Jane Femiano
(702) 486-3789

**NEVADA JOINS WITH 36 OTHER STATES IN EFFORT
TO BETTER PROTECT CONSUMERS' PRIVACY**

Carson City- Attorney General Frankie Sue Del Papa today joined with attorneys general from 36 states, the District of Columbia, and the territory of the Virgin Islands, in urging the Federal Trade Commission (FTC) to strengthen consumer privacy protection. The attorneys general today sent a sign-on letter to the Federal Trade Commission regarding the Gramm-Leach-Bliley Act (the "GLB" Act), which limits the circumstances under which financial institutions may disclose non-public personal information about a consumer to non-affiliated third parties. The GLB also requires a financial institution to disclose to all of its customers the institution's privacy policies, and requires the FTC to establish "Safeguards Rule" to ensure the security and confidentiality of customer records and information.

The multistate sign on letter sets forth general areas of concern that the states urge the FTC to take into consideration as it drafts its "Safeguards Rule":

- The need to broadly construe the privacy protections contained in the GLB Act.
- The importance of broadly construing what constitutes "customer records" and "non-public personal information."
- The importance of privacy safeguards remaining affixed to non-public personal information as the information travels to another party.

"This letter is an important step in addressing the essential need of further ensuring that the privacy of Nevada consumers will be protected," Del Papa said.

States and territories participating in today's sign-on include Arkansas, California, Colorado, Connecticut, District of Columbia, Iowa, Maryland, Minnesota, New Jersey, New York, Pennsylvania, South Carolina, Tennessee, Vermont, the Virgin Islands and West Virginia.

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FOR IMMEDIATE RELEASE
October 23, 2000

CONTACT: Susan Stead
(775) 684-2506

NEVADA'S FIRST LADY HELPS INAUGURATE NEVADA'S MILLENNIUM GROVE

Carson City—Nevada First Lady Dema Guinn, Attorney General Frankie Sue Del Papa, Conservation and Natural Resources Director Michael Turnipseed, and Carson City Mayor Ray Masayko today helped inaugurate Nevada's Millennium Grove with a tree planting ceremony at the Stewart Indian School Museum in Carson City.

The Millennium Grove is part of a national project in which every state and territory is receiving 100 trees as a gift from Secretary of Agriculture Dan Glickman. Each tree is an authentic direct-offspring of "original" trees. Nevada's Millennium Grove will include:

- Cottonwood trees from Nevada's Genoa Hanging Tree.
- Black locust trees from trees planted at the site of Lewis and Clark's meeting with the Missouri and Otoe tribes.
- Japanese lilac trees from Independence Hall in Philadelphia, the site where the Declaration of Independence was signed.
- Apple trees from the last living apple tree known to have been planted by John Chapman, better known as "Johnny Appleseed."

The planting design of Nevada's Millennium Grove at Stewart Indian School Museum will track a time-line through American history, from the Colonial Charter to the establishment of the school. In total, some 35 trees will be included in the Grove.

As part of the ceremony, Kelly Toulouse from the Nevada Shade Tree Council read a proclamation from Governor Kenny Guinn declaring October 23-29 as "Nevada Shade Tree Week."

At today's ceremony, First Lady Dema Guinn said, "It is a great pleasure for me to participate in the tree planting ceremony associated with Nevada's Millennium Grove. This is a unique program that will contribute to the beautification of our state and teach Nevada's young people the importance of maintaining our environment for future generations."

Attorney General Del Papa, who co-chairs with Secretary of State Dean Heller the *Nevada Trees 2000 Project*, said, "The Millennium Grove will stand tall and proud as a gift to future Nevada generations. These trees represent a segment of our history, and can be used by educators as a way of sparking the interest of young students in our past."

The goal of the *Trees 2000 Project* is to plant drought-resistant and regionally appropriate trees and wildflowers in every part of the state, as a gift to future generations of Nevadans in celebration of the Millennium. The project proposes to celebrate the new Millennium by helping to beautify the State's rural and urban areas by challenging Nevadans to plant one tree for every citizen of the Silver State.

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The concept of the Millennium Groves is part of the White House Millennium Council's "Millennium Green" initiative. First Lady Hillary Rodham Clinton and Secretary of Agriculture Glickman announced the project earlier this year. Community and individual projects across the country will also be designated as part of Millennium Grove.

Millennium Grove trees will also be planted in Henderson, Nevada at the Clark County Wetlands Parks, and in Elko, West Wendover, Lovelock, Smith Valley, and Las Vegas.

For more information on the Millennium Grove project, please contact Susan Stead, Nevada Division of Forestry, at (775) 684-2506.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 17, 2000

CONTACT: Michael Pennington
(775) 684-1112

**PROJECT AIMED AT HELPING TO BEAUTIFY
THE STATE MAKES PLANS FOR NEVADA DAY WEEKEND**

Carson City--Secretary of State Dean Heller and Attorney General Frankie Sue Del Papa, co-chairs of the *Nevada Trees 2000 Project*, are encouraging businesses, groups, organizations, schools and private citizens to join them on Nevada Day weekend 2000 in celebration of several projects that have been completed across the State, and would like to remind people that it is not too late to register your tree plantings by calling (775) 684-2506.

The goal of the *Trees 2000 Project* is to plant drought-resistant and regionally appropriate trees and wildflowers in every part of the state, as a gift to future generations of Nevadans, in celebration of the Millennium. The project proposes to celebrate the new Millennium by helping to beautify the State's rural and urban areas by challenging Nevadans to plant one tree for every citizen of the Silver State.

Many of the goals of the *Trees 2000 Task Force* have been accomplished, including the establishment of several institutional changes at the state level. One significant change is that the Nevada Department of Transportation has its first Landscape Architect, who is now working to build a coalition to consider ideas on statewide highway landscaping and beautification projects.

Thousands of trees have been planted across Nevada as part of the *Trees 2000 Project*, which planted its roots on October 23, 1999.

Leading up to Nevada Day 2000, several *Trees 2000 Projects* will take place:

- **October 21st, Boulder City, 7:00am:** Approximately 1,000 trees will be planted during a ceremony at the Boulder City Veteran's Center, located on Highway 93 and Veteran's Memorial Drive.

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- **October 23rd, Carson City, 3:00pm:** Governor Kenny Guinn, Attorney General Frankie Sue Del Papa, and Carson City Mayor Ray Masayko are inviting the public to help “plant a part of history,” by taking part in the inauguration ceremony of Nevada’s Millennium Grove with a tree planting ceremony at the Stewart Indian School Museum in Carson City (located at 5366 Snyder Avenue). The Millennium Grove is part of a national project in which every state and territory is receiving 100 trees as a gift from Secretary of Agriculture Dan Glickman.
- **October 24th, Reno, 10:00am:** The Peavine Elementary School playground renovation project will climax with the planting of 45 trees during a groundbreaking ceremony on the Reno school’s playground. Built in 1958, Peavine is one of the oldest schools in Reno. Only seven trees were on the school playground before the renovation project began in 1999. As part of the project, much of the playground equipment has also been updated.

“Nevada has always been uniquely beautiful,” Heller said. “From the high desert of Southern Nevada to the rich beauty of Lake Tahoe, this state offers something for everyone. Please join the Attorney General and me in enhancing this splendor by participating in the *Trees 2000 Project*. Together we can provide a higher quality of life for future generations of Nevadans.”

Del Papa said, “The *Trees 2000 Project* is serving many purposes, including improving air quality and enhancing the environment of our state, while at the same time passing down a lasting legacy to future generations of Nevada citizens. By working together, federal, state and local leaders have helped create a better quality of life for the citizens of Nevada.”

The *Trees 2000* Task Force, in coordination with local and regional entities, is not going out of business on Nevada Day weekend. The Task Force will continue to work towards meeting its goals. For more information, please call Kari Rhodes in the Secretary of State’s office at (775) 684-5708, or Michael Pennington in the Attorney General’s office at (775) 684-1100.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 16, 2000

CONTACT: Steve George
(775) 684-1114

CONTROVERSIAL ADS TARGET TEEN PREGNANCY

Carson City—Attorney General Frankie Sue Del Papa, who serves on the State and Local Action Task Force of the National Campaign to Prevent Teen Pregnancy, has endorsed a provocative series of new public service advertisements (PSAs), that seek to spark conversations among teens about the possible consequences of sex.

Launched today by the private, nonprofit *National Campaign to Prevent Teen Pregnancy*, the *sex has consequences* PSAs---developed pro-bono by Ogilvy & Mather, a worldwide leader in advertising---are “designed to break through the media clutter in teens’ lives and reach them on an emotional level,” said Sarah Brown, Director of the National Campaign to Prevent Teen Pregnancy. “These ads are about emotion and motivation more than they are about information. We are trying to reach teens in familiar, peer-to-peer language, and in an eye-catching and innovative way.”

The six ads feature the picture of a teen with a single word across the ad—“CHEAP”... “DIRTY”... “NOBODY”... “PRICK”... “REJECT”... “USELESS”---with a corresponding message relating to the single word running vertically along the ad.

- Condoms are **CHEAP**. If we’d used one, I wouldn’t have to tell my parents I’m pregnant.
- I want to be out with my friends. Instead, I’m changing **DIRTY** diapers at home.
- Now that I’m home with a baby, **NOBODY** calls me anymore.
- All it took was one **PRICK** to get my girlfriend pregnant. At least that’s what her friends say.
- I had sex so my boyfriend wouldn’t **REJECT** me. Now, I have a baby. And no boyfriends.
- My scholarship is **USELESS**. Now I need a job to support my baby.

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“When I first saw these hard-hitting ads, I had to catch my breath,” Del Papa said. “But that is the whole point: to shock the viewer into a conversation with others about the issue and the related consequences of teen pregnancy”

Teen polling data released in conjunction with the launch of the PSAs shows that teens want to hear from both parents and peers about the possible consequences of sex. Forty-three percent of teens surveyed said they most want to hear from their parents, while 40 percent said they most wanted to hear from other teens about the possible consequences of sex. The nationally representative poll of 12- to 17-year-olds also revealed that fewer than one in ten teens cited fear of pregnancy or sexually transmitted diseases (STDs) as the main reason they had not yet had sex. “Teens across the country have told us that the PSAs made them stop and think — in a very personal way — about the possible consequences of sex,” said Brown.

Beginning October 18, 2000, the “Sex Has Consequences” PSAs will begin appearing in teen magazines and websites and will be distributed nationwide as postcards and posters. In conjunction with the release of the ads, the Campaign will launch a new teen section of its website — www.sexhasconsequences.org — that will offer teens information on abstinence and contraception as well as an interactive quiz and survey. Those who have agreed to disseminate the ads include:

- The **Ad Council** will distribute the ads to over 8,000 magazines and newspapers.
- Beginning in November, postcards of the ads will be available for free for three months in **Tower Records** stores nationwide.
- **Teen People**, one of the nation’s leading teen magazines, will feature the ads in an upcoming issue.
- **MH-18** (Men’s Health for teens), a lifestyle magazine for teen guys, will run one of the ads in an upcoming issue.
- **The Ricki Lake Show** will feature the ads on its website, www.Ricki.com.
- **Nevada Attorney General Frankie Sue Del Papa** has lent her support to the ads and will explore avenues to distribute them statewide.
- Teen-focused websites, such as **ZapHealth.com**, will run banners of the ads.
- **What’s Next? Monthly**, a publication that is distributed to over 153,000 high school students in Georgia, will feature the ads in an upcoming issue.

Founded in 1996, the National Campaign is a private, nonprofit, nonpartisan organization with a goal to reduce the teen pregnancy rate by one-third between 1996 and 2005. For more information about the PSAs or the survey, please contact Bill Albert (202-478-8510), or visit the National Campaign To Prevent Teen Pregnancy’s web site at www.teenpregnancy.org.

For more information on Nevada’s Task Force on Teen Pregnancy Prevention or the “Meeting the Challenge of the New Millennium” Action Plan created by the Task Force, please contact the Bureau of Family Health Services at (775) 684-4285, or visit the agency’s web site at www.state.nv.us/health/teen. The brochure, “*Helping Your Children Avoid Teenage Pregnancy: Ten Tips for Parents*,” can be found on the Attorney General’s Web site at <http://ag.state.nv.us>.

NOTE: A copy of the six ads is included in this fax transmission.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://ag.state.nv.us>

E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 13, 2000
888-7420

CONTACT: Brian Hutchins
(775)

**FEDERAL COURT JURY RULES IN FAVOR OF NDOT
OVER CLAIM OF GENDER DISCRIMINATION**

Carson City--Attorney General Frankie Sue Del Papa announced today that a federal court jury in Las Vegas has returned a verdict in favor of the Nevada Department of Transportation (NDOT) against a claim of gender discrimination. A complaint was filed by Kenna Perkins, who had worked as an engineering technician on an NDOT location crew, against NDOT in June 1997. She was terminated from her probationary position in March 1997, and was not able to transfer to an NDOT construction crew. Perkins alleged that she had been subjected to a hostile work environment and was denied a transfer because she is a woman. NDOT denied the allegations.

The 1997 complaint alleged that Perkins had been treated differently than her male counterparts on the location crew, which was responsible for surveying work on NDOT highway projects. She asserted that her supervisor questioned Perkins' decisions, reprimanded her but not male employees, and forced her to take an exam for which she was not prepared. This part of the complaint was dismissed in August of this year by a federal court judge, because the plaintiff's evidence was "conclusory and non-specific, it is vague and does not necessarily indicate gender animus, and it does not rise to the level of being severe and pervasive as is necessary to support her hostile environment claim." The court found that the statements and actions of Perkins' supervisor were not of a sexual nature and were suggestive of his frustration that the plaintiff should not have been hired because of her lack of knowledge of surveying, not because of her gender.

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The trial focused on Perkins' claim that she could not get a transfer to the construction division because of her gender. She claimed the NDOT assistant district engineer told potential supervisors that women did not belong on construction crews, and that Perkins' was trouble. At trial, Perkins presented testimony of another woman who said she heard similar comments from the NDOT official (the other woman had been terminated from NDOT for threatening the life of an NDOT official). The jury rejected Perkins' claims.

"The State of Nevada has a zero tolerance policy against sexual harassment or gender discrimination, but this case was clearly based upon unsubstantiated claims," said Chief Deputy Attorney General Brian Hutchins. "This case had more to do with a disappointed individual trying to blame others on the basis of improper motives. I want to commend Deputy Attorney General Christy Leonard, who tried the case, for the outstanding work she did on behalf of the State."

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://www.state.nv.us/ag/>

E-Mail: agininfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 13, 2000

CONTACT: Stephanie Parker
(702) 486-3326

MISSING LAS VEGAS GIRL WILL BE FEATURED ON HOOD OF RACECAR

Las Vegas —The Nevada Missing Children Clearinghouse, a part of Attorney General Frankie Sue Del Papa's Office, is once again teaming up with *Search for the Missing Children* and the racing industry in an attempt to find a Las Vegas missing girl. During the 2nd Annual NAPA 200 "Late Model Sportsman" race being held this Saturday, October 14, at 7:00pm, at the California Orange Show Speedway, driver Del Dalrymple (Car #08) will feature the image of Michelle Lee, who has been missing for nine years.

Dalrymple won "Rookie of the Year" honors in 1978. He is currently ranked 5th in track points. Instead of the traditional image of his sponsor, Glory Automotive Trade Center, a picture of Michelle Lee will adorn the hood of Dalrymple's car during Saturday's race. Currie Enterprises purchased a new hood to display Lee's image, and the Adera Corporation of Las Vegas is providing their imaging services. The concept, which has been used during several other races, including at the Las Vegas Motor Speedway, is that by placing the picture of a missing child on the hood of one of the racecars, millions of people will see that image. It's hoped that someone might possibly recognize the child and contact authorities so that the child could be reunited with his/her family.

When approached by *Search for the Missing Children's* Martin Gray, Dalrymple said he cannot imagine what Larry Lee, the father of Michelle, is going through. "I am a Christian and wanted to do something for the community. I believe everyone should do something for his or her community. I have no kids, but I know the pain must be bad. I figure God put her (image) on my car for a reason."

Larry Lee has been searching and praying to be reunited with his daughter Michelle for nine years. Michelle, now 12 years old, was abducted in September 1992 by her mother, Mi Young Lee. A warrant has been issued for her arrest. Mr. Lee is hoping that someone who recognizes his daughter will provide information of her whereabouts to authorities.

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Del Papa said the partnership with the racing industry and *Search for the Missing Children* is “a great example of the sports industry, business community, law enforcement and the public working effectively together.”

The Nevada Missing Children Clearinghouse was created by the State Legislature in 1991 in response to the staggering number of children reported missing in the United States each year. In Nevada alone, more than 6,000 children are reported missing each year, most of them the result of a parental abduction. The Clearinghouse not only acts as a central registry for missing children reports, it is also an information resource for child protection issues. The Nevada Missing Children Clearinghouse works in tandem with the National Center for Missing and Exploited Children.

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. For more information about Search for the Missing Children, contact Martin Gray at (310) 519-8085 or (310) 710-8085.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 11, 2000

CONTACT: Dorene Whitworth
(775) 684-1124

**VIOLENCE AGAINST WOMEN ACT IS REAUTHORIZED BY U.S. CONGRESS
Senator Harry Reid and Attorney General Frankie Sue Del Papa Applaud Decision**

Carson City—Attorney General Frankie Sue Del Papa, who chairs the Nevada Domestic Violence Prevention Council, today applauded the decision of the U.S. Congress to reauthorize the Violence Against Women Act (VAWA). "With the support of this funding, Nevada has made great strides in addressing violent crimes against women during the past several years. Domestic violence awareness has dramatically increased among the law enforcement, prosecution and judicial entities, as well as among the general public. VAWA funding has supported many victim advocates and has enabled domestic violence programs to increase their capacity to serve a growing number of victims. Funding has also supported the development of new projects that have improved communication and strengthened collaboration among advocates, law enforcement, prosecutors and the judiciary throughout the state."

Nevada Senator Harry Reid said, "The Violence Against Women Reauthorization provision of today's legislation sends a message to both the victims and the abusers that domestic violence is not to be tolerated. The reauthorization of VAWA is one of the most important pieces of legislation we have passed this year."

As a result of the Violence Against Women Act, which was first enacted in 1994, Nevada has received and distributed more than \$6 million in VAWA STOP Formula grants from the Violence Against Women Office (VAWO) of the U.S. Justice Department since 1995. Additionally, several discretionary projects in Nevada have been supported by funding from the Rural Domestic Violence and Child Victimization Enforcement Grant Program, the Grants to Encourage Arrest Policies Program, as well as the Domestic Violence Victims' Civil Legal Assistance Grant Program.

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Since 1995, several legislative changes have been implemented at the state level to address critical issues, such as mandatory arrest, batterer treatment certification, child witness issues and others. In addition, standardized protection order forms and a central statewide temporary protection order registry have been developed. Protocols for law enforcement and prosecutors are being developed to address a variety of domestic violence concerns, including evidence-based prosecution and the enforcement of foreign protection orders.

“Most of the significant advances that we have made during the past six years can be linked to the funding Nevada has received from the Violence Against Women Office,” Del Papa said. “The momentum gained and the accomplishments achieved would have faced serious risk if VAWA II had not been reauthorized.”

Of today’s decision, Sue Meuschke, Executive Director of the Nevada Network Against Domestic Violence (NNADV) said, “It is with a great sigh of relief we greet the news that Congress has finally passed the reauthorization of VAWA. Along with a continuation of important federal funding for law enforcement, prosecution and victim services, the funding also provides resources to limit the effects of violence on children, is used to strengthen training and education efforts, and helps improve options available for battered immigrant women.”

Over the last six years, VAWA funds have been distributed to groups and organizations that specifically target coordination of statewide law enforcement and prosecution strategies to combat violent crimes committed against women. Funds are also awarded to assist in developing and enhancing governmental and private advocacy programs that aid such victims.

As in the past, priority for distribution of future VAWA funds will be given to areas showing the greatest need based on the availability of existing domestic violence and sexual assault programs in the population and geographic area to be served in relation to the availability of such services in other populations and areas. Priority was also given to services for underserved populations--elderly, disabled and minority victims--as well as geographically isolated victims and those victims who are isolated for reasons such as homelessness or drug and alcohol dependence.

For more information on how the Attorney General’s Office is working to end domestic violence in Nevada, or to find out how you can help, call Domestic Violence Ombudsman Veronica Frenkel at (775) 688-1846, or visit the office’s web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 10, 2000

CONTACT: Steve George
(775) 684-1114

**STUDENTS URGED TO SIGN PLEDGE IN RECOGNITION OF
NATIONAL CONCERN ABOUT YOUNG PEOPLE AND GUN VIOLENCE**

Carson City—Attorney General Frankie Sue Del Papa and Nevada Superintendent of Public Education Mary Peterson are urging Nevada students to take part in *National Concern About Young People and Gun Violence Day* on October 17, 2000. In cities all across the nation, millions of young people will come together on October 17 and make a strong collective statement renouncing the violent use of guns. Students will sign a simple, voluntary pledge:

I promise that I will never carry a gun to school; I will never use a gun to settle a dispute; and I will use my influence with my friends to keep them from using guns to settle disputes.

Last year, more than two millions students across the nation signed the Pledge.

“This is a simple way for students across Nevada to show their concern and care about better preventing violence in our schools,” Del Papa said. “I would like to whole-heartedly urge students to take part in this special day by signing the Pledge, and by making a real commitment to keeping guns and other violent weapons off of our school campuses.”

Peterson commented, “Students can take a leadership role in addressing the issue of guns in our schools by making a commitment to sign the Pledge. The collective statement made by signing the Pledge will provide a clear message to everyone that guns on school campuses will no longer be tolerated by students throughout our state.”

National Concern About Young People and Gun Violence Day includes an opportunity for students across the nation to be virtually connected via a ten-hour, national web broadcast for and about teens (teenwebtalk.com). Students can call in from now until October 17 to record messages, or they can call in “live” on the 17th. To record a message before the 17th, students can call toll-free 1-877-531-TALK (8255), and on the 17th, students can call 1-877-532-TALK.

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The Student Pledge Against Gun Violence has the strong support of the National Association of Secondary School Principals, American Federation of Teachers, National Association of Student Councils, National School Board Association, National Education Association, and the National PTA.

For more information about *National Concern About Young People and Gun Violence Day*, go to <http://teenwebtalk.com>. For more information on how the Attorney General's Office and the Nevada Superintendent of Public Education have teamed up previously to address the subject of violence in our schools, check out <http://ag.state.nv.us>, or [**www.keepschoolssafe.org**](http://www.keepschoolssafe.org).

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 10, 2000

CONTACT: Wayne Howle
(775) 684-1227

DEL PAPA ENCOURAGED BY U.S. SUPREME COURT DECISION

Carson City--Attorney General Frankie Sue Del Papa said today that she is encouraged by the U.S. Supreme Court's decision to hear and decide an important case involving state immunity and sovereignty in tribal courts. In a case entitled *Nevada v. Hicks*, the state has challenged the jurisdiction of tribal courts to hear civil claims brought against state officials. The case began in 1991 after a Nevada Division of Wildlife (NDOW) game warden obtained a search warrant for execution on the Fallon Paiute-Shoshone Reservation, east of Fallon, Nevada. A tribal judge also approved the warrant. A mounted bighorn sheep head was taken from Floyd Hicks, but it proved not to be evidence of criminal activity, and it was returned to its owner. A year later, another head was seized from Mr. Hicks based upon a new, tribally-approved warrant, and again was returned after examination.

Hicks sued three game wardens and the NDOW administrator in two separate lawsuits. Significantly, the suits were filed in tribal court. Originally the suits alleged violation of tribal law, and they named the State of Nevada as well as the individual officials as defendants. The present complaints, however, after several amendments, also allege violations of federal civil rights law, and name only the state officers in their individual capacities.

The U.S. District Court in Reno, and the Ninth Circuit in San Francisco, ruled against the state. They held that tribal courts have jurisdiction whenever individuals willingly enter onto reservations. The state's assertion that state sovereignty should defeat tribal jurisdiction was rejected. Instead, the federal courts ruled that sovereignty would not defeat jurisdiction, and instead would only shield officials in tribal court as a defense.

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Del Papa said the tribal court suits against state officials are unprecedented. “No court has ever suggested tribal courts have power to award judgments against state officials for doing state business. This case is obviously going to create new law significant to all the states that deal with tribes. The basis for the state’s argument is the fundamental nature of states as sovereigns. It is also necessary to consider the unique, limited nature of tribal sovereignty, and how tribal and state sovereignty historically interrelate.”

Del Papa said the state’s concern with the federal court rulings so far is that they expose state officials to liability in their individual capacities. “This result is worrisome to any state official who holds some sort of relationship with a tribe, or who conducts business for the state on a reservation.”

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 10, 2000

CONTACT: Chris Van Dyck
(775) 687-6300, x240

**MULTI-MILLION DOLLAR SETTLEMENTS WITH VITAMIN MAKERS OVER
PRICE-FIXING SCHEME IS ANNOUNCED**

Carson City--Attorney General Frankie Sue Del Papa announced today that her office has joined 21 other state attorneys general, the District of Columbia, and Puerto Rico in reaching multi-million dollar settlements with several vitamin makers over price-fixing allegations. Under terms of the settlements, consumers and businesses in the 21 states, the District of Columbia, and Puerto Rico will receive more than \$225 million to compensate them for the higher prices they paid for vitamin products. In addition, all 50 states and Puerto Rico will receive an additional \$30 million for overcharges on state governmental purchases of products containing these vitamins. Nevada's overall share of the settlements is expected to be about \$3.5 million.

The six vitamin manufacturers had been charged with antitrust violations of state and federal law, arising out of an international agreement to fix prices and allocate sales of vitamins and vitamin products. Three European companies: F. Hoffman-LaRoche, BASF, and Aventis (formerly Rhone-Poulenc), and three Japanese companies: Takeda Chemical Industries Ltd., Eisai Co. Ltd, and Daiichi Pharmaceutical Co. Ltd, agreed to the settlement. Vitamins made by these companies go into a wide variety of products, from vitamin pills to feed for chicken, beef and fish, to foods such as milk, cereal, and bread.

"This extraordinary settlement was achieved largely due to state attorneys general effectively organizing and intervening in this matter on a multi-state basis, thereby avoiding a protracted state-by-state litigation process," Del Papa said. "These vitamin manufacturers have caused significant economic damage to consumers in the United States. These companies met in secret in numerous places around the world for more than a decade. Today's settlement agreement sends a clear message that price-fixing behavior will not be tolerated by state attorneys general."

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Most of Nevada's proceeds from the settlements will be used for programs to benefit consumers. The remaining amount will be set aside to compensate commercial purchasers of vitamins and vitamin products.

Nevada's share of the consumer settlement is about \$1.7 million. The settlement agreement states that these funds are to be distributed to non-profit organizations whose programs advance the health or nutrition of consumers and/or nutrition, dietary, or agricultural science. Nevada will receive an additional \$750,000 as compensation for state purchases of vitamin products from the settling companies.

An additional one million dollars of settlement funds will be set aside to compensate Nevada businesses that were overcharged when purchasing vitamins and vitamin products.

"Consumer Advocate Tim Hay and his staff at the Bureau of Consumer Protection deserve our thanks and commendation for the outstanding work they have done on behalf of the citizens of Nevada in better assuring that consumers are not overcharged due to unscrupulous business practices," Del Papa said.

The settlements must be approved by state courts in each of the states and by the court in the District of Columbia. Del Papa said that it probably would take several months before final court approvals are obtained and funds are released.

For more consumer protection information, visit the Attorney General's web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://ag.state.nv.us>

E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 9, 2000

CONTACT: Mike McCormick
(775) 688-1966

NEVADA PROSECUTOR OF THE YEAR NAMED

Retired Clark County Deputy District Attorney Tom Leen, recognized as one of the pre-eminent authorities in Nevada on the law of search and seizure, has been selected as the recipient of this year's William Raggio "Nevada Prosecutor of the Year" Award. Leen, the author of *The Law of Arrest, Search and Seizure in Nevada* handbook, is well known for teaching search and seizure law to many law enforcement agencies, prosecutor offices and judges throughout the State.

Leen began his legal career in 1971 with Clark County Legal Services, and joined the Clark County Public Defender's Office in 1974. In 1982, Leen began working for the Clark County District Attorneys Office, until retiring in 1994. Leen has also served as a Pro Tem Clark County Justice of the Peace, and as an alternate judge for Las Vegas and Henderson Municipal Courts.

In presenting the award to Leen at the Annual Prosecutors Conference recently held in Laughlin, Nevada, Vice Chair of the Nevada Advisory Council for Prosecuting Attorneys and Carson City District Attorney Noel Waters noted that, "in his many years of service as a prosecutor, teacher and author, Leen has made a significant impact upon the criminal justice system in Nevada."

Joining Leen at the awards banquet was his wife Peggy, also a former Clark County Deputy District Attorney, who was recently nominated to become the next Federal Magistrate for Nevada. Additionally, Dean Richard Morgan of the UNLV Boyd School of Law attended the awards banquet.

The William Raggio "Nevada Prosecutor of the Year" award is given annually to a prosecutor who has made a significant contribution to the criminal justice system in Nevada. The Nevada Advisory Council of Prosecuting Attorneys--comprised of the Attorney General, three district attorneys, two city attorneys and a law enforcement representative-- makes the selection

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for the Prosecutor of the Year award after reviewing nominations submitted by prosecutors from throughout the State.

The Prosecution Advisory Council was formed by the 1997 Legislature to assist Nevada's prosecutors by providing training and coordination of prosecution policies.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 4, 2000

CONTACT: Dorene Whitworth
(775) 684-1124

Carson City--Attorney General Frankie Sue Del Papa, who chairs the Nevada Domestic Violence Prevention Council, has announced the recipients of approximately \$1,100,000 in grants awarded in the fight against domestic violence and related issues.

The grants are awarded in accordance with the Year 2000 federal funding provided under the Stop Violence Against Women Act (VAWA), and will be distributed statewide. VAWA funds are being distributed to groups and organizations that specifically target coordination of statewide law enforcement and prosecution strategies to combat violent crimes committed against women. Funds are also awarded to assist in developing and enhancing governmental and private advocacy programs that aid such victims.

"Dozens of entities and organizations from throughout Nevada submitted proposals seeking more than \$2.3 million in grant funds for their specific projects," Del Papa said. "Although the funding decisions are always very difficult, we are confident that the approximately \$1,100,000 in grants awarded this year will prove to be very valuable in helping to provide additional services to victims, training for law enforcement, and to enhance Nevada's overall response to domestic violence."

Priority was given to areas showing the greatest need based on the availability of existing domestic violence and sexual assault programs in the population and geographic area to be served in relation to the availability of such services in other populations and areas. Priority was also given to services for underserved populations--elderly, disabled and minority victims--as well as geographically isolated victims and those victims who are isolated for reasons such as homelessness or drug and alcohol dependence.

"In attempting to better reach Nevada's underserved population groups, each grant recipient is being required to extend whatever training is offered to rural and tribal communities," Del Papa

said. "Recipients are also encouraged, whenever appropriate, to make publications available in Spanish as well as English."

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The following is a list of funded organizations, amount of funding, and an abbreviated description of the purpose of each project:

Law Enforcement:

Carlin Police Department (Enhance evidence collection capabilities in cases of domestic violence and sexual assault)	\$ 3,686
Henderson Police Department (Investigator for new domestic violence unit)	\$ 48,900
Las Vegas Metropolitan Police Department (Part-time domestic violence victim advocate and training)	\$ 23,331
Safe House, Inc. (Victim Advocate to work with Henderson Police Department)	\$23,417
Safe Nest (Part-time advocates located within North Las Vegas, Mesquite & Boulder City Police Departments)	\$51,250
UNR Police Department (Training project involving statewide Nevada law enforcement agencies)	\$75,000
Washoe County Sheriff's Office (Data collection for tracking domestic violence and sexual assault statistics in Washoe County)	\$20,000
WestCare Nevada (Partial funding for a law enforcement advocate working with Las Vegas Metro Police in Laughlin)	\$22,930

Prosecution:

Clark County District Attorney (Funding to support a domestic violence victim advocate)	\$35,000
Henderson City Attorney (Funding for one domestic violence victim advocate)	\$ 40,000
Las Vegas City Attorney (Funding for one domestic violence victim advocate)	\$ 40,000

Reno City Attorney (Funding for a domestic violence coordinator)	\$40,000
Sparks City Attorney (Funding a domestic violence victim advocate)	\$ 40,000

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Washoe County District Attorney (Funding for a part-time victim advocate position)	\$ 20,000
Reno Municipal Court (Funding for a warrants service officer)	\$ 51,000
WestCare Nevada (Partial funding for a prosecutorial advocate working with Clark County District Attorney in Laughlin)	\$20,000

Victim Services & Discretionary Awards:

Advocates to End Domestic Violence [Carson City area] (Partial funding for a domestic violence victim advocate and a sexual assault response advocate)	\$19,000
Carson City Center for Independent Living [Statewide] (Funding supports a disability resource specialist who provides outreach to disabled victims of domestic violence and training of other service providers)	\$ 23,000
Committee to Aid Abused Women [Northern Nevada] (To strengthen existing protection order project)	\$ 17,500
Community Action Against Rape [Clark County] (To provide training to crisis intervention counselors for victims of sexual assault)	\$ 21,600
Crisis Call Center, Inc. [Washoe County/Carson area] (To enhance existing bilingual program aiding sexual assault victims)	\$ 16,000
Committee Against Domestic Violence [Elko] (Funding for Victim Court Advocate)	\$ 10,000
Economic Opportunity Board [Clark County] (Domestic violence training for counselors of domestic violence victims)	\$ 7,500
Eighth Judicial District Court – Family Division (To study the feasibility of creating a visitation/exchange center in Clark County)	\$25,000
Family and Child Treatment [Clark County] (Partial funding for domestic violence therapist)	\$ 30,900

Family Support Council of Douglas County [Douglas County area] (Partial funding for a case worker to assist victims of domestic violence)	\$ 16,700
Mineral County Advocates to End Domestic Violence (To partially fund a domestic violence victim's court advocate)	\$ 8,400
--more--	
Nevada Network Against Domestic Violence [Statewide] (Statewide domestic violence advocate certification project)	\$ 25,000
Nevada Public Health Foundation (Funding to assist the continuing efforts of the statewide Coalition Against Sexual Violence)	\$12,000
No to Abuse [Central-Southern Nevada] (To partially fund Frontier Outreach Project providing victim services throughout Nye and Esmeralda Counties)	\$ 10,000
Ridge House, Inc. (To provide domestic violence counseling service to residential clients)	\$ 7,500
Safe House, Inc. [Clark County] (Domestic violence victim advocate program)	\$ 22,500
Step 2 [Washoe County] (Partial funding for counseling services for domestic violence victims with substance dependencies)	\$30,500
Support, Inc. (Continued support of training program for the Sexual Assault Response Team in White Pine, Eureka and Northern Nye Counties)	\$10,000
Tahoe Women Services [Incline and surrounding Tahoe areas] (Domestic violence victim advocacy services)	\$ 10,000
UNLV – Jean Nidetch Women’s Center (Partial funding for sexual assault training coordinator)	\$ 5,200
UNR Psychological Services (Counseling for student victims of domestic violence and sexual assault)	\$20,000
Victorious In His Sight [Reno area] (Advocacy services – primary focus is women of color)	\$20,000
WestCare Nevada	

(Advocacy services for domestic violence victims who also suffer from substance abuse in Las Vegas and North Las Vegas)	\$ 20,000
HELP of Southern Nevada (Statewide training program for case managers of Family Resource Centers)	\$ 7,947
Administrative Office of the Courts (Statewide tribal and state judicial training on domestic violence issues)	\$31,000
--more--	
Domestic Violence Intervention, Inc. [Churchill County] (Regional needs assessment and training on interdisciplinary approach to issues of domestic violence)	\$18,000
Domestic Violence Ombudsman (Statewide multi-jurisdictional coordination of domestic violence and sexual assault training and advocacy services)	\$32,905
Domestic Violence Prevention Council [statewide] (Funding supports council's statewide efforts addressing all facets of domestic violence and sexual assault issues)	\$ 5,000
Reno-Sparks Indian Colony (Tribal domestic violence victim advocacy services)	\$26,900

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://www.state.nv.us/ag/>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 4, 2000

CONTACT: Marshall Smith
(775) 687-6300

**ATTORNEY GENERAL'S OFFICE SETTLES WITH TELECOMMUNICATIONS
COMPANY OVER "SLAMMING AND CRAMMING" CHARGES**

Carson City--Attorney General Frankie Sue Del Papa announced today that a complaint filed by her office against Qwest International Communications, Inc. has been settled. The complaint, filed on May 8, 2000, alleged that Qwest had been unlawfully switching consumers' long distance providers, and was billing for unauthorized charges: practices known as "slamming" and "cramming." Qwest, a Delaware Corporation, denied the allegations of the complaint, but agreed to institute numerous verification systems designed to eliminate unauthorized changes in consumers' long distance providers, and unauthorized charges on consumers' telephone bills. As part of the settlement reached with the Attorney General's Office, Qwest will make a voluntary payment of \$175,000 to the State of Nevada.

Under the voluntary settlement of the State's action, Qwest has agreed that it will:

- Follow the requirements of Nevada's "anti-slamming and cramming" legislation that came into effect on June 8, 1999;
- Abide by the Consent Decree entered by the Federal Communications Commission relating to provision of telecommunication services in Nevada;
- Pay \$175,000.00 to the State, which will be used for consumer education, public protection or consumer protection purposes, attorneys' fees and investigative costs.

In acknowledging Qwest's cooperation in bringing this matter to closure, Del Papa said, "Competition among long distance providers for customers is fierce. When consumers are switched from their preferred carrier without their authorization, or charged for services they did not authorize nor request, it injures not only the consumer, but also the industry as a whole. This is the second civil complaint of its kind brought against a telecommunications provider in Nevada, the first utilizing the state's new anti-slamming/cramming legislation. We want to make it clear that slamming and cramming will not be tolerated in Nevada."

For more information on the Nevada Bureau of Consumer Protection, visit the Nevada Attorney General's Web site at [**http://ag.state.nv.us**](http://ag.state.nv.us).
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100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 2, 2000

CONTACT: Laurel A. Duffy
Deputy Attorney General
Insurance Fraud Unit
(702) 486-3433

**FALSE CLAIM FOR CAR THEFT LEADS
TO INSURANCE FRAUD CONVICTION**

Las Vegas-- Pursuant to a guilty plea agreement, Clark County District Court Judge John McGroarty today sentenced Linda Marie Engelhardt, age 36, to ninety days incarceration for attempting to make a false claim for insurance benefits to USAA Insurance Company. She was given credit for 21 days time served.

On March 14, 1998, Engelhardt reported that her 1990 black Chevrolet pickup truck had been stolen from her friend's apartment parking lot sometime between February 28, 1998 and March 1, 1998 while Engelhardt was supposedly out of town. Engelhardt received \$11,272 in insurance proceeds after filing her claim with USAA.

An investigation revealed that Engelhardt's truck had been impounded by the Henderson, Nevada Police Department on March 1, 1998, as evidence for Felony Evading/Failure to Stop for Police. A witness reported to the police that he saw Linda Marie Engelhardt in the truck on March 1, 1998, during the course of the activity that led to the truck being impounded.

Persons who suspect any type of insurance fraud may contact the Attorney General's toll-free hotline at 1-800-266-8688. Insurance fraud information, including a brochure entitled, "You Are A Daily Victim of Crime," can be found on the Attorney General's Web site at <http://ag.state.nv.us>.

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OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 2, 2000

CONTACT: Tim Terry
(775) 687-4704

**LAS VEGAS CERTIFIED NURSING ASSISTANT
ARRESTED FOR CRIMINAL NEGLIGENCE OF A PATIENT**

Las Vegas--Attorney General Frankie Sue Del Papa announced today that Las Vegas certified nursing assistant Arthur Lee Brown, age 44, was arrested on September 29, 2000 on one count of Criminal Neglect of a Patient, a gross misdemeanor. Prosecution of the case is being handled by the Medicaid Fraud Control Unit (MFCU).

According to MFCU Director Tim Terry, Brown is alleged to have mistreated a resident of Cheyenne Care Center in April 1999. Specifically, it is alleged Brown struck the resident two times across the face.

"The intentional mistreatment of the frail and infirm cannot and will not be sanctioned," Del Papa said, while reiterating her office's commitment to take every possible step to guarantee that nursing home residents are protected from abuse and neglect.

The charges against Brown are merely allegations. He is presumed innocent until or unless proven otherwise in a court of law.

Anyone suspecting the abuse or neglect of an elderly person may report it to the MFCU at (775)687-4704 (Carson City); or (702) 486-3420 (Las Vegas); or to the Aging Services Division at (775) 688-2964 (Reno); (775) 687-4210 (Carson City); or (702) 486-3545 (Las Vegas); or a local law enforcement agency. Medicaid fraud information can be found on the Attorney General's web site at <http://ag.state.nv.us>.

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OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
October 2, 2000

CONTACT: Veronica Frenkel
(775) 688-1846

**ATTORNEY GENERAL'S OFFICE PLANS ACTIVITIES IN RECOGNITION OF
"WORK TO END DOMESTIC VIOLENCE DAY"**

October is national Domestic Violence Awareness Month. On October 3rd, as part of national *Work to End Domestic Violence Day*, the Nevada Attorney General's office will hold a series of events aimed at better educating its workforce about domestic violence.

"I am encouraging other agencies, businesses and groups to join us on October 1st in calling attention to domestic violence prevention," said Attorney General Frankie Sue Del Papa, who chairs the Nevada Domestic Violence Prevention Council, and serves as co-chair, with Utah Attorney General Jan Graham, of the National Association of Attorneys General (NAAG) Committee on the Prevention of Domestic Violence.

As an example of what employers can do, the Attorney General's office will:

- Distribute bumper stickers, buttons and pens with the message, "There's No Excuse for Domestic Violence."
- Send an e-mail to all staff on October 3rd regarding why it's important for people to take a stand against domestic violence
- Include information on domestic violence prevention in a paycheck memo
- Identify a contact person in each office for employees who need to speak to someone about support, or obtain referral information

NOTE: The referenced materials are available by calling the Nevada's Domestic Violence Ombudsman, Veronica Frenkel, at (775) 688-1846.

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Throughout the country, private businesses, public agencies and unions will hold programs and distribute information to call greater attention to domestic violence prevention.

Dozens of companies have participated in previous *Work to End Domestic Violence Day* events, including Verizon Wireless, Blue Shield of California, Kaiser-Permanente, Liz Claiborne, Polaroid, The Gap, Wells Fargo Bank, and Levi Strauss and Company.

Nevada now has fifteen major domestic violence organizations which sponsor counseling, prevention education and victim shelter programs. "I urge employers to become as familiar as they can with these agencies and to take as proactive a stance as possible on domestic violence in the workplace," Del Papa said. "Everyone can make a difference and help save lives in Nevada, while at the same time better safeguarding their business."

Nevada has been selected as one of just ten states to participate as leaders in a groundbreaking new project aimed at reducing domestic violence in the workplace. The Corporate Citizen Initiative (CCI) on Domestic Violence is being sponsored by the Family Violence Prevention Fund, The Hitachi Foundation, Blue Shield of California, and Verizon Wireless.

Nevada's CCI Team is comprised of Attorney General Del Papa, the Nevada Network Against Domestic Violence (NNADV), Employers Insurance Company of Nevada (EICN), Las Vegas Chamber of Commerce, and the Las Vegas District of the U.S. Postal Service. In cooperation with the co-founders, the Attorney General's Office has recruited a leadership team consisting of employers, battered women's advocates and others to assist with implementing the project in the Silver State. The team is developing a statewide Action Plan that will include a statewide public education campaign, including policy initiatives, on domestic violence in the workplace.

In 1990, the Bureau of National Affairs estimated that American businesses pay \$3 billion to \$5 billion annually in medical expenses associated with domestic violence.

"Domestic violence does not stay home when its victims go to work," Del Papa said. "Domestic violence is recognized today as having a tremendous impact on the workplace in terms of productivity, increased absenteeism, and the higher risk of violence taking place on the job. Statistics show very clearly how domestic violence has an effect not only on the individual being battered, but on the victim's employer."

A 1994 survey of Fortune 1000 senior executives found that:

- 66% said they believe their company's financial performance would benefit from addressing domestic violence among their employees
- 49% said domestic violence has a harmful effect on the company's productivity
- 44% said that domestic violence increases health care costs

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“Domestic violence results in hundreds of millions of dollars in health care costs in the United States, much of which is paid for by employer benefits,” said Veronica Frenkel, Nevada Domestic Violence Ombudsman. “It is estimated that American employees miss 175,000 days per year of paid work due to domestic violence.”

A brochure entitled, “**Domestic Violence: Improving Your Business’s Response,**” which includes a Checklist of Strategies aimed at helping businesses better protect their employees, their customers, and themselves from the adverse effects of domestic violence in the workplace, is available through the Attorney General’s office by calling (775) 684-1125. The brochure can also be found on the Attorney General’s Web site at <http://ag.state.nv.us>.

Domestic Violence Resources

- National Workplace Resource Center on Domestic Violence: (415) 252-8900
- Nevada Network Against Domestic Violence: 1-800-230-1955
- Nevada Domestic Violence Ombudsman: (775) 688-1846
- Nevada Domestic Violence Prevention Council: www.state.nv.us/ndvpc
- Nevada Attorney General’s Website: <http://ag.state.nv.us>

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DOMESTIC VIOLENCE PROGRAMS IN NEVADA

CARSON & STOREY COUNTIES

Advocates to End Domestic Violence		883-7654
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CHURCHILL COUNTY

Domestic Violence Intervention		423-1313
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CLARK COUNTY

Temporary Assist. for Domestic Crisis/Safe Nest (Las Vegas)		646-4981
Rural Clark County		1-800-486-7282
S.A.F.E. House (Henderson)	Office	451-4203
	Hotline	564-3227

DOUGLAS COUNTY

Family Support Council	Office	782-7565
	Hotline	782-8692
Stateline, Zephyr Cove, Glenbrook		588-7171

ELKO COUNTY

Committee Against Domestic Violence	Office	738-6524
	Hotline	1-888-738-9454

HUMBOLDT COUNTY

Committee Against Family Violence	Office	623-3974
	Hotline	623-6429

LANDER COUNTY

Lander County Committee Against Domestic Violence		635-2500
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LYON COUNTY ALIVE

	Office	463-5843
	Hotline	463-4009
North Lyon County		1-800-453-4009

MINERAL COUNTY

Mineral County Advocates to End Domestic Violence	Office	945-2472
	Hotline	945-2434

PERSHING COUNTY

Domestic Violence Intervention	Office	273-7373
	Hotline	273-2641

WASHOE COUNTY

Committee to Aid Abused Women		329-4150
Tahoe Women's Services Office (Incline Village)		833-4305
	Hotline	833-3241

**WHITE PINE, NYE, LINCOLN, EUREKA
& ESMEALDA COUNTIES**

Support, Inc.	Ely:	289-2270
	Pioche:	962-5888
	Tonopah:	482-5598
No to Abuse	Hotline	1-888-882-2873
	Beatty:	553-9300
	Pahrump:	751-1118
	Round Mtn.:	377-1469
	Silver Peak:	482-3016



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OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
November 29, 2000

CONTACT: Gregory R. Hojnowski
Deputy Attorney General
Insurance Fraud Unit
(702) 486-3783

FALSE RECEIPT LEADS TO INSURANCE FRAUD CONVICTION

Las Vegas--Rachelle Pahate, age 23, of Las Vegas, was sentenced today after pleading guilty to Attempting to Make a False Claim for Insurance Benefits before Clark County District Court Judge Donald M. Mosley. She was given a 60 day suspended sentence, revocable if she does not stay out of trouble over the next six months, and ordered to pay a fine of \$500 over the next six months. The fine was part of a plea agreement between Pahate and the Insurance Fraud Unit of the Attorney General's Office. Pahate had faced up to one year in jail and a fine of \$2,000.

In October 1999, Pahate told Progressive Insurance Company, the insurer of her 1997 Honda Civic, that the vehicle had been vandalized while parked in front of her residence. Pahate made a claim for \$6,275 that included a purported receipt from Audio Express documenting an alleged prior purchase of stereo equipment for \$4,075.

An investigation by Progressive and the Insurance Fraud Unit revealed that the alleged receipt submitted by Pahate was actually a price quote that had been altered, and that Pahate had never owned the claimed sound system. When confronted by the Insurance Fraud Unit, Pahate admitted her deception.

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 web site at <http://ag.state.nv.us>.

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OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
November 22, 2000

CONTACT: John Albrecht
(775) 688-1872

**TOBACCO YOUTH BUY RATE IN NEVADA REMAINS
WELL BELOW 1995 LEVEL**

Carson City--Attorney General Frankie Sue Del Papa reported today that Nevada's tobacco youth buy rate remains at 22.2%, a slight decrease from the 1999 rate, and well below the rate of 63% in 1994, prior to her office conducting stings of businesses that sell tobacco products.

In 1992, the U.S. Congress passed a law requiring every state to enforce its state law prohibiting the sale of tobacco to minors. In addition, each state is annually required to conduct a random probability study of all retail outlets that sell tobacco.

In 1995, the Nevada Legislature assigned the responsibility of enforcing the state law prohibiting the sale of tobacco to minors to the Attorney General's Office. Since then, the office has conducted thousands of compliance checks of businesses that sell tobacco.

"Working closely retailers and others, we have made great improvements in reducing the accessibility of tobacco to our state's children," Del Papa said. "Statistics show it remains difficult for underage youths to buy tobacco products on their own in Nevada."

The youth buy rate shows the percentage of times that underage youth may successfully purchase tobacco. The percentage has dropped significantly since 1994, when the American Cancer Society and the Bureau of Alcohol and Drug Abuse reported in separate studies that underage youths could purchase tobacco 63% of the time they tried in Nevada.

The Youth Risk Behavior Survey (YRBS), conducted by the Department of Education, confirms that fewer youths are purchasing their own cigarettes. In 1995, 38.5% of high school youths who smoked purchased their own cigarettes. In 1999, that percentage dropped to 24.4%.

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The number of cigarette vending machines available to underage youths has also dropped since 1995. The Attorney General's staff could identify only 37 machines statewide that are not located in adults-only areas. The YRBS showed that in 1995, 12.1 % of children who bought their own cigarettes purchased them from vending machines, while in 1999, only 3.8% of children who purchased cigarettes purchased them from vending machines.

For more information on how the Attorney General's Office is working to curtail underage smoking in Nevada, visit the office's web site at [**http://ag.state.nv.us**](http://ag.state.nv.us).

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
November 20, 2000

Contact: Tracey J. Brierly
(702) 486-3128

**ATTORNEY GENERAL WARNS CONSUMERS
ABOUT HOLIDAY SHOPPING ON THE INTERNET**

Carson City—With Thanksgiving weekend being the traditional starting point for many consumers to begin their holiday shopping, Attorney General Frankie Sue Del Papa is reminding on-line shoppers to be alert to the risks involved with buying products on the Internet.

“For many consumers, online shopping is becoming a more and more attractive alternative to in-store or catalogue shopping,” Del Papa said. “But just like traditional shopping, virtual shopping must be approached with sufficient caution.”

The Attorney General’s Bureau of Consumer Protection offers the following tips to help consumers shop on-line with more security and peace of mind:

- **Deal only with established, reputable retailers.** An impressive-looking Internet site does not guarantee legitimacy. Whether shopping in a store, by phone or in cyberspace, it’s safer to shop with companies you already know through either their reputation, or through previous experience.
- **Learn the company’s refund and exchange policies.** Each business sets its own refund and exchange policies. They can vary considerably. Prior to your purchase, find out about that company’s specific policies, and be sure to save the sales receipt in case merchandise must be returned.
- **Protect your privacy.** When shopping on the Internet, remember that online sellers many times collect your personal information so they can market back to you, or sell the information to other companies. Ideally, shop with a vendor that posts privacy policies

online, and offers options about the use of personal information. In most cases, your password, credit card number and shipping information are all that a vendor should require.

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- **Pay with a credit card and order only from a secure server when shopping online.** Beware if an online seller asks for your banking account number or offers to debit money from your account. It is best to use a credit card when ordering because credit card purchases offer protections you will not have otherwise. It is also extremely important to verify that you are ordering from a secure server prior to putting in your personal and credit card information.

Persons with concerns or complaints regarding any Internet company 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. Consumer protection information can be found on the Attorney General's Web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

November 16, 2000

CONTACT: Gregory R. Hojnowski
Deputy Attorney General
Insurance Fraud Unit
(702) 486-3783

FALSE BIKE RECEIPT LEADS TO INSURANCE FRAUD CONVICTION

Las Vegas—Former Las Vegas resident William Jerry Ratterree, age 38, of Stockbridge, Georgia, today pleaded guilty to a gross misdemeanor count of Insurance Fraud. As part of a negotiated plea, Clark County District Court Judge John S. McGroarty sentenced Ratterree to pay a fine of \$500. Ratterree had faced up to one year in jail and a fine of \$1,000.

In June 1997, Ratterree sought payment of \$6,500 after reporting an alleged home burglary to his insurer, Farmers Insurance Group. As part of his claim, Ratterree submitted a receipt from *Bike World*, allegedly documenting the purchase of a Schwinn Mountain Bike for \$534.99. An investigation by Farmers and the Insurance Fraud Unit of the Attorney General's Office revealed that the receipt was false, and that *Bike World* had no record of such a purchase. Farmers denied payment on the claim.

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 web site at <http://ag.state.nv.us>.

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STATE BAR OF NEVADA YOUNG LAWYERS SECTION

FOR IMMEDIATE RELEASE

November 13, 2000

CONTACT: Brett Kandt

(775) 684-1204

PUBLICATION HELPS TEENAGERS LEARN ABOUT THE LEGAL RESPONSIBILITIES OF TURNING EIGHTEEN

The State Bar of Nevada Young Lawyers Section is distributing more than 15,000 copies of "Coming of Age in Nevada," a booklet which serves to educate Nevada high school seniors about the legal responsibilities of becoming an adult. Topics addressed in the booklet include: voting; jury duty; military service; driving; alcohol consumption; criminal law; contracts; consumer credit; property leases; employment; and marriage, divorce and children.

The booklet was first drafted, edited and released by members of the Young Lawyers Section in 1999. Funding for the project came in part from the American Bar Association Fund for Justice and Education, Nevada Law Foundation, and the State Bar of Nevada Local/Specialty Bar Grant Fund.

With the assistance of the Nevada State Education Association, Nevada Department of Education, local bar associations and local school districts, "Coming of Age in Nevada" will be distributed annually to all Nevada high school seniors. Corresponding classroom presentations, by attorneys volunteering their time, will also take place. The Young Lawyers Section believes that such volunteer efforts further the goals of Nevada Supreme Court Rule 191 regarding pro bono service by Nevada attorneys.

For more information, please contact the project coordinator, Nevada Senior Deputy Attorney General Brett Kandt, at (775) 684-1204.

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STATE OF NEVADA

OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://www.state.nv.us/ag/>
E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
November 9, 2000

CONTACT: Steve George
(775) 684-1114

**ATTORNEY GENERAL'S OFFICE ISSUES WARNING
ABOUT "809" AREA CODE TELEPHONE SCAM**

The Nevada Attorney General's Bureau of Consumer Protection is issuing an advisory concerning a telephone scam that could cost consumers as much as \$100 or more per call.

The scam involves the use of an "809" area code. A consumer gets an "emergency" email or pager message, urging them to call an "809" area code number for information about an injured or sick relative, prize opportunities, or debt collection. The messages tell recipients to call the "809" number for more information. But in reality, the number is an international pay-per-call line.

"Consumers should be cautious if they receive a telephone message from an unfamiliar source with an unfamiliar area code," Attorney General Frankie Sue Del Papa said. "The '809' area code is located in the Virgin Islands. When you return the call, you are charged at a rate of up to \$25 per minute. And since the '809' call is made to the Virgin Islands, those calls are not covered by U.S. regulations for '900' area code calls, which require that you be notified and warned of charges and rates."

You can find information about telephone fraud scams on the Federal Communication Commission's web site at www.fcc.gov/ccb/consumer_news, or by calling the FCC's toll-free voice number at 1-800-225-5322.

For more information on the Attorney General's consumer protection agenda, visit the office's web site at <http://ag.state.nv.us>, or call the Bureau of Consumer Protection office in Las Vegas at (702) 486-3777, or in Carson City at (775) 687-6300.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
November 3, 2000

CONTACT: Jacqueline Rombardo
(775) 687-6300

**CONTACT LENS WEARERS WILL RECEIVE COMPENSATION
AS PART OF ANTITRUST LAWSUIT SETTLEMENT**

Carson City--Attorney General Frankie Sue Del Papa announced today that Nevada residents who bought replacement contact lenses made by Johnson & Johnson Vision Products, Inc. ("Vistakon"), Bausch & Lomb ("B&L"), or CIBA Vision ("CIBA") are eligible to receive a cash rebate and product benefits package under a proposed partial settlement of antitrust lawsuits filed by Nevada and 31 other states. The action was based on allegations that the manufacturers prevented consumers from purchasing the products from discount suppliers, such as mail order, discount drug stores, and the internet.

"The Antitrust Division of the Bureau of Consumer Protection has once again proven to be a valuable asset to the citizens of Nevada," Del Papa said. "Through the diligent efforts of this Division, consumers are benefiting where it often counts most, in the pocketbook."

Lens wearers who bought replacement contact lenses from Vistakon, B&L, and CIBA after January 1, 1988, are eligible to receive the rebate and benefits package, if the settlement receives final court approval. Some of the more popular names of these companies' replacement lenses are: Acuvue [R], SeeQuence [R], Focus [R], and NuVues [R]. Contact lens wearers may either call a toll-free number (888-811-0385) or log on to www.contactlenssettlement.com to register for the benefits package, to obtain further information, or to object to or opt out of the settlement. January 31, 2001 is the deadline for a consumer to opt out of the lawsuits or the proposed settlement, to object to the proposed settlement, and/or to register for the benefits package.

Thirty-two state attorneys general joined with private counsel in filing lawsuits in federal district court in Jacksonville, Florida, against the American Optometric Association ("AOA"),

Vistakon, B&L, CIBA and individual optometrists for violating the antitrust laws. In addition to restraints on sellers, plaintiffs allege that restraints on patients that it difficult for many

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consumers to get the prescriptions or other information needed to buy from these more convenient outlets.

A proposed settlement has been reached with one of the defendants, CIBA Vision. In late September, U.S. District Court Judge Harvey Schlesinger approved plaintiffs' motion to notify consumers of both the pending lawsuits and the terms of the settlement with CIBA Vision. The proposed settlement with CIBA includes: \$35.00 cash rebate to consumers on the future purchase of certain CIBA replacement lenses; a package of coupons for consumers for CIBA Vision products; a payment by CIBA of \$5 million; and injunctive relief. Part of the \$5 million fund will be used to pay for national newspaper ads about the pending lawsuits and the proposed partial settlement. The balance of the money is available for other purposes, subject to court review and approval. As part of the settlement, CIBA has agreed to a court order barring it for five years from changing its current policy of selling its lenses directly to pharmacies and mail order firms for resale to consumers. Vistakon and B&L continue to restrict distribution. The pending lawsuits seek to stop the continuing restrictive policies of Vistakon and B&L.

The decision whether to approve the settlement will be considered by the federal court at a hearing in Jacksonville on Tuesday, February 27, 2001. Plaintiffs are continuing to prosecute the lawsuit against the AOA, Vistakon, B&L and individual optometrists. Trial has been set for March 19, 2001 in Jacksonville.

For further information on the lawsuits or the settlement, or to register for the benefits package, contact lens wearers may log on at <http://www.contactlenssettlement.com>, or call 1-888-811-0385. Consumer protection information can be found on the Attorney General's website at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
November 3, 2000

CONTACT: Bob Bryant
(775) 684-1223

**CHECK CASHING BUSINESSES BEING INVESTIGATED
BY ATTORNEY GENERAL'S OFFICE**

Las Vegas--Attorney General Frankie Sue Del Papa today announced that her office, in conjunction with the Financial Institutions Division of the Department of Business and Industry, has begun an extensive, undercover investigation of Las Vegas area "Check Cashing" businesses. The intent of the investigation is to make sure these types of businesses are registered with the State of Nevada, and to prevent unlicensed check cashing and loan activity.

"This ongoing investigation is particularly important with the holiday season upon us, as many consumers may need extra money this time of year," Del Papa said. "We want to make sure these businesses are following the laws of Nevada, therefore better assuring consumers that they will not be taken advantage of during a time of financial need."

Approximately 20 Check Cashing businesses have been investigated to date, with more targeted in the near future. After reviewing the results of the investigations, the Attorney General's Office will recommend possible enforcement action to the Financial Institutions Division.

Consumers who use the services of a Check Cashing business should be sure they will have sufficient funds to repay the loan within the terms and conditions preset in the loan agreement. Consumers should make sure they fully understand all terms and conditions of the loan, and what the penalties are if repayment is not made within the time frame established by the Check Cashing business.

If you believe you have been dealing with an unlicensed check cashing or lending establishment, please contact the Financial Institutions Division in Las Vegas at (702) 486-4120, or in northern Nevada at (775) 687-4259.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
BUREAU OF CONSUMER PROTECTION

1000 East William Street, Suite 209
Carson City, Nevada 89701
Telephone (775) 687-6300
Fax (775) 687-3117

WEBSITE: <http://ag.state.nv.us>
E-Mail: bcpinfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General
THOMAS M. PATTON
First Assistant Attorney General

TIMOTHY D. HAY
Chief Deputy Attorney General
JACQUELINE B. ROMBARDO
Senior Deputy Attorney General

FOR IMMEDIATE RELEASE
December 28, 2000

CONTACT: Timothy Hay
(775) 687-6300

**ATTORNEY GENERAL'S BUREAU OF CONSUMER PROTECTION
HAS SUCCESSFUL YEAR**

Carson City—The Bureau of Consumer Protection (BCP), which falls under the auspices of the Nevada Attorney General's Office, helped consumers in many ways during the year 2000: Sweepstakes contest rules, fraud prevention and prosecution, telemarketing prosecutions, the Bridgestone/Firestone tire recall, and several antitrust cases, to name a few. The BCP is responsible for protecting Nevada consumers from businesses and individuals who engage in anti-competitive behavior or perpetrate various types of fraud. In 2000, the BCP collected more than \$1 million in fines, penalties and judgments on behalf of the State of Nevada.

Sweepstakes

The Attorney General reached settlements with four, nationwide, sweepstakes companies this year. As a result of participating in multi-state actions with more than 45 other states, Nevada settled with Publisher's Clearing House, American Express Publishing Corp., Time, Inc., and U.S. Sales Corp. The settlements require that all sweepstakes mailings provide a clear and conspicuous "Sweepstakes Facts" disclosure sheet; prohibit the companies from stating that a consumer is the winner or about to become the winner of a sweepstakes, unless the consumer is actually a winner or about to become a winner; and the company may not misleadingly tell consumers they have a better chance of winning a sweepstakes than they actually do, or represent that the sweepstakes package has been sent by special courier or a special class of mail, if it has not been. A restitution fund has been established and is being maintained by a third party administrator. It is expected that restitution will be made to consumers within the next two years.

Firestone Tire Recall

Attorney General Frankie Sue Del Papa joined forces with attorneys general from 49 other states and territories to form a multi-state, working group in response to the recall of Bridgestone/Firestone tires. As a result of their efforts, the original tier system created by Firestone was abolished, and most Nevadans received their replacement tires in a timelier fashion. The BCP updated Nevadans through regular consumer alerts on how to best obtain replacement tires.

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Credit Repair Schemes Prosecutions

The unit took part in a nationwide effort to combat fraudulent credit repair schemes by raising public awareness. In the first phase of the sweep dubbed "Operation New ID-Bad Idea," the Bureau filed federal lawsuits against two Las Vegas individuals and their corporations. Aretta Coffelt and her company, *C & A Adventures*, and David Walter Hulet, Jr. and his company, *E-Z Technologies, Ind. LLC*, were sued in U.S. District Court for violations of the federal Credit Repair Organizations Act and Nevada Deceptive Trade Practices Act, in connection with their offer and sale of "file segregation" credit repair services on the Internet. Consumers cannot legally alter their identifications to conceal adverse credit information with the intent to defraud a prospective creditor. Both companies are now out of business.

Pyramid Schemes Prosecutions

The BCP continues to prosecute pyramid schemes operating in Nevada. The unit shut down *The Winning Edge*, a telemarketing boiler room that was operating a pyramid scheme in Las Vegas. The company was soliciting memberships in the pyramid scheme in which victims were asked to invest \$400 for each membership share they desired to purchase and were, in turn, promised a return of \$2000 profit in less than five months. The victims had to provide the names of three individuals and *The Winning Edge* would then contact those individuals and attempt to sell them on the program. The search warrant also alleged securities fraud.

The BCP participated in a nationwide sweep of the Internet with the Federal Trade Commission and 26 other states. As part of the sweep, Nevada was looking for pyramid schemes being advertised on the Internet. Monitoring of the Internet for pyramids is ongoing.

Most recently, the BCP worked with the Federal Trade Commission and five other states to shut down the Las Vegas-based company, Equinox. The civil complaint charged that Equinox operated a multi-level, marketing company that offered distributorships for products including water filters, vitamins, nutritional supplements and skin care. Equinox distributors ran classified ads in newspapers, which implied salaried positions, were available. But those who responded to the ads were instead given a sales presentation in which they were told that the real way to make money in the company was to recruit new distributors, not through sales.

Securities Fraud Prosecutions

In a civil case against a company known as Infinity Capital Group, the BCP recovered more than \$545,000 in restitution for consumers. The complaint alleged that the company misrepresented to possible investors that a minimum investment of \$1000 would receive a return of more than \$60,000 over a three-month period.

The BCP and the Secretary of State, Securities Division, obtained a conviction of Hai Pia Nguyen in connection with his investment scam involving thousands of dollars invested in his company known as "Environmental Solutions Enterprise." Nguyen misrepresented a monthly return of 10% over a period of six months. As part of the plea agreement, Nguyen was ordered to pay \$30,000 in restitution to the victims.

"Slamming" Prosecutions

The unit filed a civil complaint against *Qwest International Communications, Inc.*, settling with the company after it was alleged it was engaging in the practice of "slamming," which is where a consumer's long distance telephone company is switched without authorization. *Qwest* agreed to institute numerous verification systems designed to eliminate unauthorized changes in consumers' long distance providers, and unauthorized charges on consumer's telephone bills.

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Telemarketing Prosecutions

The unit arrested eight people for their connection in Veteran's Opportunity and Service Center, a Las Vegas-based company that was accused of charitable fraud solicitation. When the telemarketers solicited the donations, they would tell the victims that all of the money was going to a veterans group. In return for the donation, the victim was promised a basket filled with lotions and other merchandise, but the baskets never arrived.

Almost \$13,000 was forfeited from a bank account used by a fraudulent telemarketer who conducted solicitations on behalf of the Space Universal Life Church, Inc. Telemarketing salespersons for SULC told victims that if they made a contribution, they would win thousands of dollars in prizes commensurate with their donation. More than 99% of the victims received only an inexpensive item. Telemarketers made false and misleading representations designed to make victims believe that SULC was a religious charity that had selected a limited number of individuals to receive a valuable gift if the person donated money.

Antitrust Actions

Contact Lens: This is a multi-state action against the American Optometric Association (AOA), Bausch & Lomb, Inc., Johnson & Johnson Vision Products, Inc., and CIBA Vision (CIBA) for preventing/limiting patients' access to prescriptions for replacement contact lens.

The plaintiffs settled with CIBA and a press release describing the settlement was issued on November 3, 2000. The settlement includes a \$35.00 cash rebate to consumers who purchase future CIBA replacement lens, a package of coupons for CIBA products, \$5 million payment by CIBA for noticing and administrative costs, and injunctive relief. The deadline for opting into the CIBA settlement is January 31, 2001.

NASDAQ: The Nevada Attorney General's Office filed a claim on behalf of the state's Public Employees Retirement System in a multi-state investigation that alleged a price-fixing scheme on the part of 33 leading NASDAQ market makers. The alleged price-fixing occurred as a result of a "quoting convention" whereby the market makers maintained a spread of no less than ¼ point between the bid and ask price of most of the actively traded NASDAQ stocks by quoting all such prices in even increments (i.e., .25, .50, .75). This practice was the subject of SEC and U.S. DOJ investigations, as well as numerous class actions consolidated for pretrial proceedings in the Southern District of New York.

A global settlement with all defendants in the class action was reached in the amount of \$1,027,000,000, plus accrued interest. The Court has issued final approval of this claim and now claims are under review by a claims administrator. All claims are expected to be disbursed by the end of December 2000. Working group is now inactive.

Vitamins: On October 10, 2000, Nevada joined 21 other states and Washington D.C. in a 225 million dollar settlement with several vitamin makers who were charged with price fixing of various vitamin products. In particular, defendants F. Hoffman-LaRoche, BASF, Aventis (formerly Rhone-Poulenc) and Takeda were charged with entering into agreements that set the prices and allocated the sales volume of vitamins and vitamin products. The vitamins made by these companies go into a wide variety of products from vitamin pills to feed for chicken, beef, and fish and foods such as milk, cereal, and bread.

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Nevada's overall share of the settlement amount is expected to be about \$2.7 million. Most of the proceeds will be used for programs to benefit consumers while the rest will be set aside to compensate commercial purchasers of vitamins and vitamin products. Nevada's share of the consumer settlement is about \$1.7 million. According to the settlement agreement, the consumer funds are to be distributed to non-profit organizations for programs that advance the health or nutrition of consumers and/or nutrition, dietary, or agricultural science. The settlement still must be approved by all participating state and federal courts. Funds are expected to be released sometime during 2001.

Nine-West: In March 2000, Nevada joined all other states in a settlement with Nine-West Group, a shoe manufacturer, charged with entering into illegal agreements with shoe retailers to fix the retail price of women's shoes. Nevada's share of this settlement is about \$200,000. Given the various court approvals that still must occur, funds are not expected to be distributed prior to March 2001. Pursuant to the settlement agreement, Nevada has developed a distribution plan that allows the settlement money to be provided to the State of Nevada Health Division to be used to offset the costs of treatment for women with breast or cervical cancer.

Toys 'R' Us: This year marked the third and final year that Nevada participated in an antitrust settlement against Toys 'R' Us, the nation's largest toy retailer, and toy manufacturers Mattel and Little Tykes. The suit alleged that these companies conspired to artificially inflate toy prices. The settlement, which included Nevada and 43 other states, called for a cash award and the distribution of toys to needy children.

The toys are being distributed through the U. S. Marine Corps' Toys for Tots program. The total value of the toys for this year is approximately \$53,000. Nevada's portion of toy distributions in 1999 and 1998 were \$111,500 and \$21,266, respectively. The settlement also provided Nevada a cash award of \$79,492, which was distributed in June 2000 as follows: Partners in Education in Washoe Valley \$17,273; United Way of Southern Nevada in Clark County \$47,269.80; and Churchill County Social Services \$14,949.20. These funds will be utilized to benefit children by providing them with books, toys, and educational material.

For more information on the Bureau of Consumer Protection, or to find consumer awareness information, visit the Attorney General's web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 27, 2000

CONTACT: Jo Anne Embry (702) 486-3154
Laurie Taylor (702) 486-3320

**PROJECT SNAG WORKING TO HELP STOP
MEDICARE/MEDICAID WASTE, FRAUD & ABUSE IN NEVADA**

Las Vegas – The Primary goal of the **SNAG--Senior Nevada Advocates on Guard--**project is to educate Nevada's senior citizens on how to detect and recognize wasteful, abusive or fraudulent activities regarding their Medicare and/or Medicaid bills. Since its inception in Nevada in February 2000, SNAG has conducted 17 group-training sessions, at which approximately 1,000 individual beneficiaries have been better educated. SNAG held 26 Medicare & Medicare Waste, Fraud & Abuse training sessions for volunteers in both northern and southern Nevada and now has 34 active volunteers statewide. The project has reached some 2,700 persons, educating them about Medicare fraud through 30 community events held throughout the state.

To date, the SNAG project has received 45 complaints, five of which have resulted in some action. More than four million Nevadans have been reached through various media events and almost \$5,000 has been identified for recoupment, either to Medicare or to the individual beneficiaries. Additionally, SNAG has provided Medicare fraud detection & prevention training to other federal, state & local private agency personnel who deal with Medicare/Medicaid beneficiaries. The project also provides the community a system for immediate reporting of suspicious activity. If warranted, the information received would result in further investigation, which could lead to criminal or civil prosecution, administrative sanctions, fines and/or recovery of funds. SNAG is funded under a three-year, federal grant awarded by the United States Administration on Aging to the Nevada Division for Aging Services. The project is placed within the Nevada Attorney General's Office under an Interlocal agreement. The goal of the project is to create an informed Medicare beneficiary population in Nevada through education, with the assistance of trained, retired, senior volunteers with experience in fields such as law, medicine, business and industry, and education.

For more information about the SNAG project or to schedule a presentation for a community group please contact Project Director Jo Anne Embry in Las Vegas at (702) 486-3154 or Project Assistant Laurie Taylor at (702) 486-3320. Information on the SNAG Project and on Medicare/Medicaid fraud can be found on the Attorney General's website at <http://ag.state.nv.us> or you can e-mail SNAG at snaginfo@ag.state.nv.us if you wish to report any cases of suspected Medicare waste, fraud or abuse.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 26, 2000

CONTACT: Tim Terry
(775) 687-4704

MEDICAID FRAUD CONTROL UNIT IS BUSY ON MANY FRONTS

Carson City—Attorney General Frankie Sue Del Papa's Medicaid Fraud Control Unit (MFCU) continues to step up its enforcement of fraud and elder abuse cases throughout the State of Nevada. MFCU Director Tim Terry reports that the unit successfully prosecuted several cases this past year, including separate cases involving a physician, personal care attendant, pharmacist, and a registered nurse. The Unit also has several pending cases.

The MFCU also recently announced a settlement with Columbia/HCA, now known as The Healthcare Corporation, over alleged mistaken billing to the State of Nevada's Medicaid program. As part of the settlement, Columbia/HCA has agreed to pay \$405,000 in Medicaid reimbursement fees to the state. The settlement is the result of an investigation by the Attorney General's Medicaid Fraud Control Unit (MFCU).

The Medicaid Fraud Control Unit investigates and prosecutes instances of provider fraud. Anyone wishing to report suspicions regarding fraud may contact the Medicaid Fraud Control Unit at (775) 687-4704 in Carson City, or at (702) 486-3187 in Las Vegas. Medicaid Fraud prevention information can be found on the Attorney General's web site at <http://ag.state.nv.us>.

FOR IMMEDIATE RELEASE
December 20, 2000

CONTACT: Brian T. Kunzi
(702) 486-3455

TIS' THE SEASON FOR FAMILY ABDUCTIONS

Attorney General Frankie Sue Del Papa warns that holiday stress and family tensions common this time of year can lead to an ugly and unwanted Christmas present-child abduction. Many visitations occur over the holiday period, particularly as more families become separated by greater distances. Past tensions and pent-up angry can lead a frustrated parent to refuse to return a child at the end of the scheduled visitation.

Del Papa warns parents that violating a court order by refusing to return a child to the custodial parent can be a felony in Nevada. The Attorney General also stresses that criminal charges can be brought even if no court order has been obtained. Del Papa explains that the concealment of a child by one parent from another parent with the intent to deprive the other parent of a parent/child relationship is also punishable as a felony in Nevada.

The Nevada Missing Children Clearinghouse under the supervision of the Children's Advocate, Senior Deputy Attorney General Brian Kunzi, operates as part of a national network with other state clearinghouses to assist parents victimized by child abduction. The Nevada center reports that 213 cases have been opened in Nevada this year in which it is believed the abductor is a parent or other family member. The Attorney General's office continues to investigate or monitor 143 open active cases.

Kunzi indicated that Las Vegas is becoming a popular residence for parents who have abducted a child. This year alone agencies in Southern Nevada have recovered 213 children, many of which were abducted from other jurisdictions. Kunzi lauded the efforts of the law enforcement community in Southern Nevada and the cooperation of the Clark County School District, which is an important source of information. The results that have been achieved are remarkable when you consider the Nevada Clearinghouse operates with only one investigator added Kunzi.

No one can totally protect oneself against a child abduction. Kunzi does offer several tips to help avoid abductions or to help law enforcement in the event of an abduction. The first tip is for parents to teach their child to use the telephone. Practice calling the operator and placing a collect call. The child needs to be instructed to call home if something unusual happens or if the child is told the custodial parent is dead.

A second useful tip is for the custodial parent to notify schools, day care centers and babysitters that deal regularly with the child. Parents should provide a copy of the custody order and asked to be alerted if the noncustodial parent makes an unscheduled visit.

Custodial parents are also encouraged to file a certified copy of the custody order in the home county of the noncustodial parent. This will put the local authorities on notice and help ensure a more prompt response to a missing child report.

The final tip offered by Kunzi involves an extremely emotional area. Kunzi urges parents to separate child support and visitation issues. Unfortunately many parents try to “get even” by denying visitation to the noncustodial parent because he or she is not paying child support. This tactic can lead to frustration and anger and may spur the noncustodial parent to abduct the child. Kunzi admits that separating these emotional issues is often difficult, however, the parents need to consider the impact on the children.

Anyone with questions about missing children cases can contact the Nevada Missing Children Clearinghouse in the Attorney General’s Office at (702) 486-3539. Other information can found on the Attorney General’s website at ag.state.nv.us under Missing Children & Crime Prevention Unit.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://www.state.nv.us/ag/>

E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 20, 2000

CONTACT: Timothy D. Hay
(775) 687-6300

**CONSUMER ADVOCATE MAKES RECOMMENDATIONS
FOR NEVADA'S ENERGY POLICY TO BENEFIT CONSUMERS**

Carson City--Consumer Advocate Timothy Hay, who heads the Nevada Attorney General's Bureau of Consumer Protection, has presented an electric energy policy statement to the Governor's Energy Policy Committee, of which Hay is a member. During the December 14, 2000, committee meeting, Hay urged development of a long-term strategy that includes basic principals and specific programs committed to ensuring energy affordability, reliability, availability, diversity and efficiency. Hay stressed that the State's energy policy should offer benefits to all consumers, especially residential, low-income and other low-use consumers of evolving competitive markets. He also stated that the State's energy policy must allow sufficient time for a fully competitive market to develop as national deregulation of the electricity industry evolves.

Hay told the committee that acquiring essential electric services should not place an undue economic burden on households. He recommended that the Public Utilities Commission be authorized to implement basic affordability programs, such as lifeline rates and fixed affordability credits. These programs, according to Hay, will help ensure that the percentage of household income spent for energy services by lower income households does not exceed the percentage spent by higher income households. Hay also urged the State to explore the feasibility of State or municipal ownership of "peaking" resources in order to decrease the likelihood of price spikes in periods of tight supply. Peaking facilities are power-generating units that could be utilized to produce power only when needed to avoid erratic price increases. He suggested these could be structured as private-public ownership arrangements. Besides helping curb erratic price spikes, peaking units would also enhance overall reliability of the system as a backup supply source.

To further support reliability of the state's electric system, Hay said Nevada must creatively leverage existing state and federal resources and capabilities to promote the development of dedicated sources of supply within the State. The State should, for example, encourage public-private partnerships where the State uses instruments such as tax preferred industrial development bonds to obtain low cost project financing in return for a commitment of supply to the State. Additionally, projects could be centralized at locations such as the Nevada Test Site that offer additional incentives including lower cost land, eased environmental permitting and export capabilities. Hay said this

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principle is consistent with his strong support of development of Nevada's renewable energy resources, for which the same mechanisms and incentives could be applied to encourage creation of a "Blended Resource Facility" in Nevada. Hay also believes the State should strengthen current provisions in Nevada law requiring electric utilities to include in their energy load electricity generated from renewable resources including wind, geothermal and solar.

Finally, to further protect small ratepayers, Hay said the State must ensure that conservation and energy efficiency services and programs are provided to customers in market segments where market failures, i.e. high prices and few choices of energy provider, are likely to exist, such as residential and small business customers. Hay supports funding conservation and energy efficiency services through a public benefits charge, sometimes referred to as a "wires" charge, assessed on the bills of all customers of the electricity distribution company and collected through a third-party state or other agency.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 20, 2000

CONTACT: Kevin Higgins
(775) 688-1818

RENO MAN ARRESTED AFTER FALSELY ATTAINING PRESCRIPTION DRUGS

Reno--Attorney General Frankie Sue Del Papa has announced the arrest of Randall Ray San Pedro, age 45, by investigators of the Workers' Compensation Fraud Unit. The arrest followed an investigation concerning the abuse of workers compensation prescription benefits.

Several local pharmacies in the Reno and Sparks area reported that a male suspect had filled numerous prescriptions for controlled substances after visiting several urgent care facilities. The suspect claimed the drugs were for a work-related injury. The suspect had claimed employment by several non-existent businesses, and used several aliases.

During the course of the investigation, it became readily apparent that no work-related injury had ever occurred, but that this was merely an elaborate ruse to obtain drugs.

San Pedro was booked on an outstanding felony embezzlement warrant from Lander County. As the Office of the Attorney General completes its investigation, it is anticipated that several additional felony charges will be added.

Del Papa stated, "The abuse of the workers' compensation system goes beyond uninsured employers and fraudulent claimants. Even drug addicts have found ways to abuse the system to their benefit. Our fraud unit will continue to investigate and prosecute all types of fraud, even those committed at the local pharmacy."

As always, the defendant is presumed innocent unless or until proven guilty in a court of law.

For more information on Workers' Compensation fraud, call Kevin Higgins at (775) 688-1818, or visit the Attorney General's web site at <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 14, 2000

Contact: Steve George
(775) 684-1114

**STATE TO RECEIVE \$405,000 AS PART
OF SETTLEMENT WITH COLUMBIA/HCA**

Carson City – Attorney General Frankie Sue Del Papa announced today that her office has reached a settlement with Columbia/HCA (now known as “The Healthcare Corporation”) over alleged mistaken billing to the State of Nevada’s Medicaid program. As part of the settlement, Columbia/HCA has agreed to pay \$405,000 in Medicaid reimbursement fees to the state. The settlement is the result of an investigation by the Attorney General’s Medicaid Fraud Control Unit (MFCU).

Del Papa noted that the settlement with Columbia does not include issues involved in the national federal/state settlement between several states and Columbia/HCA that was also announced today.

The MFCU investigation has centered on past Medicaid billing practices, primarily at Sunrise Hospital in Las Vegas. According to MFCU Director Tim Terry, the investigation concluded that there was no criminal wrongdoing by the hospital or its employees. Columbia/HCA entered the settlement agreement with the MFCU to satisfy any non-criminal liability for any mistaken billings. Del Papa and Terry noted that Columbia has instituted a series of corrective measures to prevent such errors in the future.

Del Papa said she anticipates that the tentative agreement announced today between Columbia/HCA and the states’ negotiating team—comprised from Nevada, Ohio, Tennessee and Washington on behalf of all states where Columbia does business--will be approved in the near future, and that Nevada will receive additional compensation from that settlement. Terry also noted that the federal settlement includes criminal pleas by Columbia/HCA, including counts representing damages to the various states Medicaid programs.

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Del Papa and Terry said that Columbia/HCA and its representatives had been extremely cooperative during the two-year investigation, sharing hundreds of thousands of documents with federal and state investigators in seeking to address its corporate responsibility for the actions at issue.

The Medicaid Fraud Control Unit investigates and prosecutes instances of provider fraud. Anyone wishing to report suspicions regarding fraud may contact the Medicaid Fraud Control Unit at (775) 687-4704 in Carson City, or at (702) 486-3187 in Las Vegas. Medicaid Fraud prevention information can be found on the Attorney General's web site at <http://ag.state.nv.us>.



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 14, 2000

CONTACT: Frederick R. Olmstead
(775) 688-1815

FALSE DOCUMENTATION LEADS TO INSURANCE FRAUD CONVICTION

Reno - Kenneth F. Santor, Jr., age 42, of Reno, was sentenced this morning to serve twelve months in the Washoe County Jail after earlier pleading guilty to the gross misdemeanor crime of Conspiracy To Commit Insurance Fraud. Washoe County District Court Judge Brent Adams sentenced Santor to the maximum jail penalty.

In January 1998, Santor reported to his insurer, Great Western Insurance Company, that he had been the victim of an alleged residential burglary. Santor made a claim for stereo and recording equipment lost in the alleged burglary. But a joint investigation by an independent insurance adjuster and the Insurance Fraud Unit of the Attorney General's Office revealed that the documentation submitted by Santor was false.

Making false statements on an insurance claim is a felony crime in Nevada. If you have any information regarding insurance fraud, please call 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 web site at <http://ag.state.nv.us>

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://ag.state.nv.us>

E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 13, 2000

CONTACT: Verónica Frenkel
(775) 688-1846

LATEST NEVADA DOMESTIC VIOLENCE STATISTICS RELEASED

Carson City--Attorney General Frankie Sue Del Papa, who chairs the Nevada Domestic Violence Prevention Council, announced today the release of statewide law enforcement statistics regarding reported incidents of domestic violence in Nevada during the first and second quarters of 2000 (January-March and April-June 2000). These reports, part of a continuing series, are the result of a collaborative effort between the Domestic Violence Ombudsman of the Attorney General's Office and the Nevada Uniform Crime Reporting (UCR) Program, which is administered by the Nevada Department of Motor Vehicle and Public Safety, Highway Patrol Division.

The most recent "Domestic Violence in Nevada" report covers statistics for the first and second quarters of 2000. According to the report, Nevada law enforcement agencies responded to 4,718 domestic violence incidents during the third quarter of 1999, an increase of 777 incidents from those reported during the first quarter of 1999. Law enforcement responded to 4,960 incidents during the second quarter of 2000, an increase of 529 incidents from those reported during the second quarter of 1999.

"The steady increase in the number of reports to law enforcement from year to year could reflect a number of factors: ongoing improvements in reporting by law enforcement, an increase in the number of victims deciding to call for assistance, population increases, and increases in actual instances of domestic violence" stated Verónica Frenkel, Domestic Violence Ombudsman and author of the reports.

According to the report, arrests were made in approximately 54% of the responses, consistent with a 53% arrest rate during the same period in 1999, and higher than the 50% arrest rate reported during 1998. The report also indicates that children were present in approximately 38% of the reported cases, consistent with reports during 1999.

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The statistics show that roughly 74% of the incidents occurred in Clark County, where 68% of the state's population resides. "The high incidence of reporting in Clark County is likely a reflection of the well-developed systems in place to respond to victims of domestic violence in the region," commented Frenkel. "Additionally, some of the rural jurisdictions of our state probably experience a certain degree of underreporting, which indicates the need to support and strengthen victim services in these regions."

"In order to assess the extent of domestic violence in our state, it is also important to recognize that many victims of domestic violence do not contact law enforcement," stated Sue Meuschke, Executive Director of the Nevada Network against Domestic Violence. Meuschke said 8,764 victims made first-time contacts with domestic violence programs in Nevada during the third quarter of 1999; 7,779 during the fourth quarter. Programs also documented that, for each quarter, 3,265 and 2,982 of those individuals had also contacted law enforcement.

"We must work together to send a clear message that there is no excuse for domestic violence," Del Papa said. "Anything that anyone of us can do to break the cycle of violence is important. Awareness is the key to prevention. There are many ways that people can better educate themselves, their co-workers, neighbors, and their own families about the realities of domestic violence. Together we can make a difference."

On January 1, 1998, Nevada law enforcement agencies began utilizing a standardized domestic violence statistical form developed by the UCR Program to facilitate the collection of domestic violence statistics from throughout the state. Since 1998, as required by NRS 228.450 §1a, the Domestic Violence Ombudsman has prepared quarterly reports based on these law enforcement statistics. Copies of the report are distributed statewide to law enforcement, legislators and others interested in domestic violence prevention.

Frenkel said that she and Highway Patrol Officials continue to modify, update, and improve the "Domestic Violence in Nevada" reports in response to public input. Frenkel stated that future reports in 2001 will expand to include information regarding the number of domestic violence protection orders issued in Nevada. For more information about the report, please contact Frenkel in the Reno office of the Attorney General at (775) 688-1846, or you may visit the Attorney General's Web site at <http://ag.state.nv.us>.

For more information on how to help with efforts to reduce domestic violence in Nevada, call Nevada's toll free domestic violence information and referral line at 1-800-230-1955. If you are being abused, or know someone who is being abused, call Nevada's Domestic Violence Hotline at 1-800-500-1556, 24 hours a day, to get help.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 13, 2000

CONTACT: Bob Bryant
(775) 684-1205

**STATE ISSUING CEASE AND DESIST ORDERS AGAINST
UNLICENSED CHECK CASHING BUSINESSES**

Las Vegas--Attorney General Frankie Sue Del Papa today announced that the Financial Institutions Division of the Department of Business and Industry has issued eight cease and desist orders against unlicensed Las Vegas area "Check Cashing" businesses. The cease and desist orders follow a joint investigation by the Financial Institutions Division and the Attorney General's Office. The intent of the investigation was to make sure these types of businesses are registered with the State of Nevada, and to prevent unlicensed check cashing and loan activity.

If the unlicensed "Check Cashing" businesses continue to operate, the Attorney General's Office may pursue a court order to prevent further activity. Approximately 20 Check Cashing businesses in the Las Vegas area have recently been investigated. Further investigations will occur in the near future.

Del Papa said she believes the issuance of the cease and desist orders are critical as we enter the holiday season, when consumers may be looking for extra money. She emphasized that both her office and the Financial Institutions Division are committed to protecting consumers from unlicensed Check Cashing businesses.

Consumers who use the services of a Check Cashing business should be sure they will have sufficient funds to repay the loan within the terms and conditions preset in the loan agreement. Consumers should make sure they fully understand all terms and conditions of the loan, and what the penalties are if repayment is not made within the time frame established by the Check Cashing business.

If you believe you have been dealing with an unlicensed check cashing or lending establishment, please contact the Financial Institutions Division in Las Vegas at (702) 486-4120, or in northern Nevada at (775) 687-4259.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 8, 2000

CONTACT: Ronda Moore
(775) 684-1228

**NEW REGULATIONS WILL BETTER PROTECT "CRITICALLY LISTED"
ENDANGERED SPECIES PLANTS IN NEVADA**

Carson City—State Forester Roy Trenoweth has announced that the Nevada Division of Forestry (NDF) has adopted new regulations aimed at providing a more clear and consistent direction for the protection of "critically listed" native flora in the State of Nevada. The new regulation states that, "no 'critically listed' plants may be removed or habitat destroyed at any time by any means except under special permit issued by the Nevada State Forester." The regulation clarifies the permit process, and establishes management areas for "critically listed" native flora.

Development and finalization of the new regulations required extensive research and cooperation among several state agencies: NDF, Nevada Attorney General's Office, Nevada Natural Heritage Program, along with private landowners and the general public.

"This process has truly been collaborative," said Pete Anderson, Resource Program Coordinator for NDF. "Nevada continues to rank as one of the fastest growing states in the union, which significantly increases the pressure on all our natural resources statewide. The new regulation allow for creative management strategies through the establishment of managed areas, and for the development of plans that meet both natural resource and economic growth needs throughout the State of Nevada."

Rebecca Wagner, who as Compliance Manager for SB Geo, Inc., a geothermal operating company located in the Steamboat Hot Springs area of southern Washoe County, participated in the adoption process, said, "These new regulations will assist private companies and landowners in determining how they can better protect 'critically listed' flora on their property. SB Geo, Inc. has successfully adopted these regulations, and been able to develop the geothermal energy resources at Steamboat Hot Springs for the betterment of Nevada residents, while proactively providing increased protection for Steamboat Buckwheat (*Eriogonum ovalifolium* var. *williamsiae*), which can only be found at this site.

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The new regulations will remain temporary until all procedural formalities are complete, as required by NRS Chapter 233B.

For more information on the new regulations, contact Pete Anderson at (775) 684-2504, or visit the Nevada Division of Forestry's web site at www.state.nv.us/cnr/forestry/.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 8, 2000

CONTACT: Chris Van Dyke
(775) 687-6300 x240

NEEDY KIDS WILL RECEIVE HOLIDAY SURPRISE

Carson City, NV– Hundreds of underprivileged children in Nevada will receive gifts this holiday season, thanks in part to the Nevada Attorney General's Bureau of Consumer Protection's participation in a national settlement against *Toys 'R' Us*, *Mattel* and *Little Tykes*. The toys will be distributed through the U.S. Marine Corps' "Toys for Tots" program. The total value of the toys is approximately \$53,000.

"Thanks to the efforts of our Bureau of Consumer Protection, we are pleased to be able to once again provide many needy children in Nevada with a special holiday surprise," Attorney General Frankie Sue Del Papa said. "What better way to share the funds derived from this settlement than brightening the holidays for those less fortunate."

This year's toy distribution marks the third and final year that toys will be distributed to needy children as a result of the antitrust lawsuit. In addition, the settlement provided Nevada with a cash award of \$79,492. These funds were distributed in June 2000 as follows: Partners in Education in Washoe Valley (\$17,273); United Way of Southern Nevada in Clark County (\$47,269.80); and Churchill County Social Services (\$14,949.20). These funds are being used to benefit children by providing them with books, toys and educational material.

The settlement was the result of a multi-state antitrust lawsuit filed in 1997 against *Toys 'R' Us* (the nation's largest toy retailer), and toy manufacturers *Mattel* and *Little Tykes*. Nevada joined with 43 other states, Puerto Rico and the District of Columbia, in the lawsuit, which alleged that the three companies conspired to artificially inflate toy prices. The complaint alleged that *Toys 'R' Us* orchestrated an illegal agreement among the toy manufacturers to ensure that low-margin warehouse clubs could obtain certain popular toys only in "combination packs." The states alleged that this agreement inflated the costs of those toys to consumers, and made it difficult for warehouse clubs to compete with similar toy items sold by *Toys 'R' Us*. In settling the case, *Toys 'R' Us*, *Mattel* and *Little Tykes* admitted no wrongdoing.

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For information on toy distribution in a specific area, contact:

- Toys for Tots in Reno: Corporal Jason Johnson (775) 972-4998
- Toys for Tots in Las Vegas: Sergeant Frank Benavente (702) 632-1519
- Rural Northern Nevada: Randi King at (775) 428-2600
- Rural Southern Nevada: Linda Nowell (775) 751-1118

Chris Van Dyck, Deputy Attorney General with the Attorney General's Bureau of Consumer Protection, is handling Nevada's antitrust case.

For more information on the Bureau of Consumer Protection, visit the Attorney General's Web site at [**http://ag.state.nv.us**](http://ag.state.nv.us).

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717

Telephone (775) 684-1100

Fax (775) 684-1108

WEBSITE: <http://www.state.nv.us/ag/>

E-Mail: aginfo@govmail.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 8, 2000

CONTACT: Jane Femiano
(775) 486-3420

**ATTORNEY GENERAL ISSUES CONSUMER ALERT-
TIS' THE SEASON FOR CONSUMER FRAUD**

The holiday season is fast approaching, and Attorney General Frankie Sue Del Papa reminds Nevadans the spirit of generosity shared at this time of year also spawns an increase in sweet-talking scam artists.

"The unfortunate result is that many legitimate charities lose out on millions of dollars, which are instead diverted to these scam artists and swindlers," remarked Del Papa. "Blind trust in that person on the other end of the telephone can often end up lining the pockets of a crook, instead of benefiting the needy charities."

Del Papa offers the following tips to help determine if the charity you are being solicited by is on the level:

- Give directly to a known charity of your choice. It is often better to give to someone you know from past dealings.
- Avoid sound-alike names. Many scams use names that are easily confused with well-respected charities.
- Ask questions. Do not rely upon promises made on the phone. Ask to be provided with a written description of the program, and a copy of the annual report which shows what percent of the income goes specifically to the programs and services.
- Do not be pressured. Legitimate charities will not pressure you into making an immediate donation.
- Never give out credit card, bank account or social security number information to someone over the telephone you do not know. You may get scammed time and time again, once the thief has this information.

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“Many legitimate charities use the phone to raise money,” Del Papa said. “However, sometimes only a small percentage actually goes to the charity, with the vast majority of the funds going to a professional fundraiser. The Nevada Attorney General’s office is currently prosecuting a case in which the charity was to receive only 10% of the total amount donated.”

While this practice is not illegal unless misrepresentations are made, consumers are advised to ask the caller how much of their donation actually goes to the charity.

Consumers are advised to contact the Attorney General’s Bureau of Consumer Protection in Clark County at (702) 486-3777, or statewide at 1-800-992-0900, with questions regarding a specific charity. Consumer protection information and a complaint form can be found on the Attorney General’s web site at <http://ag.state.nv.us> by clicking on “Bureau of Consumer Protection.”

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 5, 2000

CONTACT: Michael Pennington
(775) 684-1100

**NEW PROGRAM SEEKS TO ELIMINATE THE "DIGITAL DIVIDE" BETWEEN
MANY OF NORTHERN NEVADA'S YOUTH**

Reno—Attorney General Frankie Sue Del Papa and Microsoft Licensing, Inc. have sent invitations to more than 250 community and government leaders to attend the unveiling of a new non-profit organization based in Reno that has as its goal the elimination of the "Digital Divide" that often exists between low and middle-income families, and more affluent families. *Cybernavts, Inc.*, the creation of Reno resident Russell B. Altman, an international computer and telecommunications consultant, is working to create community centers that will give children the opportunity to use computers and go online during after-school hours and on weekends. **The reception and kickoff will be held on Tuesday, December 5, 2000, from 5:30-7pm, at Nevada Hispanic Services, located at 3905 Neil Road in Reno.** The public is also invited to attend the unveiling.

"By creating community centers with high-speed computer access, we will be teaching our youth how they can get high tech jobs, thereby ensuring these children are significant contributors to our society," Altman said. "Furthermore, we will be creating a community known for its pool of computer trained youth that will help attract high tech companies to northern Nevada."

In lending her support to the *Cybernavts* project, Del Papa said, "We must invest in our future by providing our children with the tools necessary to succeed in today's business climate. I am pleased to provide my assistance to this very worthwhile project that will help our children today, and help our community in the future."

Access to computers and the Internet at home is a far off dream for many of today's youth. Some have limited access to computers at school, but due to the economic circumstances of their families, are not able to take advantage of the Internet in ways that those children who have computers at home are able to. Thus, the "Digital Divide" between the have's and the have-nots.

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Research indicates that many school children use the Internet equally at school and at home (38.8% at school, 36.1% at home) to pursue online courses and to conduct school project research. Those rates for many low and middle-income families drop dramatically. These children must rely almost entirely on public facilities, such as schools, for their computer and Internet access.

Cybernauts is bringing together the resources of local government, the high tech industry and the public to provide greater computer and Internet access to low and middle-income children. *Cybernauts* specific goals are:

- To provide free access to computers, training and the Internet by creating community computer labs, and by providing qualified, paid teachers and volunteers at these locations, Monday through Friday from 2:30-9:00pm, and on Saturdays from 9:00am to 6:00pm.
- To enlist the support of qualified volunteers and paid staff to man these community centers
- To create 10-15 community labs within the next year.
- To create a pool of high-tech employees through training at these community labs, thereby attracting new businesses to northern Nevada.

Cybernauts has already attracted the support of many businesses, organizations and local government entities: Washoe County has provided surplus Pentium-class computers; Washoe County Juvenile Services and Nevada Hispanic Services have committed space and resources; Microsoft Licensing, Inc. has donated Windows '98 Second edition and Office 2000 Premium; Nevada Bell has installed the Local Area Network and hub router; Onsite Technical Services (OTS) and Personal Software Systems have installed Linux and Windows servers for the LAN; and *Cybernauts* is in discussion with several public and private organizations to create computer centers at their facilities.

For more information on the *Cybernauts* project, please contact Russell B. Altman at (775) 852-7153, or email him at raltman@nvbell.net. For more information on the Nevada Advisory Board for Technological Crime, please check out <http://ag.state.nv.us>.

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STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone (775) 684-1100
Fax (775) 684-1108
WEBSITE: <http://ag.state.nv.us>
E-Mail: aginfo@ag.state.nv.us

FRANKIE SUE DEL PAPA
Attorney General

THOMAS M. PATTON
First Assistant Attorney General

FOR IMMEDIATE RELEASE
December 1, 2000

CONTACT: Gregory R. Hojnowski
Deputy Attorney General
Insurance Fraud Unit
(702) 486-3783

FALSE DOCUMENTATION LEADS TO INSURANCE FRAUD CONVICTION

Las Vegas—Rosalind Isaac Carter, age 49, of Las Vegas, was sentenced this morning to 60 days in the county jail after pleading guilty to Attempting to Make a False Claim for Insurance Benefits. Clark County District Court Judge Donald M. Mosley Carter suspended her sentence, provided Carter pay a fine of \$500 and remains trouble free for the next eight months. The sentence was the result of a plea agreement between Carter and the Insurance Fraud Unit (IFU) of the Attorney General's Office. Carter had faced up to one year in jail and a fine of up to \$2,000.

In January 1998, Carter reported to State Farm Insurance Company, insurer of her son's vehicle, that she was a passenger in the vehicle at the time of an alleged traffic accident. Carter made a claim for personal injuries and lost wages. An investigation by State Farm, the National Insurance Crime Bureau, and the IFU revealed that the documentation submitted by Carter was either altered or completely fabricated. Carter admitted her deception upon confrontation by the IFU investigators. She has no prior criminal record.

Making false statements during an insurance claim is a felony crime in the State of Nevada. 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 web site at <http://ag.state.nv.us>.

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