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FOR IMMEDIATE RELEASE

DATE: Wednesday January 4, 2006

ATTORNEY GENERAL ANNOUNCES SETTLEMENT OF ENERGY LAWSUIT

Las Vegas, NV - Attorney General George Chanos today announced a settlement agreement has been reached with Sempra Energy Corporation. Sempra has agreed to pay Nevada \$30 million over the next 7 years to settle a lawsuit filed in November 2002, alleging conspiracy to manipulate of the energy market.

"This is a significant settlement for Nevada," said Chanos. "Besides providing \$30 million dollars in relief for southern Nevada ratepayers, the agreement removes uncertainty of the eventual outcome of litigation and avoids what could be many years of protracted proceedings and legal appeals, as well as potential bankruptcy issues that could cause even further delays in litigating the case."

Consumer Advocate Eric Witkoski, Chief of the Attorney General's Bureau of Consumer Protection, explained that the settlement amount was based on a "but for" damage model showing that the price of natural gas escalated to artificially inflated prices. Nevada's \$30 million share of the settlement was derived from a uniform formula based primarily upon usage. The agreement is subject to approval by the Nevada District Court for Clark County.

Nevada settled a similar lawsuit with El Paso Corporation, in 2003 for \$48.2 million in relief for Southern Nevada electricity and gas ratepayers to be paid over 20 years. Under an early payment provision of the agreement El Paso satisfied their entire settlement obligation in 2005, in return for a reduction in the settlement amount.

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**ATTORNEY GENERAL
NEVADA DEPARTMENT OF JUSTICE**

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GEORGE J. CHANOS
Attorney General



GERALD J. GARDNER
Chief Deputy Attorney General

January 9, 2006

Karen Armes, Director
Federal Emergency Management Agency
1111 Broadway, Suite 1200
Oakland, CA 94607

Dear Director Ames:

I write to ask your assistance in a matter that concerns the safety and welfare of the people of Nevada. Recently, the United States Department of Health and Human Services (HHS) reported that over 2000 sex offenders from Alabama, Louisiana, and Mississippi may be among the thousands of Hurricane Katrina evacuees relocated throughout the United States. Some of these sex offenders may have come to Nevada, a state that accepted several hundred evacuees in the weeks following Hurricane Katrina.

In a recent letter addressed to Nevada Governor Kenny Guinn, HHS Assistant Secretary Wade F. Horn, Ph.D. wrote, "the Federal Emergency Management Agency (FEMA) has current addresses on all evacuees who registered for disaster assistance...." Dr. Horn urged all states to "obtain this critical public safety information as soon as possible ... to identify the sex offenders who failed to register at their new address in a timely manner and take appropriate action."

In response to Dr. Horn's letter, The Nevada Department of Public Safety (DPS) obtained a list of evacuees who have applied for state and/or county assistance in Clark County, Nevada (Las Vegas area). DPS compared these names against the National Sex Offender Registry and found no registered sex offenders in that group. In Northern Nevada, a planned relocation of large numbers of Katrina evacuees to Reno ("Operation Open Arms") never took place. It is therefore believed that there are few evacuees in Reno brought there as part of an organized relocation. Nonetheless, the Reno Police Department is aware of one gulf state sex offender who came to Reno in September of 2005 and voluntarily registered as a sex offender in compliance with Nevada law.

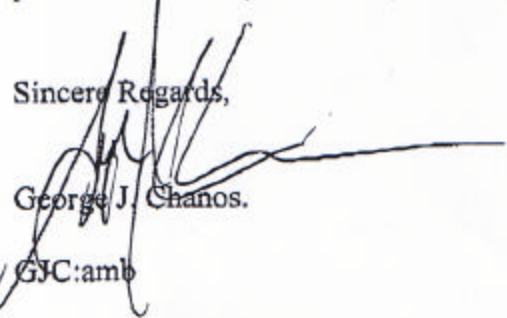
In order to ensure that we have conducted the most diligent search possible for sex offenders in Nevada, it is essential that we also have access to a list of evacuees living in Nevada who have applied for federal disaster assistance or who are otherwise known by federal authorities to be living in Nevada. Unfortunately, we have met with some resistance from your agency in obtaining such information.

We respectfully request that you provide this office with the names, birthdates, and current Nevada addresses of all Katrina evacuees who have applied for disaster assistance in Nevada or who are otherwise known by FEMA to be living in Nevada. A social security number and former Louisiana or Mississippi address would also be extremely helpful. We believe this information is essential to a critical law enforcement objective and can be released to Nevada officials in compliance with state and federal law.

Nevada opened its arms to Katrina victims in September of 2005, yet we retain an obligation to the residents and children of Nevada to protect them against dangerous sexual predators who may be hiding among the evacuees. Vigilant monitoring of sex offenders has been shown to be a crucial element to prevent re-offending. I know you share my concern that sex offenders should not be allowed to escape their obligations simply because they have been relocated as a result of Hurricane Katrina. I am sure you also appreciate that time is of the essence.

Thank you for your cooperation. Please do not hesitate to contact me if I can answer any questions or provide any additional information. We would appreciate your response as soon as possible so that my office may take any additional measures that may be necessary.

Sincere Regards,


George J. Chanos.

GJC:amb



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FOR IMMEDIATE RELEASE
DATE: Monday January 9, 2006

Attorney General Urges FEMA to Release List of Katrina Victims Residing in Nevada; NDOJ Will Use Information to Locate Potential Unregistered Sex Offenders

Las Vegas, NV - Nevada Attorney General George Chanos announced today that he has sent a letter to Regional FEMA Director Karen Armes requesting the release of information on Hurricane Katrina victims now residing in the state of Nevada. General Chanos would like to use this information to cross reference a list of "missing" sex offenders from Louisiana, Mississippi and Alabama, who are believed to be among Katrina's evacuees.

"Nevada is proud to be helping out the victims of the terrible Hurricane Katrina disaster, however, we do ask that they obey our laws while they are staying with us," said Chanos. "That includes registering as a sex offender, if they were convicted and registered in Louisiana, Mississippi or Alabama."

The state of Nevada cross-checked a list of evacuees who have applied for state and/or county assistance in Clark County and found no registered sex offenders in that group. In Washoe County, the Reno Police Department is aware of one gulf state sex offender who came to Reno in September of 2005 and voluntarily registered as a sex offender in compliance with Nevada law.

However, in his letter to Ms. Armes, General Chanos writes: "In order to ensure that we have conducted the most diligent search possible for sex offenders in Nevada, it is essential that we also have access to a list of evacuees living in Nevada who have applied for federal disaster assistance or who are otherwise known by federal authorities to be living in Nevada." Ms. Armes is the Regional Director for FEMA located in Oakland, California.

Over the last few months, Nevada state officials have made several attempts to obtain the list of Katrina evacuees in our state from FEMA. The agency has denied Nevada's requests claiming protection under the Freedom of Information Act.

"If Ms. Armes once again refuses to release the list to the state of Nevada, the Attorney General's Office will consider legal action to obtain the information," Chanos said.

Mr. Chanos has asked Ms. Armes to release a list of names of the evacuees, their date of birth, current Nevada residence and past known residence in Louisiana, Mississippi or Alabama.

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8 **UNITED STATES DISTRICT COURT**
9 **DISTRICT OF NEVADA**
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11 JEREMY STROHMEYER,

12 *Petitioner,*

13 vs.

14 E. K. MCDANIEL, *et al.*,

15 *Respondents.*
16

CV-S-02-0140-RCJ (LRL)

ORDER

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18 This habeas matter under 28 U.S.C. § 2254 comes before the Court for decision on the
19 merits.

20 **BACKGROUND**

21 Sherrice Iverson was murdered on May 25, 1997. She was seven years old. On September
22 8, 1998, Petitioner Jeremy Strohmeyer plead guilty to the first degree murder, first degree
23 kidnaping, sexual assault with a minor under sixteen years of age with substantial bodily harm, and
24 sexual assault with a minor under the age of sixteen. Strohmeyer now seeks to aside his plea of
25 guilty to and Nevada judgment of conviction for these crimes. Strohmeyer was sentenced to three
26 consecutive terms of life imprisonment without the possibility of parole and one term of life
27 imprisonment with possibility of parole. Strohmeyer contends that his plea was involuntary and
28 resulted from the ineffective assistance of his trial counsel, criminal defense attorneys Leslie

1 Abramson and local co-counsel Richard Wright.

2 Strohmeyer's September 8, 1998, guilty plea followed upon his arrest and indictment for the
3 kidnaping, sexual assault and murder of seven year old Sherrice Iverson in a ladies restroom in the
4 Primadonna Hotel and Casino in Primm, Nevada during the early morning hours of May 25, 1997.
5 The plea was entered following the conclusion of jury selection at trial.

6 From the testimony presented at the state court evidentiary hearing, including petitioner's
7 acknowledgments on cross-examination, it is clear that there was a substantial amount of evidence
8 available to the State at the time of petitioner's plea.¹ The evidence shows that Sherrice Iverson's
9 body was found in the handicapped stall of the ladies restroom in the arcade area of the casino at
10 approximately 5:00 A.M. on May 25, 1997. Sherrice was found by Juanita Phelps a housekeeping
11 employee who was helping Sherrice's father look for her. (Tr. of evidentiary Hr'g on Feb. 8, 2000
12 and Feb. 9, 2000, Ex. 1B, at II-87-88 & 120) (hereinafter Transcript.)

13 Casino security videotape showed that Jeremy Strohmeyer had been playing chase or hide-
14 and-go-seek with Sherrice about an hour before her body was found.² A security camera above the
15 entrance to the restrooms recorded the movement of persons entering and leaving the restrooms, but
16 the security tape did not show the doors themselves. (Transcript, Ex. 1B, at II-124.) According to
17 the security video recordings at 3:47:44 A.M., Sherrice appeared in the view of the camera, then she
18 ran into the ladies restroom. (Transcript, Ex. 1A, at I-147-55; Ex. 1B, at II-117-118.) About
19 fourteen seconds later, Strohmeyer entered the restroom entrance camera view with a cigarette in his
20 hand. (Transcript, Ex. 1A, at I-147-55; Ex. 1B, at II-117-118.) Apparently, he took a drag from the
21 cigarette, bent down to take a drink at the water fountain, and then, with the cigarette still in his

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23 ¹No further supporting record materials pertaining to the State's case were presented to this Court. The Court
24 summarizes the record that is available in this proceeding to outline the State's case facing petitioner at the time of his
25 guilty plea, and the Court makes no credibility findings or other factual findings regarding the truth or falsity of the
evidence that would have been presented at trial.

26 ² There are three cameras in the arcade. One is directly over the bathroom doors, this camera shows movement
27 coming towards the restrooms. There is another camera placed in the front corner, and covers the only entrance of the
28 arcade. (Transcript, Ex. 1B, at II-115-117) see also (Transcript, Ex. 1A, at I-155; Ex. 1B, at II-58-59, 95-101, 112-18
& 122-31) (discussions of videos and what they show).

1 hand, proceeded on the same line of travel taken by persons entering the ladies restroom.

2 (Transcript, Ex. 1B, at II-127.) Investigating officers later found a cigarette butt with Strohmeyer's
3 DNA located just inside the entrance to the ladies restroom. (Transcript, Ex. 1A, at I-155; Ex. 1B, at
4 II-58-59, 95-101, 112-18 & 122-31.)

5 Strohmeyer's friend, David Cash, entered the ladies restroom less than two minutes after
6 Strohmeyer, at 3:49:22 A.M. (Transcript, Ex. 1B, at II-118.) Cash left the restroom less than two
7 minutes after that, at about 3:51:20 A.M. (Transcript, Ex. 1B, at II-118.) Strohmeyer, however,
8 exited the ladies restroom at 4:12:57 A.M., after being inside the restroom for a total of about
9 twenty-five minutes. (Transcript, Ex. 1B, at II-119.)

10 In the days immediately following the murder, Strohmeyer made a number of statements to
11 others inculcating himself in the murder of Sherrice Iverson. Agnes Lee, a girlfriend of Strohmeyer,
12 testified before the grand jury that Strohmeyer said that when he was in Las Vegas he had seen a
13 young black girl about seven years old and that he had strangled her. (Transcript, Ex. 1A, at I-185.)
14 Agnes Lee's testimony was corroborated by Strohmeyer's in his post-arrest confession in which he
15 stated that he had told Agnes Lee what had happened but that she did not want to believe him.
16 (Transcript, Ex. 1A, at I-185.) James Trujillo, another friend of Strohmeyer, stated that he was told
17 by Strohmeyer that "I killed that little nigger" regarding the Sherrice Iverson murder. (Transcript,
18 Ex. 1A, at I-186.) Jordan Wheeler, another friend of Strohmeyer, stated that Strohmeyer said to
19 him: "There's one less nigger in this world." (Transcript, Ex. 1A, at I-186.) And, on May 28, 1997,
20 the day of his arrest, Strohmeyer told one of the officers that he killed Sherrice because he wanted to
21 experience death. (Transcript, Ex. 1A, at I-184.)

22 On May 28, 1997, Strohmeyer was arrested, and during the early morning hours of May 29,
23 1997, Strohmeyer gave a taped confession. Strohmeyer told officers, *inter alia*, that he had removed
24 Sherrice's boots, pants and underpants (Transcript, Ex. 1A, at I-157); that he had put his finger in
25 her vagina up to the knuckle and then had moved his finger in and out several times (Transcript, Ex.
26 1A, at I-157); that he had seen blood come from her vaginal area and that he had blood on his finger
27 (Transcript, Ex. 1A, at I-157-58); that, before he left, he tried to break her neck in a twisting motion

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1 and heard a loud snap but she still was breathing (Transcript, Ex. 1A, at 173); he then tried to break
2 her neck by twisting Sherrice Iverson's neck one more time as hard as he could.(Transcript, Ex. 1A,
3 at 173.) Sherrice then stopped breathing. (Transcript, Ex. 1A, at 173.) Strohmeyer stated in his
4 confession that the thought of giving Sherrice CPR never crossed his mind "because that would
5 have been contrary to wanting her dead." (Transcript, Ex. 1A, at 174.) Strohmeyer further told
6 officers that a bubbly substance, mucus mixed with blood, came out of Sherrice's mouth; that he
7 rubbed his hand against it; and that he then used a tissue to wipe it off and threw the tissue on the
8 floor. (Transcript, Ex. 1A, at 177-180.) A tissue with a blood-like substance on it had been
9 recovered from the scene by investigating officers. (Transcript, 1B, at II-57-58.)

10 Police also seized Strohmeyer's computer. America Online had issued FlyBoy1030 to
11 Strohmeyer as his screen name. (Transcript, Ex. 1A, at I-162.) On May 23, 1997, two days before
12 the assault and murder of Sherrice, there was an online chat exchange between FlyBoy1030 and
13 another computer user with the screen name Litllover. (Transcript, Ex. 1A, at I-162-68.) Both talk
14 about their fantasies and desire for little girls age six and younger. Litllover responds affirmatively
15 to FlyBoy1030's inquiry as to whether he had "gotten to actually do anything with any."
16 FlyBoy1030 then asks Litllover to tell him about his experiences with little girls, asking him to "feed
17 my sick fantasies. Hee hee," and saying "I'm jealous." (Transcript, Ex. 1A, at I-162-68.)

18 **A. Strohmeyer's Habeas Petitions**

19 In the state post-conviction proceedings and in his federal habeas petition, Strohmeyer
20 alleged that his plea was involuntary (under Ground Two) and resulted from ineffective assistance
21 of trial counsel (under Ground One). Strohmeyer claims that his Counsel allegedly misinformed
22 him that the best case scenario following a trial on the three counts for which he could receive a
23 sentence of life with parole was seventy-five years. His Counsel allegedly claimed that the trial
24 judge would be required to impose consecutive sentences on the three counts before becoming
25 eligible for parole. Strohmeyer claims that this information led him to believe that serving the
26 sentences concurrently would have been the functional equivalent of the life without parole offer
27 made by the State, when in fact the sentences could be imposed concurrently with eligibility for
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1 parole after only twenty-five years. (Am. Pet. For a Writ of Habeas Corpus, ¶¶ A-1 thru A-23 & B-1
2 thru B-5.)

3 Additionally, Strohmeyer's Counsel allegedly misinformed him: (a) that he could not take a
4 post-trial appeal of a pre-trial ruling denying suppression of his confession, when he in fact could
5 appeal the ruling after trial; (b) that he could not take a post-trial appeal of a pre-trial ruling on a
6 motion in limine that the computer evidence could be used on cross-examination if petitioner took
7 the stand at trial, when he in fact could appeal the ruling after trial; and (c) that the United States
8 Supreme Court had denied his petition for a writ of certiorari of the decision of the Supreme Court
9 of Nevada reversing a pre-trial ruling suppressing the computer evidence, when in fact the certiorari
10 petition still was pending and remained so until it was withdrawn following the plea. (Am. Pet. for a
11 Writ of Habeas Corpus, ¶¶ A-24 thru A-38 & B-6 thru B-14.)

12 Furthermore, Strohmeyer claims that Abramson used coercive tactics, over and above the
13 foregoing misrepresentations, to manipulate petitioner into accepting the guilty plea, including: (a)
14 telling petitioner that he was guilty and deserved to be punished, that he should not put either the
15 victim's family or his own family through the stress of a trial, and that it would be selfish for him to
16 insist on going to trial; (b) telling his parents that he had already made up his mind and only wanted
17 their support rather than their advice and that they would not be allowed to see petitioner on death
18 row if he received the death penalty; (c) describing the execution procedure in graphic detail; and
19 (d) otherwise preventing petitioner from having a meaningful discussion with his parents regarding
20 the plea decision by preventing them from speaking without counsel present and by directing their
21 conversation to ensure that the wisdom of the underlying plea decision was not discussed; (Am. Pet.
22 for a Writ of Habeas Corpus, ¶¶ A-39 thru A-49 & B-15 thru B-16.)

23 Counsel also allegedly failed to tell petitioner about favorable evidence: (a) that both the
24 medical examiner and the defense medical expert agreed that the account of the murder given by
25 petitioner in his confession was inconsistent with the forensic evidence; and (b) that the police had
26 been able to lift fingerprints from the bathroom stall where the victim's body was found but that
27 they were not petitioner's. (Am. Pet. for a Writ of Habeas Corpus, ¶¶ A-47, B-1 & B-17.)

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1 Strohmeyer alleged that, from the beginning of the representation, he made it clear to his
2 attorneys that he did not want to plead guilty and that "he preferred to be sentenced to death rather
3 than be sentenced to life without parole." (Am. Pet. for a Writ of Habeas Corpus, ¶ A-4.) He alleges
4 that counsel knew that he was willing to go to trial and risk the death penalty "if there was any
5 chance whatsoever, however remote or theoretical, that a trial would result in his eventually being
6 able to get out of jail." (Am. Pet. for a Writ of Habeas Corpus, ¶ A-20.) Strohmeyer maintains that
7 the foregoing alleged misrepresentations played a "decisive role" in his deciding to plead guilty and
8 that he would not have pled guilty but for the misrepresentations, coercion and manipulative tactics
9 of counsel. (Am. Pet. for a Writ of Habeas Corpus, ¶¶ A-22, A-23, A-33, A-34, A-48, A-49, A-51,
10 B-5, B-8, B-11, B-14 & B.)

11 **B. Nevada State District Court two-day evidentiary hearing on Strohmeyer's Petition**

12 The state district court held a two-day evidentiary hearing on Strohmeyer's petition, wherein
13 Petitioner and others involved with the case, including his mother, testified. Strohmeyer and his
14 mother testified in the main, in accord with the foregoing allegations. There was no specific hearing
15 testimony, however, that defense trial counsel told Strohmeyer that the United States Supreme Court
16 had denied his petition for a writ of certiorari of the decision of the Supreme Court of Nevada
17 reversing a pre-trial ruling suppressing the computer evidence. (Transcript, Ex. 1A, at I-86-104,
18 124-37 & 206-18; Ex. 1B, at II-3-11.) Moreover, while petitioner testified, consistent with the
19 foregoing allegations, that he initially told counsel that he preferred the death penalty over a
20 sentence of life without parole, he nonetheless included in the "determinative factors" behind his
21 decision to take the plea the probability that "if I went [to trial] I was going to die." (Transcript, Ex.
22 1a, at I-89 & 103, I-135) (responding in part that "I was assured that the conviction would result in
23 me being sentenced to the death penalty and that I would be put on death row.").

24 ***1. Testimony of Leslie Abramson***

25 Leslie Abramson was retained to be Strohmeyer's lead trial attorney. At the time of her
26 testimony, Abramson had extensive trial experience in that she had handled twenty capital cases and
27 was qualified as an expert in capital defense. (Transcript, Ex. 1A, at I-82.)
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1 Additionally, when Strohmeyer's lead trial counsel, Leslie Abramson, testified, *inter alia*,
2 that neither she nor Wright told petitioner that if he were convicted the judge would be required to
3 run all sentences consecutively rather than concurrently. Counsel instead merely stated that in their
4 professional opinion it was likely that any sentences imposed would be imposed consecutively.
5 (Transcript, Ex. 1A, at I-46-48 & 62.)

6 Also neither she nor Wright told petitioner that if he were convicted he could not then appeal
7 the issues raised pretrial. Counsel instead advised petitioner that he could appeal all issues raised at
8 trial and pre-trial but that in their professional opinion none of the issues were likely to prevail or,
9 even if they prevailed, were not likely to change the overall outcome under the harmless error
10 doctrine. (Transcript, Ex. 1A, at I-30-31, 49-54, 56-59 & 62-63.)

11 Abramson further testified that she did not try to coerce Strohmeyer into taking the plea, and
12 she instead told petitioner that she would not make the decision for him. In particular, she did not
13 tell petitioner that he was guilty, that he deserved to be punished, or that he should not put his
14 parents or Sherrice Iverson's parents through a trial. Nor did she tell his parents that they would not
15 be able to see him on death row or give them a graphic description of the execution process. Nor
16 did she try to prevent the parents from speaking with Strohmeyer. She did recall being told by
17 Strohmeyer to tell his parents that he did not want to argue back and forth and wanted their support
18 for his decision, but she did not recall at what point in the process that petitioner told her to tell
19 them this. (Transcript, Ex. 1B, at I-33, 55-56, 59-66 & 83.)

20 Abramson discussed with Strohmeyer the discrepancies that she believed existed between
21 his statements in his confession and the forensic evidence, but with the understanding that the
22 forensic autopsy evidence "went both ways." She did not recall whether she told him that
23 fingerprints found in the bathroom stall were not his, a fact that she stated "wouldn't be surprising
24 since it's a public restroom." (Transcript, Ex. 1A at I-70-74.)

25 Lastly, Abramson testified that Strohmeyer initially made a statement, in the same fashion as
26 many of her capital clients had early in a case, that he thought that life without parole was worse
27 than death and that he was not interested in any plea deals involving life without parole. However,
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1 when the State was approached regarding a plea after the Nevada Supreme Court issued its decision
2 permitting use of the computer evidence, Strohmeier did not say that he would rather take the death
3 penalty. Instead, when counsel presented Strohmeier with the possibility of a plea deal with life
4 without parole, he agreed in relatively short order on the basis that, *inter alia*, "it's better to be
5 alive." (Transcript, Ex. 1A at I-32-33, 39-40, 45, 54-55 & 56.)

6 **2. Testimony of Richard Wright**

7 Abramson's local co-counsel, Richard Wright, also testified. Richard Wright also has
8 extensive criminal defense experience. Abramson said of Wright that he is very knowledgeable
9 about Nevada law, ethical obligations on capital defenders, the court system, assessing tactics, and
10 strategy. (Transcript, Ex. 1A, at I-82.) At the time of his testimony Richard Wright had been a
11 licenced attorney for twenty-eight years specializing in criminal practice. (Transcript, Ex. 1C, at II-
12 134.)

13 Wright functioned in the role of co-counsel rather than merely as a local counsel who was
14 present solely to satisfy local practice requirements. He made extensive contemporaneous
15 handwritten notes during the representation. These notes were admitted into evidence at the state
16 court evidentiary hearing and were used as a reference point during testimony. (Transcript, Ex. 1A,
17 at I-79-81; Ex. 1C, at II-134-140.)

18 According to Wright's testimony, *inter alia*, neither he nor Abramson told Strohmeier that if
19 he were convicted the judge would be required to run all sentences consecutively rather than
20 concurrently. They instead stated that in their professional opinion it was likely that any sentences
21 would be imposed consecutively. (Transcript, Ex. 1C, at II-149-51 & 169.)

22 Furthermore, neither he nor Abramson told petitioner that if he were convicted he could not
23 then appeal the issues raised pretrial; and counsel instead advised petitioner that he could appeal all
24 issues raised at trial and pre-trial but that in their professional opinion none of the issues were likely
25 to prevail or, even if they prevailed, were not likely to change the overall outcome or put them in a
26 better position than the plea offered. (Transcript, Ex. 1B, at II-151-54, 170-73, 216-25 & 227-53.)

27 Wright testified that he did not observe Abramson ever try to coerce Strohmeier into
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1 agreeing to plea guilty. She instead made it clear to petitioner that it was his decision, and she stated
2 that she was not advocating what he should do. Strohmeyer instructed them to see if a life without
3 parole plea deal was possible, and it was Strohmeyer who decided to take the plea. (Transcript, Ex.
4 1B, at II-141-42, 144-45, 147-48, 162-63 & 169-70.)

5 In particular, Wright did not observe Abramson ever tell Strohmeyer that he was guilty, that
6 he deserved to be punished, or that he should not put Sherrice Iverson's parents through a trial. Nor
7 did she use scare tactics. Nor did she try to prevent the parents from speaking with Strohmeyer.
8 While Abramson was a strong personality, Wright did not perceive the situation as one where she
9 intimidated either Strohmeyer or his parents into accepting the plea deal. (Transcript at II-143,
10 146-47, 163-64, 174-76 & 203-07.)

11 Apparently, Abramson told Wright, when he raised the prospect of plea negotiations after
12 jury selection, that Strohmeyer had said to her that he would rather die than have life without parole.
13 However, when Strohmeyer decided to take the plea, petitioner indicated that he was doing so
14 because he did not want to die and that he wanted to live to make a difference and tell his story of
15 "how a good person did a horrible thing." (Transcript, at II-145 & 254-55.)

16 **3. Nevada State District Court's Findings**

17 Following the evidentiary hearing, the state district court made findings both from the bench
18 and in subsequently-entered written findings. Petitioner suggests that only the subsequently-entered
19 written findings are pertinent. (#40, at 4 n.1.) However, even prior to the amendments to Section
20 2254 in the Antiterrorism and Effective Death Penalty Act (AEDPA), the law was well-established
21 that oral findings assigned from the bench and reflected in a written transcript were entitled to a
22 presumption of correctness to the same extent as findings in a written order issued instead from
23 chambers. *See, e.g., Wainwright v. Witt*, 469 U.S. 412, 431-32, 105 S.Ct. 844, 855, 83 L.Ed.2d 841
24 (1985); *Poland v. Stewart*, 117 F.3d 1094, 1103 (9th Cir. 1997). This well-established law is even
25 more apropos under the AEDPA, which contains no express requirement that the state court factual
26 findings be written to be accorded deference under either 28 U.S.C. § 2254(d)(2) or § 2254(e)(1).

1 Among other things the Nevada state court found the following:

2 First, that neither Abramson nor Wright told petitioner that if he were convicted the judge
3 would be required to run all sentences consecutively, and counsel instead merely stated their
4 professional opinion that it was likely that any sentences imposed would be imposed consecutively.
5 *State Court Finding No. 18. (Am. Pet. for a Writ of Habeas Corpus, Ex. B.)*

6 Second, that neither Abramson nor Wright told petitioner that if he were convicted he could
7 not then appeal the issues raised pretrial; and counsel instead advised Strohmeyer that he could
8 appeal all issues raised at trial and pre-trial but that in their professional opinion none of the issues
9 were likely to prevail or, even if they prevailed, were not likely to change the overall outcome. *State*
10 *Court Finding No. 19; Bench Findings, at II-308. (Transcript, Ex. 1C.)*

11 Third, that Strohmeyer was not coerced by his attorneys' actions or any inappropriate advice
12 to seek a negotiated resolution and plead guilty; he had ample opportunity to discuss the decision
13 with his parents; and defense counsel clearly left the decision whether to plead guilty or go to trial to
14 petitioner. *State Court Findings Nos. 13, 20 & 21; Bench Findings, at II-307-309.*

15 Fourth, that the testimony of Abramson and Wright regarding their interaction with
16 Strohmeyer and the State was credible, and the contrary testimony of Strohmeyer and his mother
17 was not credible. *State Court Finding No. 26.*

18 Fifth, that the advice Strohmeyer received from his trial counsel was legally and factually
19 accurate and sufficiently detailed to enhance his ability to make a knowing and intelligent decision
20 whether to plead guilty or go to trial; there was nothing in the record to support any viable claim of
21 ineffective assistance of counsel due to either insufficient or inaccurate information given by
22 counsel to petitioner; and counsel capably provided defendant with advice and accurately explained
23 to petitioner the alternatives available to him. *State Court Findings Nos. 11, 12 & 14; Bench*
24 *Findings, at II-303.*

25 Sixth, that there was no material discrepancies between the petitioner's account of the
26 murder in his confession and the forensic evidence. *State Court Finding; Bench Findings, at II-*
27 *314-315 & II-316-317.*

28

1 Lastly, that it was petitioner himself who decided to offer to plead guilty to all counts and
2 agree to the imposition of maximum sentences to run consecutively if the State would withdraw its
3 notice of intent to seek the death penalty. *State Court Finding No. 13*. Petitioner knowingly and
4 voluntarily plead guilty to the offenses to avoid the very real possibility that the death penalty would
5 have been imposed by a jury if the case had gone to trial, with the state district court specifically
6 finding that it was petitioner's fear of a possible death penalty verdict and a desire to avoid the
7 embarrassment of a trial that motivated his actions. *State Court Findings Nos. 17 & 22*.

8 The Supreme Court of Nevada affirmed the state district court's denial of relief. (Am. Pet.
9 for a Writ of Habeas Corpus, Ex. A.) Holding that Strohmeyer's arguments on appeal "lack merit
10 and that the district court did not er in determining that Strohmeyer's plea was voluntary and that his
11 counsels' performance did not fall below the objective standard of reasonableness." *Strohmeyer v.*
12 *The State of Nevada*, No. 35751 at 2.

13 In the present federal petition, petitioner maintains that the state court decision denying relief
14 was contrary to or involved an unreasonable application of clearly established federal law and was
15 based upon an unreasonable determination of the facts in light of the evidence presented in the state
16 court. Strohmeyer further maintains that the court should undertake *de novo* review or hold an
17 evidentiary hearing because the state court's findings were mixed determinations of law and fact
18 rather than findings of historical fact. (Am. Pet. for a Writ of Habeas Corpus, at 23-24.)

19 STANDARD OF REVIEW

20 The Antiterrorism and Effective Death Penalty Act (AEDPA) imposes a "highly deferential
21 standard for evaluating state-court rulings." *Lindh v. Murphy*, 521 U.S. 320, 333 n.7, 117 S.Ct.
22 2059, 2066 n.7, 138 L.Ed.2d 481 (1997). Under this deferential standard of review, a federal court
23 may not grant habeas relief merely on the basis that a state court decision was incorrect or
24 erroneous. *E.g., Clark v. Murphy*, 331 F.3d 1062, 1067 (9th Cir. 2003). Instead, under 28 U.S.C. §
25 2254(d), the federal court may grant habeas relief only if the decision: (1) was either contrary to or
26 involved an unreasonable application of clearly established law as determined by the United States
27 Supreme Court; or (2) was based on an unreasonable determination of the facts in light of the
28

1 evidence presented at the state court proceeding. *E.g., Mitchell v. Esparza*, 124 S.Ct. 7,10 (2003);
2 see also *Kennedy v. Lockyer*, 379 F.3d 1041 (9th Cir., 2004) ("under AEDPA, we may grant a writ
3 of habeas corpus to a person in state custody only if the state court's decision was "based on an
4 unreasonable determination of the facts in light of the evidence presented in State court proceeding,"
5 28 U.S.C. § 2254(d)(2), or the claimed constitutional error "resulted in a decision that was contrary
6 to, or involved an unreasonable application of, clearly established Federal law, as determined by the
7 Supreme Court of the United States." 28 U.S.C. § 2254(d)(1).").

8 A state court decision is "contrary to" law clearly established by the Supreme Court only if it
9 applies a rule that contradicts the governing law set forth in Supreme Court case law or if the
10 decision confronts a set of facts that are materially indistinguishable from a Supreme Court decision
11 and nevertheless arrives at a different result. *E.g., Mitchell*, 124 S.Ct. at 10. A state court decision
12 is not contrary to established federal law merely because it does not cite the Supreme Court's
13 opinions. *Id.* Indeed, the Supreme Court has held that a state court need not even be aware of its
14 precedents, so long as neither the reasoning nor the result of its decision contradicts them. *Id.*
15 Moreover, "[a] federal court may not overrule a state court for simply holding a view different from
16 its own, when the precedent from [the Supreme] Court is, at best, ambiguous." *Mitchell*, 124 S.Ct.
17 at 11. For, at bottom, a decision that does not conflict with the reasoning or holdings of Supreme
18 Court precedent is not contrary to clearly established federal law.

19 A state district court decision constitutes an "unreasonable application" of clearly
20 established federal law only if it is demonstrated that the state court's application of Supreme Court
21 precedent to the facts of the case was not only incorrect but "objectively unreasonable." *E.g.,*
22 *Mitchell*, 124 S.Ct. at 12; *Davis v. Woodford*, 333 F.3d 982, 990 (9th Cir. 2003).

23 To the extent that the state court's factual findings are challenged intrinsically based upon
24 evidence in the state court record, the "unreasonable determination of fact" clause of Section
25 2254(d)(2) controls on federal habeas review. *E.g., Lambert v. Blodgett*, 393 F.3d 943, 972 (9th
26 Cir. 2004). This clause requires that the federal courts "must be particularly deferential" to state
27 court factual determinations. *Id.* The governing standard is not satisfied by a showing merely that
28

1 the state court finding was "clearly erroneous." 393 F.3d at 973. Rather, the AEDPA requires
2 substantially more deference:

3 [I]n concluding that a state-court finding is unsupported by
4 substantial evidence in the state-court record, it is not enough that we
5 would reverse in similar circumstances if this were an appeal from a
6 district court decision. Rather, we must be convinced that an appellate
panel, applying the normal standards of appellate review, could not
reasonably conclude that the finding is supported by the record.

7 *Taylor v. Maddox*, 366 F.3d 992, 1000 (9th Cir. 2004); *see also Lambert*, 393 F.3d at 972. If the
8 state court factual findings withstand intrinsic review under this deferential standard, they then are
9 clothed in a presumption of correctness under 28 U.S.C. § 2254(e)(1); and they may be overturned
10 based on new evidence offered for the first time in federal court, if other procedural prerequisites are
11 met, only on clear and convincing proof. *Lambert*, 393 F.3d at 972.

12 The petitioner bears the burden of proving by a preponderance of the evidence that he is
13 entitled to habeas relief. *Davis*, 333 F.3d at 991.

14 GOVERNING SUBSTANTIVE LAW

15 The Supreme Court decisions in *Tollett v. Henderson*, 411 U.S. 258, 93 S.Ct. 1602, 36
16 L.Ed.2d 235 (1973), and *Hill v. Lockhart*, 474 U.S. 52, 106 S.Ct. 366, 88 L.Ed.2d 203 (1985),
17 sharply curtail the possible grounds available for challenging a conviction entered following a guilty
18 plea. As the Court stated in *Tollett*:

19 [A] guilty plea represents a break in the chain of events which has
20 preceded it in the criminal process. When a criminal defendant has
21 solemnly admitted in open court that he is in fact guilty of the offense
22 with which he is charged, he may not thereafter raise independent
23 claims relating to the deprivation of constitutional rights that occurred
24 prior to the entry of the guilty plea. He may only attack the voluntary
and intelligent character of the guilty plea by showing that the advice
he received from counsel was not within the [constitutional] standards
[established for effective assistance of counsel.]

25 411 U.S. at 267, 93 S.Ct. at 1608. Accordingly, "while claims of prior constitutional deprivation
26 may play a part in evaluating the advice rendered by counsel, they are not themselves independent
27 grounds for federal collateral relief." *Id.*

28 In *Hill*, the Court held that the two-pronged test of *Strickland v. Washington*, 466 U.S. 668,

1 104 S.Ct. 2052, 80 L.Ed.2d 674 (1984), applies to challenges to guilty pleas based on alleged
2 ineffective assistance of counsel. 474 U.S. at 58, 106 S.Ct. at 370. Accordingly, a petitioner
3 seeking to set aside a guilty plea due to ineffective assistance of counsel must demonstrate: (1) that
4 his counsel's performance fell below an objective standard of reasonableness; and (2) that the
5 defective performance resulted in actual prejudice. 474 U.S. at 58-59, 106 S.Ct. at 370.

6 On the performance prong, the question is not what counsel might have done differently but
7 rather is whether counsel's decisions were reasonable from counsel's perspective at the time. In this
8 regard, the reviewing court starts from a strong presumption that counsel's conduct fell within the
9 wide range of reasonable conduct. *E.g., Beardslee v. Woodford*, 327 F.3d 799, 807-08 (9th Cir.
10 2003).

11 On the prejudice prong, as a general matter under *Strickland*, the petitioner must
12 demonstrate a reasonable probability that, but for counsel's unprofessional errors, the result of the
13 proceeding would have been different. *E.g., Beardslee*, 327 F.3d at 807-08. Application of this
14 general principle to the specific context of a guilty plea leads to the requirement that the petitioner
15 "must show that there is a reasonable probability that, but for counsel's errors, he would not have
16 pleaded guilty and would have insisted on going to trial." *Hill*, 474 U.S. at 59, 106 S.Ct. at 370.

17 Under *Hill*, a challenge to the voluntariness of a guilty plea potentially may be based upon a
18 claim of ineffective of assistance of counsel in proceedings prior to the plea. As the Court observed:

19 For example, where the alleged error of counsel is a failure to
20 investigate or discover potentially exculpatory evidence, the
21 determination whether the error "prejudiced" the defendant by causing
22 him to plead guilty rather than go to trial will depend on the likelihood
23 that discovery of the evidence would have led counsel to change his
24 recommendation as to the plea. This assessment, in turn, will depend
25 in large part on a prediction whether the evidence likely would have
26 changed the outcome of a trial. Similarly, where the alleged error of
27 counsel is a failure to advise the defendant of a potential affirmative
28 defense to the crime charged, the resolution of the "prejudice" inquiry
will depend largely on whether the affirmative defense likely would
have succeeded at trial. . . . As we explained in *Strickland v.*
Washington, *supra*, these predictions of the outcome at a possible
trial, where necessary, should be made objectively, without regard for
the "idiosyncrasies of the particular decisionmaker." *Id.*, 466 U.S., at
695, 104 S.Ct., at 2068.

1 474 U.S. at 59–60, 106 S.Ct. at 370–71. Thus, an attorney's unprofessional error in failing to
2 develop a meritorious defense may serve as a basis for overturning a guilty plea and conviction if,
3 viewed objectively, there is a reasonable probability that, but for the error, the petitioner would not
4 have pled guilty and would have insisted on going to trial.

5 DISCUSSION

6 Strohmeyer's testimony and allegations were contradicted on every point of dispositive
7 significance in the state court evidentiary hearing, and the state district court's detailed factual
8 findings constituted a complete rejection of the necessary factual predicates to his claims. The
9 necessary underpinnings of historical fact that were rejected by the state district court included
10 Strohmeyer's allegations that counsel told him that consecutive sentences were mandatory, that
11 counsel told him that no further appeals were available as to any of the pretrial issues, that counsel
12 engaged in the coercive tactics alleged, and that counsel otherwise failed to give him advice that was
13 legally and factually accurate and sufficiently detailed to permit an informed plea. After reviewing
14 the record presented, this Court can in no sense say that an appellate panel, applying the normal
15 standards of appellate review, could not reasonably conclude that the state court findings were
16 supported by the record. Accordingly, the findings do not constitute unreasonable determinations of
17 fact; and they are entitled to both AEDPA deference and the statutory presumption of correctness,
18 which has not been rebutted herein. *See Lambert*, 393 F.3d at 972. The state district court's factual
19 findings contradict petitioner's core allegations and thus are fatal to his claims.³

21 ³The Court notes that deference extends to implicit as well as explicit findings of historical fact. *E.g.*, *Paradis*
22 *v. Arave*, 20 F.3d 950, 955 (9th Cir. 1994); *Creech v. Arave*, 947 F.2d 873, 887 (9th Cir. 1991), *rev'd in part on other*
23 *grounds*, 507 U.S. 463, 113 S.Ct. 1534, 123 L.Ed.2d 188 (1993).

24 Petitioner maintains that the Court should undertake *de novo* review of the state court's findings of fact because
25 they included mixed determinations of law and fact. However, Ninth Circuit law confirms that the findings of historical
26 fact underlying mixed determinations of law and fact are accorded the full deference of §§ 2254(d)(2) and 2254(e)(1).
See Lambert, 393 F.3d at 976-78. The findings of fact referred to in the text are findings of historical fact that
undermine the key historical factual underpinnings of petitioner's claims. These findings of historical fact are entitled to
deference under the AEDPA.

27 To the further extent that petitioner requests an evidentiary hearing herein, no attempt has been made to show
28 (continued...)

1 Based upon the state district court's factual findings, which must be presumed correct in this
2 proceeding, the state court's decision that Strohmeier's plea was voluntary and knowing and that
3 petitioner was not denied effective assistance of counsel was neither contrary to nor an unreasonable
4 application of clearly established federal law.

5 IT THEREFORE IS ORDERED that the petition for a writ of habeas corpus is *denied* with
6 prejudice on the merits. The Clerk of Court shall enter final judgment accordingly in favor of
7 respondents and against petitioner.

8
9 DATED: January 10, 2006.

10
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13 
14 ROBERT C. JONES
15 UNITED STATES DISTRICT JUDGE
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17
18

19 ³(...continued)

20 that the requirements of 28 U.S.C. § 2254(e)(2) for holding such a hearing and bringing new evidence before the federal
21 court have been satisfied. Petitioner additionally seeks to invoke the summary judgment procedure described in
22 *Blackledge v. Allison*, 431 U.S. 63, 97 S.Ct. 1621, 52 L.Ed.2d 136 (1977). See #41, at 5. However, *Blackledge*
23 discussed the possible use of the summary judgment procedure in an appropriate case in lieu of an evidentiary hearing
24 where one otherwise might be required. 431 U.S. at 80-81, 97 S.Ct. at 1632-33. No basis under § 2254(e)(2) has been
25 established in this case for an evidentiary hearing or for the receipt of new evidence in federal court, and utilization of
26 the summary judgment procedure described in *Blackledge* is in all events subject to the intervening statutory changes in
27 the AEDPA regarding the standards and procedure for review of state court factual determinations.

28 Finally, the Court notes that Leslie Abramson testified that she did not recall discussing the fingerprint evidence
obtained from the bathroom with petitioner. His testimony that she did not speak with him about the evidence is not
contradicted. What the state court found, however, was that the advice petitioner received from his counsel was legally
and factually accurate and *sufficiently* detailed to permit an informed decision. Given the strength of the State's case,
there is not an objectively reasonable probability that—but for the *arguendo* omission of discussion of the fact that
fingerprints of other persons were found in the public restroom—the petitioner would not have pled guilty and would
have insisted on going to trial.

Other Orders/Judgments**2:02-cv-00140-RCJ-LRL JEREMY STROHMEYER v. E.K. MCDANIEL, et al.****United States District Court****District of Nevada****Notice of Electronic Filing**

The following transaction was received from AAB, entered on 1/11/2006 at 11:16 AM PST and filed on 1/11/2006

Case Name: JEREMY STROHMEYER v. E.K. MCDANIEL, et al.**Case Number:** 2:02-cv-140**Filer:****WARNING: CASE CLOSED on 01/11/2006****Document Number:** 49**Docket Text:**

CLERK'S JUDGMENT in favor of Respondents against Petitioner. Signed by Judge Lance S Wilson on 1/11/06. (AAB)

The following document(s) are associated with this transaction:

Document description:Main Document**Original filename:**n/a**Electronic document Stamp:**

[STAMP dcecfStamp_ID=1101333072 [Date=1/11/2006] [FileNumber=2955886-0]
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9487a287afc7fe4033e8aa4257eb85d3dd8e5989f9a6cfe6b99d39f666ac6]]

2:02-cv-140 Notice will be electronically mailed to:

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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

JEREMY STROHMEYER,

Petitioner,

vs.

E.K. MCDANIEL, ET AL.

Respondent,

JUDGMENT IN A CIVIL CASE

2:02-CV-140-RCJ-LRL

13 — **Jury Verdict.** This action came before the Court for a trial by jury. The issues have
14 been tried and the Court has granted a directed verdict.

15 X **Decision by Court.** This action came to be considered by the Court. The issues have
16 been considered and a decision has been rendered.

17 **IT IS ORDERED AND ADJUDGED** That the petition for a writ of habeas corpus is
18 denied with prejudice on the merits. Judgment is entered for the Respondents and against
19 Petitioner Jeremy Strohmeyer.
20
21

Lance S. Wilson

Clerk

January 11, 2006

Date

Lance S. Wilson



Other Orders/Judgments

2:02-cv-00140-RCJ-LRL JEREMY STROHMEYER v. E.K. MCDANIEL, et al.

United States District Court

District of Nevada

Notice of Electronic Filing

The following transaction was received from AAB, entered on 1/11/2006 at 10:54 AM PST and filed on 1/10/2006

Case Name: JEREMY STROHMEYER v. E.K. MCDANIEL, et al.

Case Number: 2:02-cv-140

Filer:

Document Number: 48

Docket Text:

ORDER denying [23] Petition for Writ of Habeas Corpus filed by Jeremy Strohmeyer. Judgment entered against petitioner. Signed by Judge Robert C. Jones on 1/10/06. (AAB)

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1101333072 [Date=1/11/2006] [FileNumber=2955849-0]
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c6fccal749a304cf0916e3de823a9d5ba0396f816a823439f35637cdb7c83]]

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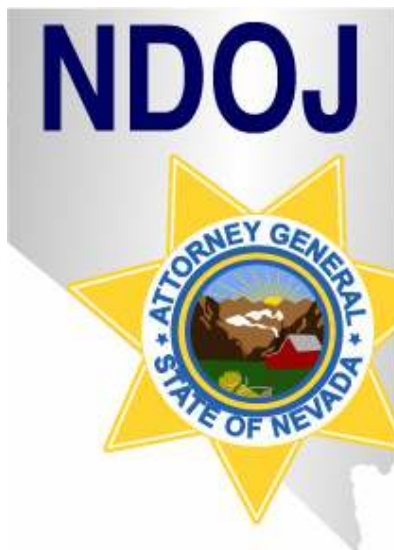
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FOR IMMEDIATE RELEASE

DATE: Wednesday January 18, 2006

FEDERAL COURT UPHOLDS STROHMEYER CONVICTION

Las Vegas, NV - Nevada Attorney General George J. Chanos announced today the United States District Court has denied the habeas corpus petition of child killer Jeremy Strohmeyer. In his petition, Strohmeyer had alleged his guilty pleas to Murder, Kidnapping, and Sexual Assault against a child were involuntary and asked for a new trial. Strohmeyer charged that his two attorneys, Leslie Abramson and Richard Wright badgered him into pleading guilty. In denying the petition, the court's followed the decisions of the Clark County District Court and the Nevada Supreme Court several years earlier denying the same claim. Attorneys in Chanos' Office had argued in court papers that the evidence presented in the State court evidentiary hearing before Judge Joseph Bonaventure showed conclusively that Strohmeyer's pleas were knowing, voluntary, and intelligent.

"Jeremy Strohmeyer committed a heinous crime against a seven (7) year-old child." Chanos said. "The US District Court agrees that Mr. Strohmeyer received effective assistance of counsel and should not be granted a new trial. The Nevada Attorney General's Office applauds that decision."

On October 14, 1998, Jeremy Strohmeyer was convicted of Murder in the First Degree, Kidnapping in the First Degree, and two counts of Sexual Assault of a Minor Under the Age of Sixteen Years, in the rape and murder of seven year-old Sherrice Iverson that took place in a women's restroom in the Primadonna Hotel in Primm on May 25, 1997. In exchange for the Clark County District Attorney's agreement to drop the Notice of Intent to Seek the Death Penalty, Strohmeyer pleaded guilty to the charges, and was sentenced to life in prison.

Sherrice and her brother Harold had accompanied their father Leroy from Los Angeles to Primm and the children were playing in the casino's arcade around the time that Strohmeyer and David Cash, a witness to the crimes, were present. Las Vegas police and hotel security

reviewed the security videotapes of the arcade area, which showed Strohmeyer, Cash, and Sherrice Iverson in the arcade, and showed Strohmeyer playing a game of hide-and-go-seek with the child. The video further showed Strohmeyer following the child into the women's restroom where her body was later found by a casino housekeeper propped up on a toilet seat. Strohmeyer was shown on the same tapes leaving the restroom a short time later.

After the murder of the child became widely publicized, a witness who was in the arcade at the time called police to report that she had talked to the two teenagers, Strohmeyer and Cash, and that Strohmeyer had told her he was from Long Beach, California, and that he was drinking in the casino with a fake I.D. Several students at a high school in Long Beach later reported to local police that Strohmeyer had confessed to committing the crimes against the child. When Long Beach police staked out Strohmeyer's home to arrest him, he ran from police. Strohmeyer later confessed to police that he had killed and sexually assaulted the child because he "wanted to experience death." Strohmeyer also told police that while he was raping the child in the restroom stall, several women entered the restroom, causing him to lose his erection. Strohmeyer then strangled the child and attempted to break her neck.

Along with other evidence in the case, police found Strohmeyer's DNA on a cigarette butt discarded in the women's restroom stall where the child's body was found, and further found numerous depictions of child pornography on his personal home computer in Long Beach.

Public outrage over David Cash's failure to report the crimes against Sherrice Iverson that he witnessed lead to the Nevada Legislature's enacting a mandatory child-victim reporting law.

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FOR IMMEDIATE RELEASE
DATE: Friday January 20, 2006

ATTORNEYS GENERAL, LENDING REGULATORS TO ANNOUNCE SETTLEMENT WITH AMERIQUEST TO RESOLVE NATIONAL CONSUMER PROTECTION CASE

WHAT: State prosecutors and lending regulators will hold a press conference, followed by a national conference call, to announce a multi-state Settlement with Ameriquest to resolve a consumer protection case against the country's largest sub-prime lender.

WHEN: Monday, January 23, 2006
Press conference at 10 a.m. PST
National conference call at 11:15 a.m. PST
Call-in number: 888-982-7409 **Passcode:** 4356635
Leader: Attorney General Bill Lockyer

WHERE: Department of Justice
300 South Spring Street – North Tower
5th Floor Press Room
Los Angeles, CA

WHO (Press Conference): Bill Lockyer, California Attorney General
Tom Miller, Iowa Attorney General
Charles Foti, Louisiana Attorney General
Terry Goddard, Arizona Attorney General
Peg Lautenschlager, Wisconsin Attorney General
Rob McKenna, Washington Attorney General
Charles Cross, Washington Department of Financial Institutions
Barbara Kent, New York State Department of Banking
Alan Weinger, California Department of Corporations

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FOR IMMEDIATE RELEASE
DATE: January 23, 2006

Amerquest Settles with States over Alleged Predatory Lending Practices

Las Vegas, NV - Nevada Attorney General George Chanos announced today that Amerquest Mortgage Company, the nation's largest sub-prime lender, has agreed to pay a total of \$325 million dollars and make sweeping reforms of practices that states alleged amounted to predatory lending. The \$325 million payment ranks as the second-largest state or federal consumer protection settlement in history, after the \$484 million predatory lending agreement reached in 2002 between most states and Household Finance Corporation.

"We believe that Amerquest engaged in unfair and deceptive practices that harmed consumers" Chanos said. "However, Amerquest's cooperation with the states was vital in reaching this settlement. This is a landmark agreement that will change Amerquest's practices, and it will set standards we expect other mortgage lenders to follow," he said.

Of the \$325 million payment, \$295 million is allotted for restitution to consumers. \$175 million will be distributed in a nationwide claims process to eligible Amerquest consumers who obtained mortgages from January 1, 1999 through April 1, 2003. The balance of \$120 million will be allocated to the settling states based on the percentage of Amerquest loans held by consumers in each state and will be used to compensate Amerquest customers who obtained mortgages between January 1, 1999, and December 31, 2005. Individual states' exact share of restitution money has not been determined, but a reasonable estimate is that Nevada's restitution share will total approximately \$1.7 million dollars. The remaining \$30 million will be distributed among the settling states to cover costs of the investigation and for consumer education and enforcement.

The agreement also contains broad injunctive relief, requiring wide-ranging reforms of the company's lending practices to resolve the concerns of the states. Some of the requirements include providing the same interest rates and discount points for similarly-situated consumers; full disclosure of interest rates, discount points, prepayment penalties, and other loan or refinancing terms; and the use of independent loan closers.

The agreement also provides for appointment of an independent monitor at Ameriquest's expense to oversee the company's compliance with the settlement terms. Today's development culminates approximately two years of investigation by the Attorneys General, state banking and mortgage regulators and local prosecutors and a year of settlement negotiations.

The settlement was signed by the Attorneys General of 49 states and the District of Columbia, and by state banking and mortgage lending regulators of 45 states. Nevada was represented by the Attorney General's Bureau of Consumer Protection overseen by Chief Deputy and Consumer Advocate Eric Witkoski, and the state Mortgage Lending Division under the direction of Commissioner Scott Bice.

"Questionable practices in the sub-prime industry can be very harmful to vulnerable consumers," Witkoski said, "and that's one reason why this settlement is so important. Most of these consumers have little or no economic cushion and may be already struggling just to get by."

Consumers do not need to take any action at this time to pursue recoveries – they will be contacted later by states in the months ahead as specific recovery terms and plans are determined. Nevada residents who believe they may be entitled to restitution may submit written complaints to the Nevada Mortgage Lending Division. Complaint forms are available on the Division website at www.mld.nv.gov.

###

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FOR IMMEDIATE RELEASE
DATE: Monday January 23, 2006

ATTORNEY GENERAL ANNOUNCES NEW CYBER CRIME EXECUTIVE DIRECTOR

Carson City, NV – Attorney General George Chanos, in his capacity as Chair, Advisory Board for Nevada Task Force for Technological Crime, announced today that James D. Earl had been selected by the Board as its new Executive Director. The Board provides oversight for two multi-agency task forces, one based in Reno for northern Nevada and one based in Las Vegas for southern Nevada. The task forces are composed of federal, state, and local law enforcement officers focused on the detection, investigation, and prosecution of computer related crime.

"I am very pleased that we were able to attract someone of Mr. Earl's caliber. I believe that he will be able to provide the kind of leadership required to accomplish the important goals established by the Board," said Mr. Chanos. "Mr. Earl has extensive experience in the telecommunications industry in both the public and private sectors. He has served as the telecommunications attorney for the U.S. State Department and as a senior member of the Competition Division, Office of the General Counsel, Federal Communications Commission. We are very fortunate to have him working on behalf of Nevada," said Mr. Chanos.

The Advisory Board, at its last meeting, identified Internet-related crimes against children and technology based identity theft as the two key areas to expend its limited assets. "Prevention is always better than cure and/or recovery," continued Mr. Chanos. "It is important that parents actively supervise their children's use of the Internet. Second, it is critical that all Internet users, of every age, not give sensitive or personal information to anyone without being absolutely sure they know who that person is and that the request is legitimate."

Board members include representatives from both the executive and legislative branches of Nevada's state government, from federal, state, and local law enforcement agencies, as well as from the private sector and education.

"I look forward to drawing on the knowledge and contacts of all Board members and, in particular, learning from Senator Valerie Wiener and Assemblyman Bernie Anderson about the concerns of the parents, schools, and small businesses across the state," said Mr. Earl. "The Internet makes geographical distance largely irrelevant. As a result, any Nevada resident might be targeted by

criminals located either inside Nevada or outside the United States. There is no urban-rural distinction. We need to consider how best to provide information and resources to citizens and law enforcement agencies in all regions.”

“Mr. Earl demonstrates a high level of expertise, enthusiasm and enterprise that will enrich our efforts to provide important protections from cyber crimes for the people of Nevada,” said Senator Valerie Wiener.

Law enforcement representatives on the Board are Ellen Knowlton, Special Agent in Charge, Federal Bureau of Investigation; John Colledge III, Resident Agent in Charge, Immigration and Customs Enforcement; and Don Means, Crime Lab Director, Washoe County Sheriff.

“The Nevada Legislature, when it brought the Board and its task forces into existence, recognized that cooperative efforts were necessary to address the need for forensic examination of computer and communications-related evidence throughout the State,” explained Mr. Earl. “The basic framework has been established. We now must deal with staffing and training issues.”

Other Board members include Terry Savage, Director, Department of Information Technology and Tom Pickrell, Assistant Director, Clark County School District. Governor Guinn recently appointed William Uffelman, President and CEO, Nevada Bankers Association to the Advisory Board.

The Legislature also directed the Board to administer a program to secure governmental information systems with the assistance of members of private industry and to coordinate training and education to prevent and detect technological crimes. “This exceptionally broad mission is reflected in the diversity of Board membership,” added Mr. Earl.

Further information about cyber crime prevention and how to respond if you are a victim will soon be available on the web site of the Attorney General.

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FOR IMMEDIATE RELEASE

DATE: Tuesday January 24, 2006

FORMER STATE EMPLOYEES INDICTED ON MISCONDUCT, FRAUD & THEFT CHARGES

Reno, NV – Nevada Attorney General George Chanos announced the Washoe County grand jury indicted two former Nevada state employees on charges of misconduct, fraud and theft.

A Washoe County grand jury indicted Daryl Riersgard, the former Division Chief of the Nevada Criminal History Repository and Jeff Artz, the former Program Manager for Nevada Criminal History Repository on Wednesday January 18, 2006. In his case before the grand jury, Senior Deputy Attorney General Neil Rombardo alleged that the two had allowed state-owned fingerprinting machines to be given to family members for private business use. Rombardo says Riersgard and Artz gave permission to Becky Riersgard, Daryl's wife and owner of the Reno-based Fingerprinting Express business, to go into the Henderson Police Department to pick-up a state-owned fingerprinting machine and bring it to her place of business for use without payment. When that machine failed to work because of the move by Becky Riersgard, the two permitted her to take an approximately year and a half old machine from the repository.

The grand jury indicted Riersgard on charges of misconduct of a public officer, two counts of fraudulent appropriation of property and three counts of theft. Artz was indicted on the same charges.

"Government employees should not benefit themselves or family members by virtue of their position in government," Rombardo said. "If government employees misuse the public trust, the Nevada Attorney General's Office will hold them accountable for their criminal acts."

Both Riersgard and Artz will be arraigned in Washoe County District Court on February 16, 2006, where they will enter a plea.

The Nevada Department of Justice's Public Integrity Unit works to restore public confidence in state and local governments by actively investigating and pursuing cases of criminal misconduct by public officials.

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FOR IMMEDIATE RELEASE

DATE: Thursday January 26, 2006

ATTORNEYS GENERAL, PHILIP MORRIS USA REACH LANDMARK AGREEMENT TO REDUCE ILLEGAL INTERNET CIGARETTE SALES

New protocol to reduce supply to illegal Internet cigarette traffickers

Las Vegas, NV - Attorney General George J. Chanos today announced that Philip Morris USA ("PM USA") has agreed to incorporate protocols aimed at combating the illegal sale of PM USA cigarettes over the Internet and through the mails. The protocols are being adopted voluntarily by PM USA pursuant to an agreement reached with General George J. Chanos and 37 Attorneys General across the country.

The protocols provide for the: (a) termination of shipments of cigarettes to any of PM USA's direct customers that the Attorneys General have found to be engaging in illegal Internet and mail order sales; (b) reduction in the amount of product made available to direct customers found by the Attorneys General to be engaged in the illegal re-sale of PM USA cigarettes to the Internet vendors; and (c) suspension from the company's incentive programs any retailer found by the Attorneys General to be engaging in such illegal sales.

"We are pleased that Philip Morris has chosen to partner with Nevada to combat illegal internet cigarette sales," said Chanos. "Not only is it believed these illegal sales increase the availability of tobacco products to our children, but it is estimated the State loses millions of dollars of tax revenue annually due to these illegal sales. Working hand-in-hand with Philip Morris is an important step towards deterring this illicit activity."

"Our voluntary agreement with the state Attorneys General builds on Philip Morris USA's existing trade programs and policies intended to preserve the integrity of our brands and the legitimate trade channels through which they are sold," said Denise Keane, Philip Morris USA executive vice president and general counsel. "It sets a framework for continued information sharing with law enforcement and support of their efforts to eliminate illegal sales of Philip Morris USA products."

The Attorneys General believe that virtually all sales of cigarettes over the Internet are illegal because the sellers are violating one or more state and federal laws, including: (1) state age verification laws;

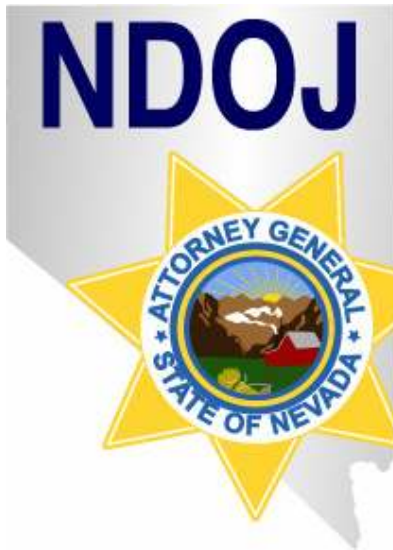
(2) the federal Jenkins Act (which requires that such sales be reported to state authorities); (3) state laws prohibiting or regulating the direct shipment of cigarettes to consumers; (4) state and federal tax laws; (5) federal mail and wire fraud statutes; and (6) the federal RICO law. Many of the sales made by foreign websites also violate federal smuggling, cigarette labeling, money laundering and contraband product laws.

The Attorneys General note that Internet cigarette sales also present a significant risk to public health, because most Internet vendors illegally fail to charge taxes, and it is well-established that lower cigarette prices lead to increased smoking rates. Moreover, while "brick-and-mortar" retailers check photo IDs to prevent children from buying cigarettes, the vast majority of Internet sellers have age verification systems that are wholly inadequate. Numerous studies have shown that the earlier an individual begins to smoke, the more likely it is that the person will become addicted, and thus age verification through photo IDs is essential to protect children from a lifetime of smoking.

Today's agreement is the third major development in the Attorney Generals' multi-pronged effort to restrict the payment, shipment and supply operations of the illegal Internet cigarette traffickers. In March 2005, the Attorneys General announced that the major credit card companies had all agreed to stop processing credit card payments for the Internet retailers. Later in the year, both DHL and UPS agreed to stop shipping packages for the vendors engaged in these illegal sales.

PM USA notes that it previously has penalized direct customers and retailers who sold its cigarettes illegally over the Internet and through the mails. PM USA is now the first tobacco product manufacturer to agree to reduce the supply of cigarettes to direct customers who supply vendors engaged in the illegal re-sale of PM USA cigarettes on the Internet. The Attorneys General commended PM USA for its cooperation in the effort to reduce these illegal sales. In addition, the Attorneys General will be encouraging other tobacco product manufacturers to take steps to reduce the supply of their cigarettes that are re-sold by illegal Internet cigarette traffickers.

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Kathleen Brooks
(702)877-0133 ext. 234

FOR IMMEDIATE RELEASE

COMMITTEE ON DOMESTIC VIOLENCE SEEKS NEW MEMBERS

Carson City—Attorney General George J. Chanos today announced that the State of Nevada Committee on Domestic Violence is currently accepting resumes for potential Committee members. The Committee is currently seeking a victim representative and a representative of a program for the treatment of persons who commit domestic violence, but welcomes all applications, should vacancies occur in the future. Please submit all applications by February 1, 2006.

NRS 228.4702) states: The Committee shall:

- (a) Adopt regulations for the evaluation, certification and monitoring of programs for the treatment of persons who commit domestic violence;
- (b) Review, monitor and certify programs for the treatment of persons who commit domestic violence;
- (c) Review and evaluate existing programs provided to peace officers for training related to domestic violence and make recommendations to the Peace Officers' Standards and Training Commission regarding such training;
- (d) To the extent that money is available, arrange for the provision of legal services, including, without limitation, assisting a person in an action for divorce; and
- (e) Submit on or before March 1 of each odd-numbered year a report to the Director of the Legislative Counsel Bureau for distribution to the regular session of the Legislature. The report must include, without limitation, a summary of the work of the Committee and recommendations for any necessary legislation concerning domestic violence.

Committee members are appointed by the Attorney General. The Committee must be comprised of the following:

- One staff member of a program for victims of domestic violence.

- One staff member of a program for the treatment of persons who commit domestic violence.
- One representative from an office of the district attorney with experience prosecuting criminal offenses.
- One representative from an office of the city attorney with experience prosecuting criminal offenses.
- One law enforcement officer.
- One provider of mental health care.
- One person who has successfully completed a domestic violence treatment program, has not committed a violent act following treatment, and has demonstrated leadership by assisting persons who commit domestic violence or assisting persons who are domestic violence victims.
- Two victims of domestic violence.

At least two members of the Committee must be residents of a county whose population is less than 100,000.

The Committee meets quarterly, at a minimum, in either Reno or Las Vegas and currently consists of a wide spectrum of community members, including health care professionals, law enforcement, prosecutors, advocates, and domestic violence victims and survivors.

Travel and per diem reimbursement are provided for official Committee functions.

For more information please contact:

Kathleen Brooks, Committee Chair
(702) 877-0133 ext. 242

Along with your resume, please include a letter of interest describing your personal interest and accomplishments regarding domestic violence issues and what your presence could bring to the Committee as well as a letter of recommendation from an individual or group who knows of your involvement or interest in the area of domestic violence.

Applications for potential vacancies will be kept on file and reviewed as vacancies occur on the Committee. Please mail your resume and other requested materials regarding potential vacancies to:

Domestic Violence Ombudsman
Office of the Attorney General
Nevada Department of Justice
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511

The Nevada Department of Justice and the Domestic Violence Ombudsman work together to educate our community on the warning signs of domestic violence and resources available for victims. If you or someone you know may be a victim of domestic violence, please call our Domestic Violence Hotline at 1-800-500-1556.

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FOR IMMEDIATE RELEASE
DATE: Friday January 27, 2006

ATTORNEY GENERAL GEORGE J. CHANOS ANNOUNCES AGREEMENT WITH CHARITY FUNDRAISER REGARDING SWEEPSTAKES CLAIMS

Carson City, NV - Attorney General George J. Chanos, along with attorneys general from 18 other states, announced today that an agreement has been reached with Newport Creative Communications over misleading sweepstakes claims the company made in charity solicitations.

Newport, a Massachusetts company, is a fundraising consultant for charities. Solicitations developed by Newport for some of these charities often contain sweepstakes promotions. The states alleged that those promotions were often illegal and misleading, guaranteeing prizes or claiming that recipients had already won a sweepstakes prize. The states also alleged that, in most cases, no prizes were ever awarded despite these misleading claims. Examples of the language used include the following: "YOU ARE OUR \$6,000 WINNER. It's as simple as that," and "Cash payment to be confirmed for Mr. John Q. Sample upon reply by deadline." Newport disputes those claims, and admits no wrongdoing in the agreement. Approximately 68,245 solicitations have been mailed by Newport to Nevada citizens.

Under the terms of the agreement, Newport's direct-mail solicitations will no longer claim that the recipient has already won a prize or will be guaranteed a prize by responding to the charitable solicitation. Newport will also cease creating mailings unless there is a prize ultimately awarded by the charity. The company will also be required to include inserts in its mailings explicitly stating that the consumer has not already won a prize, and that donating to the charity does not improve their chances for winning. In addition to changing their charity pitches, Newport will also pay \$400,000 to the states.

"Using sweepstakes claims to solicit money from consumers is nothing new," said Attorney General Chanos. "Any company making such claims, especially on behalf of a charity, must be forthright and honest with consumers and avoid deceptive tactics. This agreement will ensure that Newport's future solicitations follow the rules."

The states involved in the agreement include: Arkansas, California, Kentucky, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington and Wisconsin.

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FOR IMMEDIATE RELEASE
DATE: Friday January 27, 2006

CONSUMER ALERT REGARDING GRANT SCAM

The following consumer advisory is offered by the Nevada Office of the Attorney General, Bureau of Consumer Protection, as part of an ongoing effort to educate consumers.

The Bureau of Consumer Protection has received information from Nevada citizens regarding a new telemarketing scam, which appears to originate in Canada, but may originate in India or other Asian countries.

The caller indicates to the target victim that they are pre-approved for a grant of up to \$5000. The caller identifies the company as "Grant Procurement Corporation" or similar name, based out of Champlain, New York. The target victim is asked to supply the caller with their bank account information and pay \$345 through an automatic deduction from their bank account. The caller encourages the target victim to check out a website as proof that the company is legitimate. Two of the identified websites are www.grantpro.com and www.nationalgrantservice.com. Both websites have links to grant writers and government agencies, but neither has any information connecting them to "Grant Procurement Corporation." Because there is no contact or other information which would connect www.grantpro.com and www.nationalgrantservice.com to the scam, it appears that the scammers simply found these two websites and make reference to them in their pitch to the target victims to gain credibility.

Canadian telemarketing scams often use postal mail drops in Champlain, New York as their address. Champlain is located just over the Canadian boarder making it easy for the scammers to pick up mail at an address located in the United States. Those who have provided their bank account information have been switched to a "verifier" who confirms the banking information. Those responding to the apparent scam have had \$345 deducted from their bank account, but have received nothing in return.

Nevada Consumer Advocate Eric Witkoski warns, "Never give out personal information to people you don't know. Be especially suspicious if asked to provide your bank account number or to pay money in order to receive a prize or other monetary gift.

“Never pay money to get money. In this scam, it appears that all the victim has to do is pay \$345 to get a guaranteed \$5000 grant. In truth, the victims paid \$345 for nothing. Once the money goes out of the country, it is impossible to trace or recover. If someone asks for cash up front for a grant, sweepstakes prize or other money award, immediately question their motives,” Witkoski said.

For further information call the Attorney General’s Bureau of Consumer Protection in Las Vegas at (702) 486-3420; or in Carson City at (775) 684-1180. Consumer protection information can also be found on the Attorney General’s website at ag.state.nv.us.

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LYNNE M. ROSS
Executive Director

January 27, 2006

PRESIDENT
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Attorney General of Indiana

PRESIDENT-ELECT
THURBERT BAKER
Attorney General of Georgia

VICE PRESIDENT
LAWRENCE WASDEN
Attorney General of Idaho

IMMEDIATE PAST PRESIDENT
WILLIAM H. SORRELL
Attorney General of Vermont

The Honorable J. Dennis Hastert, Speaker
United States House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Nancy Pelosi, Minority Leader
United States House of Representatives
H-204, The Capitol
Washington, D.C. 20515

The Honorable Bill Frist, Majority Leader
United States Senate
S-230, The Capitol
Washington, DC 20510

The Honorable Harry Reid, Minority Leader
United States Senate
S-321, The Capitol
Washington, DC 20510

The Honorable James Sensenbrenner, Chair
Committee on the Judiciary
United States House of Representatives
2138 Rayburn House Office Building
Washington, DC 20515

The Honorable John Conyers, Ranking Member
Committee on the Judiciary
United States House of Representatives
2138 Rayburn House Office Building
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The Honorable Arlen Specter, Chair
Committee on the Judiciary
United States Senate
224 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Patrick Leahy, Ranking Member
Committee on the Judiciary
United States Senate
224 Dirksen Senate Office Building
Washington, DC 20510

We, the undersigned Attorneys General, wish to express our strong support for the efforts of the 109th Congress to pass legislation seeking to address the methamphetamine crisis facing this country. However, we do not support federal preemption of our state laws related to methamphetamine, as the ability of states and territorial jurisdictions to respond to unique local circumstances is vital.

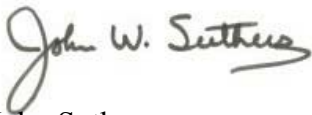
The methamphetamine crisis is pervasive across this country. In an effort to help put an end to this scourge, the National Association of Attorneys General enthusiastically adopted a resolution for action at our Summer Meeting held in Montana in June of 2005. The resolution outlines the dangers that methamphetamine brings with it and encourages action on both the state and federal levels. Our resolution encourages the federal government to increase efforts to disrupt the flow of methamphetamine and the pre-

cursor chemicals used in the manufacturing process coming across the border; enact federal legislation to combat the manufacture, trafficking and abuse of methamphetamine without precluding the ability of states and territorial jurisdictions to respond to unique circumstances within their own jurisdictions; and assist state, local and territorial law enforcement by providing additional resources to combat issues related to methamphetamine. We have attached a copy of our resolution for your convenience.

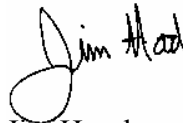
In many states, methamphetamine has become the number one drug threat facing state and local law enforcement. A powerfully addictive central nervous system stimulant, methamphetamine has also been identified by an increasing number of state and local law enforcement agencies as the drug that most contributes to violent and property crime. It can be easily manufactured in clandestine laboratories, using simple instructions and many ingredients necessary to make methamphetamine are cheap and easily accessible, including the pseudoephedrine contained in many over-the-counter medicines. The impact of these labs on local communities is devastating, threatening the safety of law enforcement and first responder personnel, damaging the environment, and, tragically, endangering a rapidly growing number of children.

We urge Congress to continue its work in combating this problem in a way that reduces the manufacture, trafficking and abuse of methamphetamine, while allowing states the flexibility to respond to unique local circumstances as necessary. Stringent restrictions are essential, but equally important is the ability of each state to address unique issues that it faces. By giving states this flexibility, while providing them with the resources they need to combat methamphetamine, you can go a long way toward helping to solve this critical problem. We also encourage the federal government to accelerate multilateral efforts to engage those nations involved in the manufacture, export or importation of pure ephedrine and pseudoephedrine, to prevent diversion for illegal purposes.

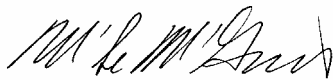
Sincerely,



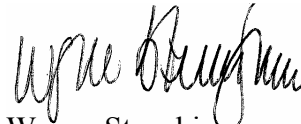
John Suthers
Attorney General of Colorado



Jim Hood
Attorney General of Mississippi



Mike McGrath
Attorney General of Montana



Wayne Stenehjem
Attorney General of North Dakota



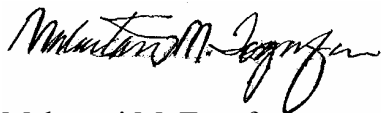
Rob McKenna
Attorney General of Washington



Troy King
Attorney General of Alabama



David Márquez
Attorney General of Alaska



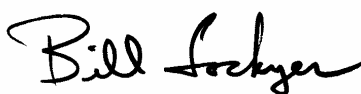
Malaetasi M. Togafau
Attorney General of American Samoa



Terry Goddard
Attorney General of Arizona



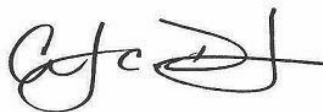
Mike Beebe
Attorney General of Arkansas



Bill Lockyer
Attorney General of California



Richard Blumenthal
Attorney General of Connecticut



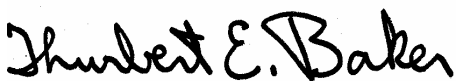
Carl Danberg
Attorney General of Delaware



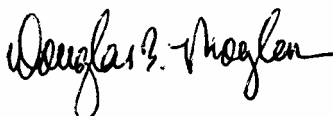
Robert Spagnoletti
Attorney General of District of Columbia



Charlie Crist
Attorney General of Florida



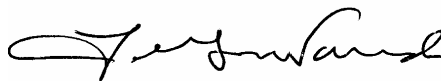
Thurbert Baker
Attorney General of Georgia



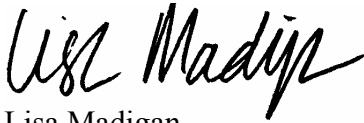
Douglas Moylan
Attorney General of Guam



Mark Bennett
Attorney General of Hawaii



Lawrence Wasden
Attorney General of Idaho



Lisa Madigan
Attorney General of Illinois



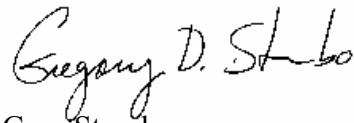
Steve Carter
Attorney General of Indiana



Tom Miller
Attorney General of Iowa



Phill Kline
Attorney General of Kansas



Greg Stumbo
Attorney General of Kentucky



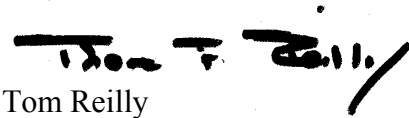
Charles C. Foti, Jr.
Attorney General of Louisiana



G. Steven Rowe
Attorney General of Maine



J. Joseph Curran
Attorney General of Maryland



Tom Reilly
Attorney General of Massachusetts



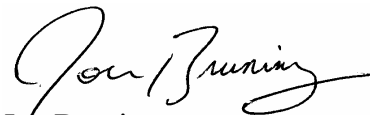
Mike Cox
Attorney General of Michigan



Mike Hatch
Attorney General of Minnesota



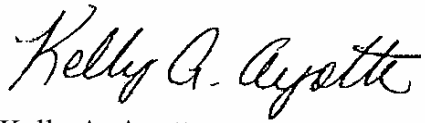
Jay Nixon
Attorney General of Missouri



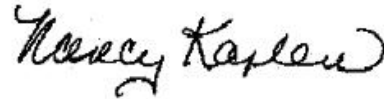
Jon Bruning
Attorney General of Nebraska



George Chanos
Attorney General of Nevada



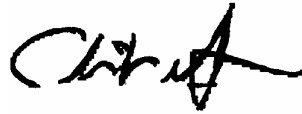
Kelly A. Ayotte
Attorney General of New Hampshire



Nancy Kaplen
Acting Attorney General of New Jersey



Patricia Madrid
Attorney General of New Mexico



Eliot Spitzer
Attorney General of New York



Roy Cooper
Attorney General of North Carolina



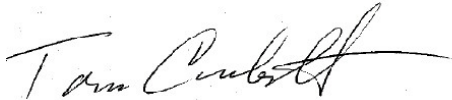
Jim Petro
Attorney General of Ohio



W.A. Drew Edmondson
Attorney General of Oklahoma



Hardy Myers
Attorney General of Oregon



Tom Corbett
Attorney General of Pennsylvania



Patrick C. Lynch
Attorney General of Rhode Island



Henry McMaster
Attorney General of South Carolina



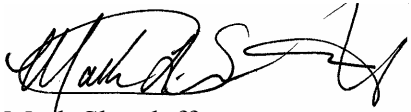
Lawrence E. Long
Attorney General of South Dakota



Paul G. Summers
Attorney General of Tennessee



Greg Abbott
Attorney General of Texas



Mark Shurtleff
Attorney General of Utah



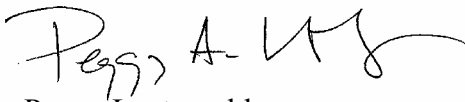
William Sorrell
Attorney General of Vermont



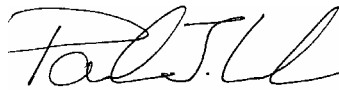
Robert F. McDonnell
Attorney General of Virginia



Darrell V. McGraw, Jr.
Attorney General of West Virginia



Peggy Lautenschlager
Attorney General of Wisconsin



Pat Crank
Attorney General of Wyoming



Adopted

**Summer Meeting
June 21 - 24, 2005
Big Sky, MT**

RESOLUTION

**ENCOURAGING EFFORTS TO COMBAT THE SPREAD OF METHAMPHETAMINE
MANUFACTURING, TRAFFICKING AND ABUSE**

WHEREAS the manufacture, trafficking and abuse of methamphetamine are issues that affect not only public safety, but also the public health and general welfare of the community;

WHEREAS methamphetamine abuse has recently increased nationally in both prevalence and geographic scope;

WHEREAS ephedrine/pseudoephedrine is an indispensable ingredient in the manufacture of methamphetamine;

WHEREAS a significant portion of methamphetamine is produced in clandestine laboratories, the prevalence of which has been increasing nationally since 1999¹, utilizing over the counter medication containing pseudoephedrine, either stolen or purchased from retail outlets;

WHEREAS jurisdictions which have implemented stringent restrictions on the purchase of products containing pseudoephedrine have experienced a sharp decline in the number of clandestine laboratories seized;

WHEREAS children are particularly vulnerable to the hazards posed by the manufacture, trafficking and abuse of methamphetamine;

WHEREAS the National Association of Attorneys General has recognized the importance of issues related to the manufacture, trafficking and abuse of methamphetamine²; and

¹ According to the National Clandestine Laboratory Database, there were a total of 6,781 lab seizures in 1999 (with 43 states reporting); in 2003 (with 49 states reporting) there were over 10,500 seizures.

² Two (2) regional groups of Attorneys General have recently held conferences related to methamphetamine – CWAG Methamphetamine Summit in Scottsdale, AZ on February 24, 2005 and the NAAG Eastern Regional Methamphetamine Summit in Boston, MA on May 26, 2005. In addition, a plenary session on methamphetamine issues is on the agenda for the NAAG 2005 Summer Meeting in Big Sky, MT, June 21-24, 2005.

WHEREAS it is crucial that law enforcement, public health agencies and other government officials continue to develop strategies and methods to prevent the manufacture, trafficking and abuse of methamphetamine;

NOW, THEREFORE BE IT RESOLVED THAT THE NATIONAL ASSOCIATION OF ATTORNEYS GENERAL:

1. Encourages states and territorial jurisdictions to:
 - a. take steps to restrict illegitimate access to products containing pseudoephedrine;
 - b. develop and pursue a comprehensive approach to combating the manufacture, trafficking and abuse of methamphetamine, encompassing education, vigorous law enforcement, and treatment;
 - c. protect children exposed to clandestine laboratories and methamphetamine abuse by reviewing and updating, if necessary, laws related to child abuse and/or neglect;
 - d. Mount a broad-based, grass roots prevention campaign to inform both adults and children on the dangers of methamphetamine use by building broad based coalitions among law enforcement agencies and other community stakeholders³;
2. Encourages the Federal Government to:
 - a. Increase efforts to disrupt the flow of methamphetamine and the pre-cursor chemicals used in the manufacturing process coming across the border;
 - b. Enact federal legislation to combat the manufacture, trafficking and abuse of methamphetamine without precluding the ability of states and territorial jurisdictions to respond to unique circumstances within their own jurisdictions;
 - c. Assist state, local and territorial law enforcement by providing additional resources to combat issues related to methamphetamine; and
3. Authorizes the Executive Director of the National Association of Attorneys General to transmit these views to the Administration, key members of Congress, and other relevant entities and to work with the U.S. Department of Justice, the Drug Enforcement Administration and other law enforcement and regulatory entities on initiatives consistent with this resolution and with the needs of the Attorneys General.

³ Part of consensus statement from Attorneys General attending CWAG Methamphetamine Summit in Scottsdale, AZ.

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FOR IMMEDIATE RELEASE

DATE: Tuesday January 31, 2006

CHANOS, ATTORNEYS GENERAL SIGN RESOLUTION SUPPORTING ADOPTION OF NATIONAL METHAMPHETAMINE LEGISLATION

Las Vegas, NV – Nevada Attorney General George Chanos announced today that he has joined with the Attorneys General from all 50 states and three US territories to sign a resolution urging the 109th Congress to pass legislation to address the methamphetamine crisis in our country.

Nevada ranked among the top third of states for methamphetamine use in a study by the US Department of Health and Human Services last year (<http://www.oas.samhsa.gov/2k5/meth/meth.htm>)

"Methamphetamine use is a growing problem both in Nevada and across the country," said Chanos. "We must take this issue head on both on the federal government level as well as the state government level."

The attorneys general resolution was adopted during the summer meeting of the National Association of Attorneys General. It encourages the federal government to:

1. Increase efforts to disrupt the flow of methamphetamine and chemicals used in its manufacturing process;
2. Enact federal legislation to combat the manufacture, trafficking and abuse of methamphetamine without disrupting the ability of the states to respond to unique circumstances in their own jurisdictions; and
3. Assist state and local law enforcement by providing additional resources to fight issues related to methamphetamine

A letter outlining the resolution and a copy of the resolution was sent to top leaders in the 109th Congress on Friday. These leaders include Speaker of the House Dennis Hastert, Senate Majority Leader Bill Frist, House Minority Leader Nancy Pelosi and Senate Minority Leader Harry Reid.

Numerous bills have been introduced in the 109th Congress to curb MA use, trafficking, and production. Two, S. 103 and H.R. 3889, have been reported from committees for consideration on the floors of the House and Senate.

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FOR IMMEDIATE RELEASE
DATE: February 6, 2006

[The Eighth Annual National Consumer Protection Week ("NCPW"), which is being observed February 5-11, 2006, is designed to highlight consumer protection and education efforts around the country. This year's NCPW theme is *Consumer Protection: It's the Name of the Game* and encourages consumers to "Take the Grand Scam Challenge" and test their consumer savvy with a series of online, interactive games and quizzes available at www.consumer.gov/ncpw. As part of NCPW, the Attorney General's Bureau of Consumer Protection is also issuing a daily press release regarding issues particularly relevant to Nevada consumers. Thank you for your assistance in promoting this important event.]

SWEEPSTAKES: NOT A CHANCE WORTH TAKING

Las Vegas, NV—The Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate, Eric Witkoski, today issued the following consumer advisory regarding sweepstakes as a part of its ongoing effort to protect consumers through education.

Nevadans receive millions of sweepstakes notices every year. These sweepstakes and prize promotions are, in almost every case, nothing more than an effort to get you to order products or pay fees for little or nothing in return. The Bureau of Consumer Protection reminds consumers that it is illegal for a sweepstakes to require you to buy a product or make a donation. "If the solicitation asks you to pay any kind of fee, it probably isn't a sweepstakes at all but is a service that will at best do nothing more than provide you a list of other promoters for you to contact," Witkoski said.

The Bureau of Consumer Protection asks consumers to keep in mind these simple tips:

- Do not respond to any mailing that requires you to send money for any reason, no matter how little the amount or how reasonable the request may seem. At best you are buying a service you don't really need. At worst, you are being scammed.

- Do not respond to any mailing claiming to be “official” or “urgent” that is sent at a bulk mailing rate.
- Never give out your credit card number, social security number or bank account number.

Also, to reduce the mailings coming to their homes, the Bureau of Consumer Protection advises consumers to take the following steps:

- Tear up and throw away all promotional sweepstakes mailings. When you respond in any way to these mailings, your address is sold on lists that are used by many other mail solicitors.
- Send a letter or postcard to the Mail Preference Service, Direct Marketing Association, P.O. Box 643, Carmel, New York 10512 and request removal from their members' mailing lists. The letter or postcard should include your name, address and signature.

If you have a concern about a sweepstakes mailing you received, or if you believe you have been a victim of sweepstakes fraud, please submit your complaint in writing to the Bureau of Consumer Protection, 555 E. Washington Avenue, Suite 3900, Las Vegas, Nevada 89101. For other, valuable consumer protection information, please visit the Bureau of Consumer Protection's website at www.ag.state.nv.us/divisions/bcp.htm.

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FOR IMMEDIATE RELEASE
DATE: February 7, 2006

[The Eighth Annual National Consumer Protection Week ("NCPW"), which is being observed February 5-11, 2006, is designed to highlight consumer protection and education efforts around the country. This year's NCPW theme is *Consumer Protection: It's the Name of the Game* and encourages consumers to "Take the Grand Scam Challenge" and test their consumer savvy with a series of online, interactive games and quizzes available at www.consumer.gov/ncpw. As part of NCPW, the Attorney General's Bureau of Consumer Protection is also issuing a daily press release regarding issues particularly relevant to Nevada consumers. Thank you for your assistance in promoting this important event.]

CONSUMER ADVOCATE WARNS CONSUMERS NOT TO PLAY WITH FOREIGN LOTTERIES

Las Vegas, NV—The Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate Eric Witkoski, today issued the following consumer advisory regarding foreign lotteries, as a part of its ongoing effort to protect consumers through education.

Every day millions of foreign lottery mailings are sent to consumers throughout the United States. They include lottery promotions originating from Canada or from as far away as Australia and Europe. Excited by the prospect of instant wealth, consumers are responding to these solicitations to the tune of \$120 million a year, according to the U.S. Postal Inspection Service. And, with the ability to send free email messages from anywhere in the world, more and more consumers are being enticed to buy chances in high stakes foreign lotteries.

While some foreign lotteries do exist, entries are not typically solicited in other countries. Most promotions for foreign lotteries received by consumers in the United States are, in fact, nothing more than a tool used by con-artists to deceive people. Often consumers are told that they must send money immediately for processing fees or taxes. Consumers are also asked to provide their credit card or bank account numbers, only to later learn that

unauthorized withdrawals have been made from their bank accounts or additional charges have been placed on their credit cards.

In other instances, the solicitation includes an authentic looking check and informs the consumer to deposit the check and send payment for the processing fees or taxes from the consumer's own bank account. After the consumer deposits the check and sends their own check for payment, the consumer learns that the check sent with the solicitation is counterfeit.

The Bureau of Consumer Protection warns consumers who are thinking about responding to a foreign lottery to be aware of the following:

- There are no secret systems for winning foreign lotteries. Your chances of winning more than the cost of your tickets are slim to none.
- If you purchase one foreign lottery ticket, expect many more bogus offers for lottery or investment "opportunities." Your name will likely be placed on "sucker lists" that fraudulent telemarketers buy and sell.
- Scam artists often ask for your credit card and bank account numbers. Always keep this information to yourself.
- The safest thing to do if you receive a solicitation for a foreign lottery promotion is to ignore it!

Consumers who receive a foreign lottery solicitation are encouraged to send it to their Postmaster; e-mails may be sent to the Federal Trade Commission at uce@ftc.gov. To file a complaint or get free information about this and other consumer protection issues, go to www.ftc.gov or call toll-free 1-877-FTC-HELP (1-877-382-4357); TTY 1-866-653-4261.

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FOR IMMEDIATE RELEASE
DATE: February 8, 2006

[The Eighth Annual National Consumer Protection Week ("NCPW"), which is being observed February 5-11, 2006, is designed to highlight consumer protection and education efforts around the country. This year's NCPW theme is *Consumer Protection: It's the Name of the Game* and encourages consumers to "Take the Grand Scam Challenge" and test their consumer savvy with a series of online, interactive games and quizzes available at www.consumer.gov/ncpw. As part of NCPW, the Attorney General's Bureau of Consumer Protection is also issuing a daily press release regarding issues particularly relevant to Nevada consumers. Thank you for your assistance in promoting this important event.]

CONSUMER ADVOCATE CAUTIONS DO NOT HELP SPAMMERS MAKE YOU A VICTIM

Las Vegas, NV—As part of National Consumer Protection Week, the Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate Eric Witkoski, is warning consumers about the dangers of "spam" and providing tips on how to avoid becoming a victim.

Those with e-mail accounts know that the word "spam" has nothing to do with a canned processed meat product. Rather, they know that spam is unwanted, unsolicited and sometimes dangerous e-mail messages, which, at best, use up valuable e-mail account space, and, at worst, are a source of: exposing minors to pornography, computer damaging viruses, "phishing" attacks to trick consumers into disclosing private identity and financial information and scams trying to steal money from the uninformed and unaware.

Many of the truly damaging scam e-mails originate from outside the United States, making enforcement actions impossible. However, much can be done to reduce spam and avoid becoming a victim of crime. The best method of preventing spam is to protect the identity of your primary e-mail account in the same way you would protect your social security number or bank account number. Spammers get e-mail addresses by using search programs often referred to as "data miners." These computer programs scan the Internet looking for posted

e-mail addresses, scanning web blogs, websites, UseNet groups and other apparently legitimate transaction sites. The most sophisticated spammers even use “spybots,” which are small programs unknowingly downloaded to Internet user computers which gather any e-mail address in the computer’s data files and even record e-mail addresses typed in by users.

When it comes to spam, the best defense is a good offense. The Attorney General’s Bureau of Consumer Protection offers the following spam protection tips:

- Use the spam filters offered by your Internet e-mail provider. Many large e-mail account providers not only provide free spam filters, but keep lists of known spam addresses which automatically catch suspicious e-mails and keep them from showing up in your e-mail account.
- Get a virus protection program, a good firewall program, and at least two different spyware programs, and keep them updated. Many good, free or inexpensive firewall and spyware programs are available on the Internet. However, be sure to investigate any program you consider using by putting the name into a Google, MSN, Yahoo or other reliable search-engine and reading the comments of other users. Never download a program without doing this investigation first.
- Never open an e-mail message from anyone you do not know. Also, be especially cautious about any e-mail from an unknown source with an attachment or an urgent-sounding or enticing subject line such as “Look at this.” Such e-mails are a primary source of computer viruses and worms.
- Consider opening a second e-mail account, which can be obtained for free from many providers, and which can be used for any occasion where an e-mail account is required but where there is any uncertainty that privacy will be maintained. Privacy in the case of web blogs, UseNet and chat room sites should always be suspect when it comes to security and privacy of e-mail addresses. When in doubt, use the disposable free e-mail site instead of your real personal e-mail account.
- Never click on or respond to any link in a spam e-mail, including the link indicating that you want to be taken off the spammer’s e-mail list. Responding only confirms that your e-mail address is valid and you can be sure the spammer will sell your valid e-mail address to other spammers.
- Never do business with anyone who advertises by sending spam messages. No matter how good the deal, the only real way to eliminate spam is to take the profit away from those who use spam to advertise.

The Attorney General’s Bureau of Consumer Protection also offers these general tips, which apply not only to spam but also to junk mail, telemarketing calls or any solicitation originating from an unknown source looking for personal information, asking for your credit card number, or bank account or asking you to pay money to previously unknown persons or companies:

- **Protect your personal information.** Only provide credit card, social security numbers, bank information or any other personal information to companies you know and trust, and only when you initiate the call. If you get an e-mail asking for personal

information, do not respond to the e-mail, call the company directly. No legitimate company or organization asks for personal information by e-mail. Also, when you call, look up the telephone number on the company's website. Do not call the number provided in the e-mail message.

- **Be wary of solicitations or e-mails from a sender who does not know your name.** "Phishing" is a spam e-mail which appears to be sent by a bank, PayPal, EBay or other institution, which states you must provide personal information in order to keep your account from being locked or closed. Phishing e-mails look very legitimate, and the websites they link you to look very authentic. However, the e-mail and website are phony and the operation is a scam. The sure sign of a "phishing" e-mail is that it will lack one important item: your name. Any e-mail that you receive that does not contain your name or other personal information, but asks for your trust, your money or your business, should be considered to be a scam.
- **Take your time.** Anyone who demands an immediate response to an offer that seems too good to be true is just trying to steal your money or your identity. If the offer is legitimate, the deal will likely be good tomorrow, the next day, next week or next month. Demands for immediate decisions are made to deny you the chance to investigate the company or offer and are warning signs of a scam.
- **Never send money by Western Union or other wire transfer to anyone you do not personally know.** Demands to be paid by wire transfers are sure signs of a scam. Once money is sent by wire, it is impossible to trace. This is a common scam for eBay auctions and sweepstakes scams. Always be suspect when you receive a "second chance" offer on an Internet auction where the seller demands to be paid by wire transfer. Scammers have the ability to capture e-mail address information on some Internet auction sites and use a bogus "second chance" offer and demands to be paid via Western Union to steal money.
- **Do not do business with companies that will not provide complete identifying information.** Do not do business with any company which will not disclose its true physical location or will not provide its direct (non-toll free) telephone number. Be especially careful when the only address provided is a "P.O. Box" or "Private Mail Box (PMB)" or where an Internet investigation shows that the address is the address of a mail drop or other location from which mail is forwarded to the true address. Many illegitimate companies use these contact methods, not for your benefit, but to hide their identity.
- **Never send money to get money.** Anyone who asks you to pay money to get a prize, sweepstakes award, or a share of money, is a scammer. Delete these e-mails without responding. Remember, if you respond, the spammer knows your e-mail account is valid and will profit from sending your e-mail address to other spammers.

Consumers who receive a spam e-mail they believe is deceptive may forward it directly to the Federal Trade Commission at spam@uce.gov. To learn more about spam, including recent law enforcement actions and spammers' responsibilities under the law, visit the national spam information website at www.ftc.gov/bcp/online/edcams/spam/index.html.

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FOR IMMEDIATE RELEASE
DATE: February 9, 2006

[The Eighth Annual National Consumer Protection Week ("NCPW"), which is being observed February 5-11, 2006, is designed to highlight consumer protection and education efforts around the country. This year's NCPW theme is *Consumer Protection: It's the Name of the Game* and encourages consumers to "Take the Grand Scam Challenge" and test their consumer savvy with a series of online, interactive games and quizzes available at www.consumer.gov/ncpw. As part of NCPW, the Attorney General's Bureau of Consumer Protection is also issuing a daily press release regarding issues particularly relevant to Nevada consumers. Thank you for your assistance in promoting this important event.]

CONSUMER ADVOCATE WARNS CONSUMERS ABOUT TIMESHARE RESALE SCAMMERS

Las Vegas, NV—The Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate, Eric Witkoski, today issued the following consumer advisory regarding timeshare resale scams as a part of its ongoing effort to protect consumers through education.

Timeshares offer annual vacation accommodations, usually with exchange privileges in other locations. Some consumers find time shares appealing because of the exchange opportunity, certainty of the availability of the accommodation and affordable purchase price. The Bureau of Consumer Protection wishes to advise Nevada consumers to be aware of the growing number of scam artists who prey on timeshare owners, promising them a quick and profitable resale of their timeshare.

The following timeshare resale scams are common:

- Resale scammers who, through a phone call or postcard, tell the timeshare owner that they have an extensive list of sales agents and buyers. The catch? The owner must pay a fee of several hundred dollars in advance with no guarantee that the timeshare

will sell. Many times the contract will reveal that the scammers have only agreed to advertise the property.

- The scammer tells the timeshare owner that he has a buyer for the owner's week. He may even provide a copy of a sales agreement. However, the scammer needs the owner to send him a copy of his deed and tells the owner to provide his bank account and routing number. Now that the scammer has the owner's bank account information, the scammer is in a position to raid the account.
- A scammer contacts the timeshare owner, identifying himself as a "broker." The scammer tells the owner that they have a person who wants to rent their timeshare week. The catch? The "broker" needs the owner to send him a \$200 finder's fee with the promise that at the end of the rental period, he will send him a check for \$700. If this was a legitimate operation, the fee would have been deducted from the rental proceeds.

The following are important tips to help timeshare owners avoid getting scammed should they be contacted by anyone who offers to sell or rent their timeshare.

- Never agree to anything over the phone. Never give up the rights to your timeshare for any purpose.
- Never give your credit card number, bank account number or copy of your deed to anyone until you've had a chance to check out the company. Once your money is sent to one of these resale companies, it is almost impossible to get it back.
- Beware of any solicitations that offer unrealistic promises concerning price or resale turn-around. If it sounds too good to be true, it probably is.
- Be certain the resale company you are dealing with is a licensed broker. Then call the Better Business Bureau to see if complaints have been lodged against the company.
- Ask to be sent written materials to study before making a decision. Make certain you understand all of the terms and conditions before signing a contract. Have your attorney review the material.
- Be wary of large up-front listing fees or any company charging an advance "listing" fee or "appraisal" fee. Consider opting for companies that offer to sell for a fee after the timeshare is sold.

If you believe that you have been the victim of a timeshare resale scam, please call the Attorney General's Bureau of Consumer Protection at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable consumer protection information, is also available on the Attorney General's website at www.ag.state.nv.us

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FOR IMMEDIATE RELEASE
DATE: February 10, 2006

[The Eighth Annual National Consumer Protection Week ("NCPW"), which is being observed February 5-11, 2006, is designed to highlight consumer protection and education efforts around the country. This year's NCPW theme is *Consumer Protection: It's the Name of the Game* and encourages consumers to "Take the Grand Scam Challenge" and test their consumer savvy with a series of online, interactive games and quizzes available at www.consumer.gov/ncpw. As part of NCPW, the Attorney General's Bureau of Consumer Protection is also issuing a daily press release regarding issues particularly relevant to Nevada consumers. Thank you for your assistance in promoting this important event.]

CONSUMER ADVOCATE WARNS OF COSTLY WORK-AT-HOME SCHEMES

Las Vegas, NV—The Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate, Eric Witkoski, today issued the following consumer advisory regarding work-at-home schemes as a part of its ongoing effort to protect consumers through education.

You see the ads everywhere, from street lights on the corner to the newspaper, cable TV and a constant barrage of e-mails: *"Earn big \$\$\$ at home! No experience needed!!"* And, while these ads may be very appealing, caution must be taken. Few work-at-home opportunities deliver on their promises, and many cheat people out of money they cannot afford to lose.

The most typical work-at-home schemes offer big money for stuffing envelopes, assembling craft products, or processing medical claims. They fail to deliver, however, because there really is no market for the work. And, they often require you to spend a great deal of your own time and money in advance on things such as making photocopies and buying the envelopes, paper, stamps and other supplies and equipment you need to get the "job" done.

The Bureau of Consumer Protection advises consumers to ask the following questions to help determine whether a work-at-home program is appropriate for their circumstances and whether it is legitimate:

- **What are the specific tasks I will be required to do?** Ask the company representative to list each job requirement in detail including what, if any, product quality requirements might apply. Many assembly or craft work schemes have “quality standards” and use the failure to live up to these standards as a basis not to pay.
- **Who will pay me and when?** Ask if you are being paid a salary or a commission. Commission sales are often touted based on false promises that do not pan out.
- **What is the total cost of the program, including supplies, equipment and membership fees, if any?** The typical envelope stuffing schemes and medical billing pre-packaged businesses require significant expense for supplies and equipment, and some even require the purchase of “tutorial” software. Consumers deceived by these ads can lose thousands of dollars, in addition to their valuable time and energy. It is very important to know what you will be getting for your money.
- **Do I have to pay in advance?** Legitimate companies should answer all of your questions about their programs in writing and for free. If you choose to send your money in advance, before you receive the products and all details of the program in writing, there is a substantial risk you will lose your money.

If you have lost money to a work-at-home scheme, contact the company in writing and ask for your money back. If you paid by credit card, consider contacting your credit card company to dispute the charges. Such disputes are time-sensitive so do not delay. And, finally, report the scam so others can avoid being cheated.

If you believe that you have been the victim of a work-at-home scheme, please call the Attorney General's Bureau of Consumer Protection at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable consumer protection information, is also available on the Attorney General's website at www.ag.state.nv.us

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FOR IMMEDIATE RELEASE
DATE: February 22, 2006

CONSUMER ADVOCATE SAYS THERE SHOULD BE NO INCREASE IN SIERRA PACIFIC'S NATURAL GAS RATES AND ELECTRICITY RATES SHOULD BE REDUCED

Carson City -- Consumer Advocate Eric Witkoski announced today his office has filed documents with the Public Utilities Commission requesting a reduction in Sierra Pacific Power Company's general rates for electricity.

"The Bureau of Consumer Protection will present evidence that shows that a rate reduction of Sierra's electric general rate is in order," Witkoski said. "By our calculations, the company is over collecting from its electric ratepayers."

Sierra Pacific filed an application, in October, to raise its general electric rates \$27 million. The company has since revised its request twice, first reducing the request to \$15 million and more recently to \$3 million. Witkoski says no increase in rates is needed and instead Sierra's current general rates for electric service should be reduced by more than \$20 million.

Sierra Pacific has also filed a case with the Public Utilities Commission to increase its general rates for natural gas customers by \$8.2 million. This is the rate that is charged for the delivery of natural gas to consumers. Witkoski says a review of the company's records indicates that only a very small increase in revenue, roughly \$500,000, is warranted. "When that amount is factored out over all customers the amount to each customer is so small that it would have no impact on current rates," Witkoski said.

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FOR IMMEDIATE RELEASE

DATE: Monday February 27, 2006

LAS VEGAS MAN TO SPEND 12-30 MONTHS IN JAIL FOR AIDING ESCAPED INMATE

Las Vegas, NV – Nevada Attorney General George Chanos announced today that Las Vegas resident Keith Michael Barney, 33, has been sentenced to more than a year in jail for helping inmate Jody Thompson escape.

Barney was arrested on September 2, 2005 and shortly thereafter Chief Deputy Attorney General Conrad Hafed filed a criminal complaint. The complaint alleged that from August 25, 2005 through September 2, 2005, Barney aided Thompson by driving to Northern Nevada and picking up Thompson then driving him back to Las Vegas. Barney continued to aid Thompson's escape by providing him with a place to stay, food and clothing.

"Without Barney's assistance, Thompson's escape and subsequent return to Las Vegas would have been more difficult," Hafen said. "In light of Barney's aid, he must share responsibility for Thompson's criminal conduct. Barney's felony guilty plea and sentence hold him accountable and meet the demands of justice."

On February 21, 2006, Barney was sentenced on the charge of accessory after commission of a felony, a category C felony. The district court imposed a sentence of 12-30 months in the Nevada State Prison.

The state of Nevada has two other pending cases against Las Vegas residents Kaisa Haynes and Daniel McLeroy in connection with the Thompson's escape.

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FOR IMMEDIATE RELEASE
DATE: Thursday March 9, 2006

FORMER NDOT EMPLOYEE CONVICTED ON GRAND LARCENY & EMBEZZLEMENT CHARGES

Reno, NV – Nevada Attorney General George Chanos announced today that Floyd Finely Lynch, 39 of Sparks, was convicted in Washoe County District Court late Wednesday evening on seven counts related to the theft of an NDOT truck engine. The counts include four felony charges of Burglary, Grand Larceny, Misconduct of a Public Officer and Embezzlement along with three gross misdemeanor charges of Conspiracy. Lynch will be sentenced on May 4, 2006.

In its case, the Nevada Attorney General's Office argued that Lynch and an accomplice stole an engine from an NDOT 1995 GMC Crew Cab engine during a graveyard shift at the Mount Rose Galena Station and replaced the engine with a different engine before returning the truck to the NDOT yard in Reno. The incident occurred on December 14, 2004. Another NDOT employee witnessed the crime.

NDOT officials were alerted that the truck's engine had been switched when the replacement engine stalled out the next day.

"Nevada's state employees must be held responsible for their actions while on the job," said Chanos. "The Nevada Attorney General's office will investigate allegations of criminal misconduct and hold employees accountable."

Lynch's accomplice Derrick Sean Burlingame, 33 of Reno, had eluded police since the incident, but was arrested by Storey County Sheriff's deputies last week after Sparks Police claimed he was involved in a hit and run accident on Pyramid Highway on February 27, 2006. Two pedestrians sustained major injuries in that accident. Burlingame's arraignment on the state charges related to the NDOT incident on December 14, 2004 is pending. Burlingame is not a state worker.

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FOR IMMEDIATE RELEASE

DATE: Wednesday March 15, 2006

**ATTORNEY GENERAL CHANOS ANNOUNCES MULTI-STATE AGREEMENT
WITH CVS PHARMACY TO CURB TOBACCO SALES TO MINORS**
Ninth Multi-State Agreement With Major Retailers Covers Nevada Stores

Reno, NV - Attorney General Chanos today announced that CVS Pharmacy, the nation's largest retail pharmacy, will adopt new procedures to reduce sales of tobacco products to minors at its 5,400 outlets across the country, under an agreement reached with Nevada, 42 other states and Washington D.C.

"I commend CVS for joining the other nine companies who have agreed to implement best practices to reduce the sale of tobacco to our youth," said Chanos. "The Agreement with CVS represents significant progress towards mutual health related goals."

The CVS "Assurance of Voluntary Compliance" (AVC) is the ninth such agreement produced by an ongoing, multi-state enforcement effort. Previous agreements cover all Wal-Mart, Walgreens and Rite Aid and 7-Eleven stores, and all gas stations and convenience stores operating under the Exxon, Mobil, BP, ARCO, Amoco, and ConocoPhillips.

Launched in 2000, the multi-state enforcement effort by a group of Attorneys General focuses on retailers with poor records of selling tobacco products to minors. State laws prohibit such sales. The enforcement program's goal is to secure the companies' agreement to take specific corrective actions. The agreements incorporate "best practices" to reduce sales to minors, developed by the Attorneys General in consultation with researchers and state and federal tobacco control officials.

Combined, the agreements cover nearly 5,400 stores across the country, including 23 stores in Nevada. Additionally, CVS recently announced its plan to purchase 703 Sav-On and Osco pharmacies now owned by Albertson's, including 43 in Nevada. Federal regulators neither lodged objections nor imposed conditions on the acquisition. If the transaction passes muster with shareholders and becomes final, the Sav-On and Osco pharmacies will be covered by the AVC.

The AVC limits in-store advertising of tobacco products to brand names, logos and pricing. The AVC also requires signs to be confined to the areas where the products are sold. Additionally, the agreement bans self-service displays of cigarettes and other tobacco products. The AVC also requires CVS to:

- Check the ID of any person purchasing tobacco products when the person appears to be under the age of 27, and accept only valid government-issued photo ID as proof of age.
- Prohibit use of vending machines to sell tobacco products, distribution of free samples, sale of cigarette look-alike products, and the sale of smoking paraphernalia to minors.
- Hire an independent entity to conduct random compliance checks twice each year at 468 of its stores in the signing states.

The Attorneys General have long recognized that youth access to tobacco products ranks among the most serious public health problems. Studies show more than 80 percent of adult smokers begin smoking before the age of 18. Research indicates that every day in the United States, more than 2,000 people under the age of 18 start smoking and that one-third of those persons ultimately will die from a tobacco-related disease. Young people are particularly susceptible to the hazards of tobacco, often showing signs of addiction after smoking only a few cigarettes.

In 1999, the Nevada Office of the Attorney General established a Tobacco Litigation and Enforcement Section to enforce Nevada laws regarding the sale of tobacco products. The section also enforces the national Master Settlement Agreement (MSA) reached with tobacco companies in November 1998.

Nevadans who suspect violations of state tobacco laws or the MSA can file complaints by calling 775-688-1888 at any time, or by writing Victoria Thimmesh Oldenburg, Senior Deputy Attorney General, Tobacco Unit, 5420 Kietzke Lane, Suite 202, Reno, NV 89511.

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FOR IMMEDIATE RELEASE
DATE: Tuesday March 21, 2006

ATTORNEY GENERAL ANNOUNCES SETTLEMENT WITH TIME, INC. CONCERNING AUTOMATIC RENEWAL OFFERS AND MAIL SOLICITATIONS

Attorney General George Chanos announced today that he has joined with 22 other Attorneys General in reaching a settlement with Time, Inc. As a result of the settlement, Time, Inc. will refund up to 4.3 million dollars to consumers and will pay 4.5 million dollars to the States for their costs and fees. Consumers in Nevada will receive approximately \$54,851.48 in refunds and Nevada will receive \$75,000.00.

The settlement resulted from the States' investigation into Time's marketing and billing practices concerning automatic renewal offers, billing and collection procedures, and solicitations in the form of invoices. The States investigated complaints that Time was billing consumers or charging their credit cards for unwanted magazine subscriptions. These complaints arose when Time broke with the long-standing industry tradition of limited-term subscriptions that are renewed at the customer's option at the end of the subscription term. In its place, and without adequately informing customers of the change, Time initiated an automatic renewal method that requires the customer to cancel the subscription if a renewal is not wanted. This practice generated significant consumer confusion and numerous complaints. The States also investigated complaints that Time mailed consumers solicitations that appeared to be invoices and lacked the conspicuous disclosures required by law. The States concluded that Time's practices misled some consumers into paying for unwanted or unordered subscriptions.

Consumer Advocate Eric Witkoski who heads the Attorney General's Bureau of Consumer Protection stated, "In addition to the agreed upon refunds, the settlement will provide consumers better information and more subscription renewal options to ensure they are not charged for products they do not want."

Time, Inc. denied the States' allegations but agreed to provide clear and conspicuous disclosures to consumers concerning all of the material terms for automatic subscription renewals. For the next five years, consumers will have the opportunity to affirmatively indicate whether they want the automatic renewal option. Before the end of the subscription period, Time will send customers written reminders of the automatic renewal, their right to cancel the subscription and the procedure for cancellation.

Time will honor all requests to cancel subscriptions as soon as reasonably possible. If customers are charged for magazines they did not order, Time will refund the subscription price.

Time will not mail solicitations to consumers for subscriptions that resemble bills, invoices or statements of accounts due. In addition, Time will not submit unpaid accounts of automatic renewal customers for third party collections.

Time will refund 4.3 million dollars to more than 108,000 eligible consumers who made payments for magazine subscriptions that were automatically renewed between 1998 and May of 2004. In Nevada, approximately 1,482 consumers may be eligible for refunds totaling \$54,851.48. Within the next three months, Time will be sending State-approved refund letters and claim forms directly to consumers who may be eligible. The letters will explain the settlement and contain instructions on how to apply for refunds. As Time will be identifying eligible consumers from their records, there is no need for consumers to contact the Attorney General's office to qualify for a refund. Consumers should watch for an envelope from Time that says "REFUND OFFER ENCLOSED."

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FOR IMMEDIATE RELEASE

DATE: Wednesday March 22, 2006

Attorney General Chanos Thanks Federal, State, and Local Agencies for Cooperation in International Internet-based Child Pornography Investigation

Carson City, NV – Close cooperation among a number of law enforcement agencies was responsible for the indictment of a Reno man as part of an international Internet child pornography ring. U.S. Attorney General Alberto R. Gonzales and Assistant Secretary for U.S. Immigration and Customs Enforcement first announced the results of the international investigation on March 15 at a news conference in Chicago.

“On behalf of the people of Nevada, I would like to thank the Nevada-based agents of the Immigration and Customs Enforcement (ICE) for spearheading this international investigation. They were supported by Nevada-based agents of the Secret Service, by the Reno Police, and by experts within the Nevada Attorney General’s Office,” said Attorney General George Chanos.

“All of the agencies involved here in Nevada are active participants in the Nevada Task Force for Technological Crime, also called the Cyber Crime Task Force,” he added. “Unfortunately, the Internet and advances in computer technology have expanded the size and scope of the distribution of child pornography. This places an ever-increasing burden on law enforcement agencies and the forensic experts who support such investigations.”

Documents filed with the United States District Court in Reno suggest that 65,000 files may have been shared across the Internet using quasi-illegal peer-to-peer software, and sophisticated encryption to reduce the risk of apprehension by law enforcement.

ICE Resident Agent in Charge John Colledge, who was appointed by Governor Kenny Guinn to the Nevada Advisory Board for Technological Crime in 2005, warned: “We have to remember that child pornography is just one component of Internet crime. The sophistication of this pornography operation is emblematic of the technologies increasingly used in a variety of fraud, money laundering, and identity theft operations. Keeping up with criminals and their use of technology is now a day-to-day challenge for law enforcement agencies at all levels.”

Supervisory Special Agent Colledge also likened major child pornography seizures to racketeering, "Taking out a kingpin produces leads that may be pursued for years. Unfortunately, efforts to roll up a collection and distribution network do not automatically prevent new faces from taking over the role of someone who has been apprehended."

Attorney General Chanos, who serves as the Chair of the Nevada Advisory Board on Technological Crime, noted that the Board and Task Forces it oversees are engaged in an internal exercise to examine goals and objectives in light of the resources currently available. "We want to help educate Nevada citizens how to protect themselves and their children, while also demonstrating to families and businesses through aggressive enforcement that Nevada is a good place to live and do business."

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FOR IMMEDIATE RELEASE

DATE: Wednesday March 22, 2006

NEVADA SUES TO OBTAIN KEY YUCCA DOCUMENT

Carson City, NV – Nevada today sued the U.S. Department of Energy, claiming the agency is hiding a key document pertaining to the safety of the proposed Yucca Mountain nuclear waste repository. The suit, brought by Attorney General George J. Chanos under the Freedom of Information Act, was filed in federal court for the northern district of Nevada. The document is the government's draft license application for the repository, prepared by DOE's contractors in 2004 for upcoming Nuclear Regulatory Commission licensing proceedings. Those proceedings have yet to begin.

"The federal government is required by law to share its important Yucca information with the host state," Chanos said, "and we are entitled to such information under the Freedom of Information Act as well. But DOE has refused to provide Nevada with this most important document for the past three years."

Chanos outlined a host of measures Nevada has taken to secure the document, including two requests by Governor Kenny Guinn to the Secretary of Energy and a follow-up request to President Bush, pending unfulfilled subpoenaed demands by Representative Jon Porter, litigation before the Nuclear Regulatory Commission's licensing hearing board, a Freedom of Information Act request, and administrative appeals within DOE. All those requests were rebuffed, with DOE claiming the draft license application was subject to various legal privileges.

"We want to see this document because we believe it will show that the repository is unsafe after 10,000 years, if not before," said Robert Loux, executive director of Nevada's Agency for Nuclear Projects. "There isn't a privilege in the world that should shield this from Nevada's citizens." In July 2003, a federal appeals court ruled that DOE must demonstrate repository safety for a period much longer than 10,000 years.

To secure a construction permit for the repository, DOE will have to submit a license application to the NRC, commencing several years of formal hearings on various technical and legal challenges expected by Nevada. DOE had completed a draft license application and planned to submit it to NRC

by December 2004. But legal victories by Nevada and technical shortcomings at the project made that deadline impossible to meet, and no new deadline has yet been set.

“What are they trying to hide?” Chanos added. “If the repository is safe, you’d think they’d be anxious to prove it.”

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FOR IMMEDIATE RELEASE
DATE: Monday March 27, 2006

KASTNER SENTENCED TO PROBATION FOR AIDING ESCAPED INMATE

Carson City, NV – Nevada Attorney General George Chanos announced today that Reno resident Ana Kastner, 41, will spend the next 5 years on probation after pleading guilty to charges she helped inmate Kenneth “Jody” Thompson after his escape from the Northern Nevada Correctional Center on August 25, 2005.

Kastner was an employee at the time of the escape and was said to have had romantic relations with Thompson. Kastner was arrested on August 26, 2005 and charged with aiding Thompson. In December 2005 she agreed to plead guilty to one felony count of Attempted Accessory. Kastner was sentenced by Judge Michael Griffin in Carson City this morning. Judge Griffin handed down a suspended 19-40 month prison sentence with a 5 year probation requirement.

The state of Nevada has two other pending cases against Las Vegas residents Kaisa Haynes and Daniel McLeroy in connection with the Thompson’s escape.

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FOR IMMEDIATE RELEASE
DATE: Friday March 31, 2006

LAS VEGAS HOME HEALTH CARE PROVIDER GUILTY OF MEDICAID FRAUD

Las Vegas, NV - Attorney General George J. Chanos announced that 34 year old Jesus Rena Rene Perez of Las Vegas pled guilty to the gross misdemeanor offense of Medicaid Fraud-Failure to Maintain Records. She faced up to 1 year in jail and a \$2,000. fine. Clark County District Court Judge Donald M. Mosley accepted the plea on Wednesday March 29, 2006 and sentenced Ms. Perez to serve 1 year in jail; he suspended the jail time conditioned upon her completing 2 years of probation, performance of 16 hours of community service per month and payment of \$3,370.25 in restitution. Perez was on parole for an earlier theft when this offense occurred; this offense is a violation of that parole. Perez has been in custody since February 16th. She is awaiting the outcome of her parole violation hearing and could be returned to prison for the balance of her 2 to 7 year term.

The case was investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit (MFCU) and concerned Ms. Perez's actions as a home care service provider at Angels r Us. According to MFCU Director Tim Terry, the investigation showed that while one of Ms. Perez's Medicaid clients was out of the State; Perez continued to submit service records indicating she was providing home care services to the client.

"This is an example of straight forward Medicaid Fraud. Ms. Perez took advantage of a position of trust that was bestowed upon her to be an honest provider of care services", said Attorney General Chanos.

The Medicaid Fraud Control Unit investigates and prosecutes instances of patient abuse or neglect, exploitation and isolation. The unit also investigates and prosecutes financial fraud by those providing medical services and goods to Medicaid patients. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>

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FOR IMMEDIATE RELEASE
DATE: Tuesday April 4, 2006

LAS VEGAS FAMILY MEMBERS SENTENCED FOR MEDICAID FRAUD CRIMES

Las Vegas, NV - Attorney General George J. Chanos announced today that members of one family, spanning three generations, have been convicted of crimes related to Medicaid Fraud.

The case was investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit. Those convicted include Las Vegas's:

Forest Dale Vancil, Sr. (Age 73);
Margaret A. Vancil (Age 71);
Deborah Way (Age 46) (their daughter);
Tammi Kay Briley (Age 25) (their granddaughter); and
Edwin Advincula (Age 46), no relation.

MFCU Director Tim Terry said the investigation began in 2003 after a complaint was received concerning Mr. Vancil's home health care company, Southern Nevada Personal Care, Inc. 1504 S. Eastern Ave., Las Vegas, NV. The complaint alleged that Southern Nevada Personal Care had submitted claims for reimbursement from NV Medicaid for home health care services that were not provided. At that time, Forest Vancil Sr. was the President and a general manager of the corporation. Mrs. Vancil was the corporate Secretary and Deborah Way was a manager-employee.

Discord developed within the business and family. Forest and Margaret Vancil were divorcing; Deborah Way was named in a civil action brought by the company. During December 2003 the MFCU executed search warrants on the company and at the Vancil residence. As the investigation continued, Margaret Vancil started a 2nd home healthcare company, A Guardian Angel, 1515 East Tropicana Ave., Las Vegas, NV. Edwin Advincula

was a partial owner and manager of A Guardian Angel. Deborah Way became a manager and consultant to her mother's company. Deborah Way and her daughter, Tammi Briley, opened up a 3rd home health care company, Angels-R-Us, 1808 S. Eastern Ave., Las Vegas, NV. These two new companies soon came under investigation for their own billing improprieties.

Multiple allegations about the family's business operations surfaced, including the falsification of employee backgrounds and qualifications. As new allegations were being analyzed the original investigation showed Southern Nevada Personal Care had a large volume of Medicaid recipients as clients. Many of those clients also spent intermittent time periods in hospital settings; yet the company generated bills alleging home based services were provided. The investigation looked at the business records and client files of the company dating back to 2001. The company listed their clients' personal identifying information on the bills. This information was compared to numerous hospital admittance and discharge records. For the time period of December 2001 through August 2003 there were multiple instances when the dates of a patient's hospital stay overlapped the dates of the company's home health care claims. In other instances investigators could not find information to verify the company's claims. This resulted in the company being charged for misusing their client's personal information while Mr. Vancil, Sr. was individually charged for failing to keep records that could verify the claims.

The investigation of A Guardian Angel showed that as early as May 2004, the company was compiling claims for reimbursement before the dates of service actually occurred (i.e. generating pre-bills). The company failed to reconcile its pre-bills with the true service provided records. Therefore the company submitted the pre-bills, obtained more money than it should have and failed to refund the overages that accrued.

The Angels-R-Us investigation was paralleling the A Guardian Angel "pre-billing" investigation.

Due to the relationship of the targets and the companies' practice of exchanging employees, the MFCU needed to minimize the amount of information that could be leaked back to the family. During interviews, an employee of Angels-R-Us claimed that on two separate occasions, Deborah Way threatened to harm her and her family if she cooperated with the MFCU. That employee said Deborah Way supplied her with a tape recorder, instructed her to surreptitiously tape her interview with the MFCU and to later play the tape for Deborah Way. This would allow Deborah Way to hear for herself if the witness was cooperating. Investigators discovered the recording device, recovered the tape and learned more about Deborah Ways' management improprieties.

By August 2005, the investigations were coming to a close.

Nevada Medicaid's rate of reimbursement for home care services was \$17 per hour. The losses from the two "pre-billing" schemes were estimated at \$38,400. The losses from Southern Nevada Personal Care Inc.'s billing for home care services when clients were in a hospital setting was estimated at \$26,300. The losses from other billing improprieties at Southern Nevada Personal Care, Inc. were estimated at \$63,200.

On November 15, 2005, Edwin Advincula entered a plea and was rendered guilty of misdemeanor Medicaid Fraud-Submitting False Claims. Las Vegas Township Justice of the

Peace Joseph Bonaventure, Jr. ordered Advincula to pay \$18,593.75 in restitution and penalties. Advincula originally claimed that in regard to his billing practices, he was only following the instructions of Deborah Way.

On January 26, 2006, 71 year old Margaret Vancil pled guilty to Acting Without Lawful Authority, a misdemeanor. She paid \$5,000 as restitution. Her case was heard by Las Vegas Township Justice of the Peace Ann E. Zimmerman. She originally claimed she was a hands-off or absentee business owner. She later admitted to other co-workers that she was aware of the pre-billing scheme and took no action to stop it.

On February 9, 2006, 25 year old Tammi K. Briley appeared before Las Vegas Township Justice of the Peace Tony L. Abbatangelo and pled guilty to a misdemeanor offense of Medicaid Fraud-Submitting False Claims; she was ordered to serve 40 hours of community service and to pay \$10,000. in restitution and penalties.

On March 2, 2006, Forest Dale Vancil, Sr. (Age 73) pled guilty to the gross misdemeanor offense of Medicaid Fraud-Failing to Maintain Records that would support a claim. Southern Nevada Personal Care, Inc. pled guilty to a felony charge of Attempting to Obtain and Use the Personal Identifying Information of Another. These cases were heard by Clark County District Court Judge Jackie Glass. Mr. Vancil was sentenced to time already served and the company, of which he was now the sole officer, paid \$160,000. as restitution and penalties.

On April 4, 2006, Deborah A. Way (Age 46) entered a plea and was adjudicated guilty of a felony, Intimidating a Witness. In addition to serving a day in jail and payment of \$25,000 as restitution and penalties, Clark County District Court Judge Joseph Bonaventure sentenced her to one and a half to five years in prison, suspended; ordered her to pay an additional \$5,000 fine; to be placed on probation for 2 years; to perform 16 hours of community service per month; to serve 6 months of house arrest; to refrain from contacts with the victim and refrain from employment in the health care field; and inform all potential employers of this conviction.

Attorney General Chanos stated: "This is a case in which family members seeking easy money soon found themselves in a position to turn on each other; resulting in first time convictions for all three generations. It is truly sad to see a family destroy itself with multiple criminal convictions. However, it is vital that the Medicaid system be protected from fraud."

Additionally, three home care service workers employed by these companies have been convicted of Medicaid fraud related crimes; three more home care service workers are presently charged and awaiting court dates; and another three are under investigation.

The Medicaid Fraud Control Unit investigates and prosecutes instances of patient abuse or neglect, exploitation and isolation. The unit also investigates and prosecutes financial fraud by those providing medical services and goods to Medicaid patients. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. The unit also has a voluntary "self reporting" policy. Medicaid fraud information can be found on the Attorney General's web site: <http://ag.state.nv.us>

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FOR IMMEDIATE RELEASE
DATE: Thursday April 13, 2006

ATTORNEY GENERAL'S OFFICE REPORTS RESULTS IN KATRINA SEX OFFENDER SEARCH

Las Vegas, NV - The Nevada Attorney General's Office has reported that of the approximately 2000 sex offenders who are believed to have fled the Gulf region after hurricane Katrina, only two are known to have relocated to Nevada.

In November of 2005, the United States Department of Health and Human Services warned Nevada that unregistered sex offenders may have relocated to Nevada during the Katrina evacuation. In response, the Attorney General's Office urged the Federal Emergency Management Agency (FEMA) to release the names of evacuees sent to Nevada. Chief Deputy Attorney General Gerald Gardner stated, "FEMA was unwilling to release those names directly to the Attorney General's Office, citing privacy laws. However, working with FEMA's General Counsel in Washington, D.C., we were able to get enough information to seek the names directly from public safety officials in the Gulf States."

The investigation revealed that two Gulf state sex offenders had relocated to Nevada. One offender had moved to Reno. "This individual had already registered with Reno law enforcement in compliance with Nevada law," Gardner stated.

Another Gulf state sex offender relocated to the Las Vegas area but has never registered as a sex offender. "We know this person applied for FEMA assistance at a Las Vegas address," Gardner stated. "However, this person is no longer at the address listed with the FEMA registration database. We are currently working with the Las Vegas Metropolitan Police Department to track down this individual."

Gardner stated, "We are relieved to know that so few Gulf state sex offenders made their way to Nevada after Katrina. However, even one unregistered offender is too many, and this person will be found."

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**ATTORNEY GENERAL
NEVADA DEPARTMENT OF JUSTICE**

100 North Carson Street
Carson City, Nevada 89701-4717

GEORGE J. CHANOS
Attorney General



RANDAL R. MUNN
Assistant Attorney General

April 14, 2006

Re: Proposed "Fix" Yucca Legislation and Impacts on State Programs

Dear Colleague:

I am writing to alert you to a proposed bill sent by the Administration to Congress on April 4, 2006. The bill purports to address Yucca Mountain only, but it presents serious and far reaching negative implications for your state as well.

The bill is ostensibly intended to "fix" the Yucca Mountain program by legislating around both federal and state public health and safety protections. This raises serious public health and safety concerns. It also represents an unprecedented attack on states' rights.

The Tenth Amendment to the United States Constitution provides states with the authority to protect the health, safety, and welfare of their citizens. This proposed legislation would seriously undermine that authority and, in doing so, would set an extremely dangerous precedent for all states.

Therefore, I ask that you seriously consider opposing this bill and, together with your congressional delegation, work to defeat this reckless and ill-advised legislation.

In addition to doubling the number of shipments required to transport high-level waste across the country to Nevada, the legislation proposes to exempt these lethal shipments from Department of Transportation and Nuclear Regulatory Commission safety regulations. States would no longer be able to restrict U.S. Department of Energy (DOE) truck and rail shipments through highly populated areas or infrastructure hazards including tunnels.

The bill also seeks to usurp Nevada's authority to administer its waters. Again, although aimed at Nevada, other states, particularly in the arid west, should note that this Administration is seeking to legislate around the state's sovereign right to administer its water resources. The negative effect of this precedent cannot be overstated.

Finally, the legislation proposes to eliminate the applicability of hazardous waste disposal and air quality control laws. The bill is so sweeping that it appears to exempt

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all of DOE's millions of tons of mixed wastes from state Resource Conservation and Recovery Act (RCRA) regulation and local air quality laws.

I attach to this letter a copy of the legislation and bullet points addressing our concerns. Your attention to this serious threat to well-established principles of federalism is greatly appreciated.

Please direct any questions or concerns to Marta Adams of my staff. She can be reached at 775-684-1237 or via email at: maadams@aq.state.nv.us. Thank you.

Sincere regards,

GEORGE J. CHANOS
Attorney General

Attachments

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FOR IMMEDIATE RELEASE
DATE: Friday April 14, 2006

CHANOS URGES NATION'S ATTORNEYS GENERAL TO OPPOSE YUCCA LEGISLATION

Carson City, NV – Nevada Attorney General George Chanos is urging the Attorneys General in the nation's 49 other states to join Nevada in opposing new legislation sent to Congress earlier this month. The bill proposes to "fix" the laws affecting the development of the proposed Yucca Mountain high-level nuclear waste repository. Chanos outlined his arguments in a letter sent to the Attorneys General today.

"The bill is ostensibly intended to 'fix' the Yucca Mountain program by legislating around both federal and state public health and safety protections," Chanos wrote. "This raises serious public health and safety concerns. It also represents an unprecedented attack on states' rights."

The legislation was sent to Congress by the Bush Administration on April 4, 2006. If passed, the bill would remove Yucca's 70,000-metric-ton capacity limit for nuclear waste. The bill would also allow the U.S. Department of Energy to store nuclear waste from outside the United States and to potentially double the number of nuclear waste shipments slated for travel across the nation to Yucca. The bill further seeks to usurp Nevada's control over its water. "From a western perspective, such a transparent attempt to usurp the state's prerogatives over its water resources damages time-honored principles of state sovereignty," Chanos emphasized.

The bill seeks to abolish all Department of Transportation, U.S. Nuclear Regulatory Commission, Surface Transportation Board and state authority over nuclear waste transportation and would give DOE exclusive control over the largest nuclear waste shipping campaign in history. This bill would remove the states' ability to restrict DOE truck shipments through highly populated areas.

"As Nevada's Attorney General, it is my responsibility to protect the public health and safety of Nevadans. I urge my colleagues to consider the sweeping implications of this bill and to join us in opposing it," Chanos stated. "The states have the authority to protect the health, safety and welfare of their citizens. This proposed legislation would seriously undermine that authority and, in doing so, would set an extremely dangerous precedent for all states."

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FOR IMMEDIATE RELEASE
DATE: Monday April 17, 2006

Don't Borrow Trouble® Northern Nevada Campaign presents:

Consumer Protection Day

Saturday April 22, 2006
Washoe County Senior Center
Corner of Ninth and Sutro Streets
9:00 a.m. to 12:00 noon

Guest Speaker: Gerald Gardner, Chief Deputy Attorney General

The Don't Borrow Trouble® Northern Nevada Campaign is a partnership among governmental, nonprofit, and business agencies whose goal is to provide consumer education and assistance on unfair lending and financial practices.

These practices are negatively impacting the stability of Northern Nevada families and communities, and the negative impacts are continuing to grow:

- ◆ Identity Theft: Nevada ranks among the top 5 States in the US in identity theft.
- ◆ Pay Day Loans: The State Legislature has taken initial steps to protect borrowers from unscrupulous payday lenders.
- ◆ Predatory Lending: Families, including seniors, unable to make monthly payment costs on mortgages, equity loans, reverse mortgages are on the rise in this community.
- ◆ Sweepstakes: contests are costing Nevadans thousands of dollars.

This event is brought to the community by the collaboration of the Attorney General's Office of Consumer Protection, US Department of Housing and Urban Development, Washoe County Senior Services, City of Reno, City of Sparks and the Don't Borrow Trouble Campaign.

For more information, contact: Thomas Vetica, US Dept. of Housing and Urban Development: 775-784-5383 ext. 229

The event is free. Parking is free. All are welcome and invited.

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FOR IMMEDIATE RELEASE
DATE: Monday April 17, 2006

DOMESTIC VIOLENCE PREVENTION COUNCIL SEEKS NEW MEMBERS

Carson City, NV—Attorney General George J. Chanos today announced that the Nevada Council for the Prevention of Domestic Violence is seeking new members. The application is brief and submissions will be accepted now through June 16, 2006.

The mission of the Council includes providing direction to the Governor and the Legislature on statewide domestic violence policy and legislation; increasing public awareness of the magnitude and seriousness of domestic violence and sexual assault; advocating appropriate changes in law enforcement procedure and increasing access to legal and medical services to survivors in need.

As this is a statewide Council, it is their goal to be geographically balanced, culturally diverse, and representative of the various disciplines involved in domestic violence issues.

The Council meets quarterly in either Reno or Las Vegas and currently consists of a wide spectrum of community members, including educators, business and health care professionals, service providers, law enforcement, judiciary, prosecutors, and advocates, as well as domestic violence victims and survivors.

Travel and per diem reimbursement are provided for official Council functions.

The application is available on the Nevada Department of Justice website at the following link: <http://www.ag.state.nv.us>, under "Hot Topics".

For more information or to receive the application by mail or fax, please contact:

Kareen Prentice
Domestic Violence Ombudsman
(775) 688-1872
kcprenti@ag.state.nv.us

Leslie Brandeau-Kennedy
Domestic Violence Coordinator
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FOR IMMEDIATE RELEASE
DATE: Tuesday April 18, 2006

Technology Crime Board Considers Response to Nevada Leading Nation as Home to Most Perpetrators of Internet Fraud

Reno, NV – Nevada Attorney General George Chanos is asking the Advisory Board for the Nevada Task Force on Technological Crime to respond to a new report from the Internet Crime Complaint Center (IC3). The report shows Nevada leads the nation with the highest per capita rate of perpetrators of Internet fraud. This is not the first year Nevada has occupied the unenviable position on the IC3 Internet Crime Report.

“Internet fraud” is an umbrella term that includes a large number of things,” said Jim Earl, Executive Director of the Advisory Board, “The categories considered by IC3 include Internet auction fraud, non-delivery of goods ordered over the Internet, credit/debit card fraud with an Internet component, Internet investment fraud, and Internet identity theft.”

According to the report, auction fraud accounted for 62.7% of the complaints reported to IC3. Non-delivery of merchandise was the second largest complaint category representing 15.7%. The IC3 2005 annual report can be obtained through the IC3 web site at www.ic3.gov/media.

The Board will take the report into consideration as it evaluates a working paper which reviews progress on the six missions created for the Board by a Nevada statute passed in 1999.

The recommendations contained in the working paper were based in part on the results of a survey sent to some 35 State and local law enforcement agencies. The responses unanimously reflected the belief by Nevada law enforcement agencies that the need to examine suspect electronic devices (such as computers and cell phones) will continue to increase in the future. All agreed that additional training of first responders is needed to recognize, seize, and safeguard suspect electronic devices (computers, CDs, floppy disks, thumb drives, cell phones, and PDAs) when making arrests, preparing search warrants, and conducting investigations for all crimes.

Other recommendations included a significant increase in State funding for additional forensic investigators, and training materials for first responders. The training materials would include information assisting local law enforcement agencies to liaise with school officials to address student Internet safety issues. Discussion during the meeting emphasized that Nevada must be prepared for

the increased demand for forensic services that will come about as a result of the training of Nevada law enforcement first responders.

However, lack of funding for the board to accomplish these goals may create a problem. The funding for the Board and its task forces is slightly more than \$5,000 for the fiscal year beginning this July.

“As initially conceived, the Board and its task forces would be funded by grants,” Earl said. “However, grant funding has not materialized, in part because of the national shift in funding priorities toward specialized homeland security projects in the aftermath of 9-11. Additionally, federal agencies are now directed to concentrate on investigations likely to have a homeland security component such as illegal cyber money service businesses, computer intrusions, and intellectual property rights. As a consequence, fewer federal resources are available to support Nevada law enforcement agencies in local criminal investigations that involve electronic data and devices.”

The Board is expected to review budget and program issues at its next meeting on July 10, 2006. The Board will likely consider possible enlargement due, in part, to growing awareness that strong enforcement efforts to investigate and suppress technological crime result in significant economic advantages to businesses located in Nevada.

Attorney General Chanos serves as the chairperson for the Advisory Board for the Nevada Task Force on Technological Crime. The Board oversees two task forces, one located in Reno and one in Las Vegas, comprised of investigators specifically trained to investigate technological crime. Current participating agencies include the FBI, ICE, Secret Service, Las Vegas Metropolitan Police Department, Reno Police Department, Washoe Sheriff's Office, and the Clark County School District.

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FOR IMMEDIATE RELEASE
DATE: Thursday April 20, 2006

Nevada Files Lawsuit to Ensure Full Tobacco Payments

Reno, NV - Attorney General Chanos filed a lawsuit today aimed at obtaining and ensuring full payment by all the companies that are part of the tobacco Master Settlement Agreement (MSA).

Tobacco companies made their annual payment to the states on Monday, April 17, as required by the Master Settlement Agreement reached in 1998 between the states and tobacco companies -- but Reynolds and Lorillard and several smaller companies paid a portion of their payments into a disputed-payment account. Other companies made full payment, but also assert they are entitled to adjustments to pay less.

"We are entitled to full payment under the agreement," Chanos said. "We filed suit to be sure we receive the money the tobacco companies owe the states."

Chanos said that in order to reduce their payments, MSA tobacco manufacturers must show that states failed to enforce state laws that require other cigarette makers to pay into escrow accounts, even if they aren't a party to the MSA. "Nevada has diligently enforced our statute, and we are asking the court to find that we have done so," Chanos said. "Then we will ask the court to order companies to pay in full that which they have paid into a disputed-payment account, and to dismiss the claims of other companies who argue that they are entitled to pay less."

Reynolds and Lorillard paid about \$755 million of their overall payment into a disputed-payment accounts. Philip Morris USA made its full payment -- but has claimed it is entitled to reduce payments. The states received a total of over \$5.7 billion from the companies for the April 17 payment, bringing the total paid under the MSA to over \$ 47 billion since 1998. Nevada's April 17 payment was a little over \$ 35 million, approximately \$4.5 million short of what was expected.

Attorney General Chanos said that if the lawsuits are successful and enforcement orders are entered, the state will receive its full payments plus interest.

The "NPM" or Non-Participating Manufacturer Adjustment:

Under the Master Settlement Agreement reached in 1998 between states and the “Participating Manufacturers” (now principally Philip Morris USA, Reynolds American, and Lorillard, plus many smaller companies), the Participating Manufacturers are required to make annual payments to the states in perpetuity. But payments are potentially subject to certain adjustments that can increase or decrease total payments, including the “NPM Adjustment.”

Participating manufacturers potentially can reduce their payments under the MSA if their market share of tobacco sales falls by a specified amount compared to their market share before the MSA agreement was executed. That is the provision under which Reynolds and Lorillard paid a portion into a disputed payment account, and others (including Philip Morris USA) are disputing their payment amounts even though they paid in full.

However, Chanos said, the MSA also provides that no state’s payment may be reduced if the state is found to have “diligently enforced” a state statute that requires other companies that did not sign the agreement (Non-Participating Manufacturers, or NPMs) to make payments as well. NPM payments go into an escrow account, based on tobacco sales, in approximately the same amount per cigarette as the payments required of Participating Manufacturers.

“There should be no NPM adjustment at all,” Chanos said. “We have diligently enforced our statute, and our lawsuit filed today is designed to show that. We believe the companies that paid into disputed-payment accounts ultimately will be required to make full payment, plus interest, when these issues are finally adjudicated, and other companies also will be denied an NPM adjustment.”

The rationale for state statutes requiring escrow payments by Non-Participating Manufacturers is that companies who sell tobacco products but are not part of the MSA may not be around in, say, 20-25 years, when the harmful health effects of their tobacco products typically might appear. The funds in escrow would be available to meet potential legal obligations the companies could face later. (If there is no legal action or settlement or judgment against an “NPM” after 25 years, the escrow funds could be returned to the company.)

Smoking is declining under the Master Settlement Agreement:

“The states collectively received over \$5.7 billion this time in MSA payments,” Chanos said, “but I want to emphasize that the MSA is primarily a public health agreement. It has strong prohibitions on many forms of advertising, promotion and marketing of cigarettes by the participating manufacturers, and it has led to reduced smoking.”

Chanos noted that since the MSA was executed in 1998, cigarette sales in the U.S. have dropped by more than 21 percent. The number of cigarettes sold in the U.S. in 2005 was the lowest since 1951 (even though the U.S. population doubled), and per-capita cigarette consumption in the U.S. is at its lowest level since the 1930s.

A decline in cigarette sales – one of the goals of the MSA – also results in a reduction in revenues under the MSA. But Chanos said the States believe the public health gains resulting from reduced smoking more than compensate for any volume-based reduction in MSA payments.

Chanos emphasized that the payments now withheld or disputed by the tobacco companies are not related to the overall decline in cigarette sales, but rather are related to allegations that companies outside the MSA had increased their share of the U.S. market at the expense of the MSA companies because of the MSA – and because states have not diligently enforced “model statutes” requiring escrow payments. Many states are going to court to get a declaration that they in fact have diligently enforced their statutes and are entitled to full payments from all the MSA tobacco companies.

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FOR IMMEDIATE RELEASE
DATE: Friday April 21, 2006

Nevada Attorney General's Office, Other Agencies Recognize National Crime Victims' Rights Week: April 23-29, 2006

Carson City, NV – The Nevada Attorney General's Domestic Violence Unit is joining with agencies across the state to recognize the week of April 23 – 29, 2006 as National Crime Victims' Rights Week. The agencies are coordinating many events and displays throughout the Silver State to raise awareness of victims' rights issues.

"Nevada's state laws give certain rights to victims of crime but many victims don't realize they are there," Attorney General George Chanos said. "These rights include the right to be informed and the right to be protected."

The U.S. Office for Victims' of Crime has held National Crime Victims' Rights Week every April since 1981. It assists agencies around the country to plan public rallies, candlelight vigils, and a host of commemorative activities that promote victims' rights and services in all sectors of our society.

Nevada's Crime Victims' Rights Week observances will kick-off with a Candlelight Vigil to be held in Reno on Sunday April 23, 2006.

Victims' of Crime Week Candlelight Vigil

Sunday April 23, 2006 at 6:30pm
Mill B. Lane Justice Center
1 Sierra Street, Reno

The agencies involved in Crime Victims' Rights Week are: Nevada Attorney General's Office, Reno Police Department, Reno City Attorney's Office, Crisis Call Center, Sierra Nevada Job Corps, Washoe County District Attorney's Office, A Rainbow Place, Nevada Department of Corrections, City of Reno Municipal Court, Washoe County Sheriff's Office, CASA, State of Nevada Division of Child and Family Services, Washoe County, City of Reno, SASS (Sexual Assault Support Services) and the Southern Nevada Community Coalition for Victims Rights.

A complete schedule of events and more information on Nevada victims' rights is available on the Nevada Attorney General's Website at www.ag.state.nv.us

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FOR IMMEDIATE RELEASE
DATE: Monday April 24, 2006

(The Nevada Attorney General's Office is recognizing the week of April 23 – 29, 2006 as National Crime Victims' Rights Week. Each day we will release information about a specific group of victims in Nevada and the resources they need and receive from our communities.)

Elder and Child Abuse and Neglect: A Growing Problem in Nevada's Communities

Carson City, NV – The abuse and neglect of children and the elderly is a growing trend across the nation. Nevada's numbers reflect this trend as well. The latest Nevada statistics show more than 13,000 reports of child abuse per year and more than 3,000 reports of elder abuse and neglect per year.

"These numbers will only continue to grow as Nevada's population increases unless we do something about it now," Attorney General George Chanos said. "While the Nevada Attorney General's Office is working to protect our most vulnerable citizens by making cases pursued by our Senior and Child Protection Units a priority, we need everyone to watch out for their neighbors' well being."

Know What Abuse Is: Elder abuse is any knowing, intentional, negligent act by a caregiver or any other person that cause harm or increases the risk of harm to a vulnerable adult. This may be applied to physical abuse, emotional abuse, sexual abuse, financial exploitation, neglect or abandonment.

Child abuse is intentional physical or mental injury, sexual abuse or sexual exploitation; or negligent treatment or maltreatment caused or allowed by a person responsible for a child's welfare.

Look for the Symptoms of Abuse: While one sign does not necessarily indicate abuse, some physical signs that there could be a problem include: bruises, pressure marks, broken bones, abrasions and burns. Emotional signs include unexplained withdrawal from normal activities, sudden alertness and unusual depression.

Protect Your Neighbors: "Unfortunately, child and elder abuse often goes unreported because the victims prefer to suffer silently due to shame or inability to report," Chanos said. "That's why it is so important for Nevadans to watch out for each other. If you suspect someone you know is suffering from abuse, please call local law enforcement so that person can get the help they need."

Reports of child and elder abuse can be made through the State of Nevada Domestic Violence hotline by calling 1-800-500-1556 or 211, the state's new information hotline. More information and resources for Elder and Child Abuse in Nevada can be found by following the "National Crime Victims' Rights Week" link from the Nevada Attorney General's Office website: www.ag.state.nv.us

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FOR IMMEDIATE RELEASE
DATE: Tuesday April 25, 2006

(The Nevada Attorney General's Office is recognizing the week of April 23 – 29, 2006 as National Crime Victims' Rights Week. Each day we will release information about a specific group of victims in Nevada and the resources they need and receive from our communities.)

Sexual Assault Awareness in Nevada

Carson City, NV – Sexual Assault is considered a “major crime” by the FBI. One out of every six American women is a victim of an attempted or completed rape in her lifetime. Nevada is ranked 4th in the nation for sexual assault crimes.

“These numbers demand attention. Everyone must be involved in ending this epidemic and changing the way people think about sexual violence,” said Attorney General George Chanos.

Sexual assault is defined in Nevada as unwanted, forced or coerced sexual acts or abuse. Anyone can be a victim of sexual assault regardless of age, socioeconomic status, cultural background, ethnicity, religion, marital status, physical or mental ability, gender or sexual orientation. However, reporting this intimate personal crime to law enforcement is solely up to the victim. Therefore, reporting of the crime is often underreported.

“Many victims don’t report sexual assaults because they know their attacker and fear the consequences,” said Chanos. “That is why it is important for the members of our community to reach out to one another. If someone you know has been sexually assaulted, encourage them to get help.”

If you or someone you know is a victim of sexual assault, many valuable resources are available to you. You can call the Crisis Call Center at 775-784-8090 (in Northern Nevada) or the Rape Crisis Center at 702-366-1640 (in Southern Nevada).

More information and resources for Sexual Assault in Nevada can be found by following the “National Crime Victims’ Rights Week” link from the Nevada Attorney General’s Office website:

www.ag.state.nv.us

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FOR IMMEDIATE RELEASE

DATE: Wednesday April 26, 2006

(The Nevada Attorney General's Office is recognizing the week of April 23 – 29, 2006 as National Crime Victims' Rights Week. Each day we will release information about a specific group of victims in Nevada and the resources they need and receive from our communities.)

Homicide and Other Major Crimes in Nevada

Carson City, NV – Nevada's increasing population and other factors are contributing to an increase in the number homicides and major crimes reported to the FBI. Preliminary numbers in the FBI's Uniform Crime Report show the number of violent crimes in Nevada increased 2% between 2004 and 2005. The numbers break down as follow:

	Violent Crimes	Murder	Forcible Rape	Aggravated Assault	Property Crime	Burglary	Larceny -Theft	Motor Vehicle Theft	Arson	Robbery
2004	6124	81	378	3,416	41,789	9,472	22,008	10,309	238	2,249
2005	5924	86	435	3,419	42,744	9,749	21,263	11,732	287	1,984
% change	2	6	4	10	5	4	4	4	3	-12

Source: 2005 FBI Uniform Crime Report (preliminary)

"The numbers are rising in all but one of the FBI major crimes categories and that is just not acceptable," said Attorney General George Chanos. "Nevada's state and federal law enforcement agencies are stretched to their limits and need more resources to protect the public. We must all recognize that our continuing security comes at a cost we must be willing to pay. Please exercise wisdom in ensuring your personal security and the security of your neighborhoods and businesses. Take a moment to think how you might contribute to the lowering of these numbers."

More information and resources on Homicide and Other Major Crimes in Nevada can be found by following the "National Crime Victims' Rights Week" link from the Nevada Attorney General's Office website: www.ag.state.nv.us

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FOR IMMEDIATE RELEASE
DATE: Thursday April 27, 2006

(The Nevada Attorney General's Office is recognizing the week of April 23 – 29, 2006 as National Crime Victims' Rights Week. Each day we will release information about a specific group of victims in Nevada and the resources they need and receive from our communities.)

Domestic and Dating Violence: Stopping the Abuse Cycle

Carson City, NV – In 2004, 25,049 people in Nevada reported domestic violence complaints, the majority of which are women and children. Many other victims are afraid to report the crimes to police.

Domestic violence is generally defined as child abuse, abuse of a spouse or domestic intimate partner, elder abuse or dating violence. The abuse can be physical abuse, verbal or nonverbal abuse, psychological abuse, sexual abuse, stalking or cyberstalking, economic abuse or financial abuse and spiritual abuse.

Individuals living with domestic violence in their households have erroneously learned that violence and mistreatment are the way to vent anger. Someone resorts to physical violence because they have solved their problems in the past with violence, they have effectively exerted control and power over others through violence, and no one has stopped them from being violent in the past.

Some immediate causes that can set off a bout of domestic abuse are stress, economic hardship, such as prolonged unemployment, depression, desperation, jealousy and anger

"Domestic violence is often attributed to an abuse cycle which is passed from parents to children in a seemingly endless cycle through generations," said Kareen Prentice, Domestic Violence Ombudsman for the Nevada Attorney General's Office. "But, by being alert and reporting abuse we can work to stop that cycle. No one should fear going to his or her home."

The state of Nevada has many resources and organizations to help victims of domestic violence which are coordinated by the Nevada Council for the Prevention of Domestic Violence and the Nevada Network Against Domestic Violence (www.nnadv.org)

Dating violence is also prevalent in Nevada, however, the phenomenon has not been statistically tracked. Its existence is noted in the large number of sexual assault reports from younger residents.

Teen Dating Violence is one of the Nevada Attorney General's Domestic Violence Unit's initiatives for 2006. The state has received specific grant money to educate Nevada's adult and teen population about the dynamics of dating violence with an emphasis on victim safety and safety planning, through the development of training programs for educational and community presentation.

"We've made Teen Dating Violence Initiative (TDVI) presentations at several area high schools as part of our pilot program and so far the results have been enlightening," Prentice said.

Reports of domestic violence can be made by calling the State of Nevada's Domestic Violence Hotline at 1-800-500-1556 or 211, the state's new information hotline. More information and resources for Domestic and Dating Violence in Nevada can be found by following the "National Crime Victims' Rights Week" link from the Nevada Attorney General's Office website: www.ag.state.nv.us. If you would like more information about the TDVI presentations you can contact Kareen Prentice at (775) 688-1818.

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FOR IMMEDIATE RELEASE
DATE: Thursday May 4, 2006

FORMER NDOT EMPLOYEE SENTENCED FOR MISCONDUCT, GRAND LARCENY & EMBEZZLEMENT CHARGES

Reno, NV – Nevada Attorney General George Chanos announced today that former NDOT employee Floyd Finely Lynch, 39 of Sparks, was sentenced to up to 30 months in the Nevada Department of Corrections, suspended and given two years probation, fined and order to pay restitution and perform 100 hours of community service. The sentence was handed down this afternoon in Washoe County District Court. Lynch was convicted in March on seven counts related to the theft of an NDOT truck engine. The counts include four felony charges of Burglary, Grand Larceny, Misconduct of a Public Officer and Embezzlement along with three gross misdemeanor charges of Conspiracy.

In its case, the Nevada Attorney General's Office argued that Lynch and an accomplice stole an engine from an NDOT 1995 GMC Crew Cab engine during a graveyard shift at the Mount Rose Galena Station and replaced the engine with a different engine before returning the truck to the NDOT yard in Reno. The incident occurred on December 14, 2004. Another NDOT employee witnessed the crime.

NDOT officials were alerted that the truck's engine had been switched when the replacement engine stalled out the next day.

"We hope this sends a signal to all those who might consider stealing government property," said Chanos. "This type of conduct simply will not be tolerated and those involved will be prosecuted to the full extent of the law."

Lynch's accomplice Derrick Sean Burlingame, 33 of Reno, also faces charges of grand larceny in connection with the incident. He pled guilty last week. Burlingame will be sentenced on June 30. Burlingame was not an NDOT employee.

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FOR IMMEDIATE RELEASE
DATE: Monday March 8, 2006

Media Advisory

What: News Conference to Release 2005 Auto Theft City Rankings

When: Tuesday, May 9 at 10:00 AM

Where: Attorney General's Office
Grant Sawyer Building, Room 3900
555 E. Washington

Who: Gerald Gardner, Chief Deputy Attorney General
Ray Unsell, National Insurance Crime Bureau
Bob Compan, Nevada Insurance Council
Las Vegas Metropolitan Police Representative

Why: **Las Vegas ranks second in the nation in motor vehicle theft rates,** according to data that will be released tomorrow by the National Insurance Crime Bureau (NICB).

Representatives from the Attorney General's Office and the Las Vegas Metropolitan Police will be available to discuss law enforcement's response to this growing crime.

A representative of the insurance industry will be available to answer questions about the impact of auto theft on insurance rates and what consumers can do to reduce their chances of being victimized by auto thieves.

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FOR IMMEDIATE RELEASE

DATE: Wednesday May 10, 2006

ATTORNEY GENERAL ANNOUNCES LAS VEGAS MAN ARRESTED ON THEFT CHARGES IN CONNECTION WITH CUSTOM TRAILER OPERATION

Las Vegas, NV – Nevada Attorney General George Chanos announced today that Vince Rimoldi, 50 of Las Vegas, has been arrested on charges of theft in connection with the operation of a business which misled customers into believing that he created and sold custom trailers. Mr. Rimoldi operated the business under several names, including Vince Rimoldi R.V. & Fabrications, Vince Rimoldi Custom Alteration & Repair and Vince's Trailer Sales.

Following an extensive investigation, the Attorney General's Bureau of Consumer Protection, headed by Consumer Advocate Eric Witkoski, alleges that on eleven separate occasions, between July 2005 and February 2006, Rimoldi obtained large cash deposits from individuals by enticing them to purchase custom trailers through newspaper classified advertisements. Rimoldi never delivered any of the eleven promised trailers for which he had collected the deposits. In total, the State alleges that Rimoldi obtained approximately \$39,000 from his victims.

The Bureau of Consumer Protection's investigation also revealed that Rimoldi had not obtained licenses from the Department of Motor Vehicles to manufacture and sell custom trailers. Further, Rimoldi did not obtain county or city business licenses prior to commencing his operation.

"We intend to prosecute Mr. Rimoldi's illegal conduct to the fullest extent of the law. Hopefully we will discourage him and others from attempting to perpetrate similar schemes upon Nevada's consumers in the future." said Witkoski.

Anyone who has information regarding this case should contact the Attorney General's Office at 486-3777 in Las Vegas or 684-1180 in Carson City.

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FOR IMMEDIATE RELEASE
DATE: Thursday March 11, 2006

ATTORNEY GENERAL WARNS OF NEW MEDICARE PART D FRAUD SCAMS AS ENROLLMENT PERIOD NEARS END

Las Vegas, NV – Nevada Attorney General George Chanos warns Nevada seniors to be watchful for fraud as the enrollment period for Medicare Part D Prescription Drug plans comes to an end. A new telemarketing scam targeting seniors with Medicare has now surfaced in the Las Vegas area. The scam begins with a call from a blocked telephone number. The caller tells the senior that there is a problem with his or her Medicare Prescription Drug enrollment and that the senior will need his or her checkbook to resolve it.

“The new Medicare Rx prescription drug program was designed to help seniors and people with disabilities get affordable prescription drugs,” Attorney General Chanos said. “However, the program has also motivated corrupt individuals to take advantage of these seniors.”

The Attorney General’s Senior Nevada Medicare Fraud Patrol advises seniors never to give out personal information over the telephone. Instead, ask the caller for his or her name, organization’s name and phone number. Do some research on the organization before calling back. A legitimate company that is contracted with Medicare will never ask for personal identification during initial contact phone calls. This tip is just one on a recently released list of tips for seniors to help protect themselves from becoming a victim of Medicare Part D enrollment fraud. The list is available on the Attorney General’s website: www.ag.state.nv.us

The Medicare Fraud Patrol also encourages any seniors who have not enrolled in the Medicare Part D program to attend one of three special “LAST MINUTE ENROLLMENT” seminars in Las Vegas on May 11th, 12th and 15th.

“LAST MINUTE ENROLLMENT”

May 11, 12 & 15
9 a.m. - 4 p.m.
3100 W. Sahara Ave.
Las Vegas, NV 89102

Barring any last minute decisions by the US Congress to extend the enrollment period, seniors must enroll in a Medicare Part D Prescription Drug plan by the end of the day on Monday May 15th. Of the 302,537 Medicare beneficiaries in Nevada, some 74 percent (223,772 beneficiaries) now have some kind of drug coverage.

The Senior Nevada Medicare Fraud Patrol is part of the Senior Nevada Advocates on Guard, or "SNAG," which is a partnership of the Nevada Attorney General's Office, the Nevada Division of Aging Services, the US Attorney's Office, and the AARP. The unit is comprised of a group of trained senior volunteers who are able to assist Nevada Medicare beneficiaries in understanding the delivery of their health care through the Medicare and Medicaid systems and how to spot and report suspicious activity.

If you or someone you know suspect Medicare Fraud, please call the fraud patrol's hotline at 1-888-838-7305. Consumers can also report cases of Medicare Part D Enrollment fraud by calling 1-877-7SAFERX (1-877-3379).

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FOR IMMEDIATE RELEASE
DATE: Thursday May 11, 2006

LAS VEGAS FATHER SENTENCED TO JAIL FOR ABDUCTING SON

Las Vegas, NV – Nevada Attorney General George Chanos announced today that James Ian Mystery aka James Ebbetts, 68 of Las Vegas, has been sentenced to a minimum term of one year in the Nevada Department of Corrections for abducting his 8 year old son in 2004. Mystery was sentenced in Clark County District Court this morning. The sentence included a maximum term of 32 months and a minimum term of 12 months in prison, in addition to administrative fees and restitution in the amount of \$12, 206.62. The restitution is the result of costs for extradition and legal expenditures made by the child's mother while attempting to locate the child in the Philippines.

"When a court determines which parent should have custody of a child, it is for the safety and well-being of that child. Mr. Mystery put himself and his son in great danger by taking the child away from his mother in violation of the court's custody order. The Nevada Attorney General's Office has a responsibility to ensure that he is held accountable for his actions." said Attorney General Chanos.

Mystery abducted his 8 year old son and took him to the Philippines in 2004. In November 2005, approximately one year and eight months later, he was located with the assistance of the FBI. He was arrested and taken to Guam where he waived extradition. He pleaded guilty to the charge of unlawful detainment and concealment of a child when he returned to the Las Vegas and was released on bond. After being released, he attempted to abduct the child a second time. He was arrested and is awaiting trial on the new charge of Attempt Kidnapping. The Clark County District Attorney is handling that case.

Today's case was prosecuted by the Nevada Missing Children's Clearinghouse (NMCC) which is housed in the Nevada Attorney General's Office. The NMCC acts as the central repository for missing children reports and is also an information resource for child protection issues. NMCC works in tandem with the National Center for Missing & Exploited Children, law enforcement agencies nationwide, and all 50 states' clearinghouses. For more information, please call the NMCC at (702) 486-3539 or visit the Nevada Attorney General's Office website at www.ag.state.nv.us

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FOR IMMEDIATE RELEASE
DATE: Monday May 15, 2006

NEVADA ATTORNEY GENERAL'S OFFICE TO HOST RURAL METH SUMMIT

Attorney General George Chanos announced today that the Attorney General's Office will hold a Rural Methamphetamine Summit in Winnemucca, Nevada, May 17-19, 2006. The conference will bring together individuals from law enforcement, the judiciary, education and social services with the goal of addressing the methamphetamine crisis in our rural communities.

Attorney General George Chanos will make opening remarks to the summit attendees and thank them for working toward solutions to the methamphetamine crisis in our rural communities. Chief John H. Douglas will also address the summit attendees on behalf of the Department of Public Safety.

Conrad Hafen, Chief Deputy Attorney General over the Criminal Division and Political Corruption Unit, stated "Methamphetamine is no longer just an urban problem, it has moved into our rural communities. This drug destroys individuals and families. The goal of this summit is to address the needs of our communities and provide solutions to a problem that impacts every aspect of our society."

Mr. Hafen will be conducting the summit on behalf of the Attorney General's Office and will act as moderator for the panel discussion during the summit. Gerald Gardner, the Las Vegas Office Chief will also speak at the summit. Mr. Gardner was instrumental in creating new laws that protect children from the dangers of methamphetamine labs. He will discuss these laws and what additional laws need to be created at the state and federal level.

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FOR IMMEDIATE RELEASE
DATE: Monday May 15, 2006

UNITED STATES SUPREME COURT TO HEAR NEVADA CRIMINAL CASE

Attorney General George Chanos announced today that the United States Supreme Court has granted certiorari in the case of *Glen Whorton Director, Nevada Department of Corrections v. Bockting*. The Nevada Attorney General's Office asked the nation's highest court to decide whether a 2004 United States Supreme Court decision limiting hearsay testimony should apply retroactively to a 1988 Nevada case.

The case arises from the 1988 conviction of Marvin Bockting, who was found guilty by a Clark County jury of four counts of sexual assault of a minor. At trial, the prosecution presented medical evidence showing that the victim, defendant's six-year old step-daughter, had been sexually assaulted. The prosecution also attempted to call the six-year old victim to the stand, but she was unable to testify. Under a then-existing exception to the hearsay rule, the trial judge allowed the victim's mother and a police detective to testify about statements the victim had made about the rapes.

In 2004 the United States Supreme Court ruled, in the case of *Crawford v. Washington*, that hearsay testimony similar to the kind admitted in Bockting's trial is not admissible unless the defendant has the opportunity to cross-examine the victim. Bockting filed a federal *habeas corpus* petition to the 9th Circuit Court of Appeals, asking for his 1988 conviction to be reversed on this basis. Over the State's objection, the 9th Circuit granted Bockting's request, ruling that the *Crawford* decision should apply retroactively to the Bockting conviction. The Nevada Attorney General's Office argued that the law should not apply retroactively to cases that have already been through their final appeals.

The United States Supreme Court did not state, in the *Crawford* opinion, whether its ruling should apply retroactively. However, since *Crawford* was decided, five United States Circuit Courts have ruled that *Crawford* should not be applied retroactively. Only the 9th Circuit has ruled otherwise.

Attorney General Chanos stated, "The 9th Circuit's ruling would mean that thousands of legitimate convictions in Nevada, California, Arizona, and other western states would have to be retried. Bockting was properly convicted under the law that was on the books at the time of his trial. All of the other Circuits that have decided this issue have correctly ruled that you don't apply a new rule of law to old convictions that have already completed their State appeals. We asked the United States Supreme Court to resolve this issue and they have agreed that it is important enough that they will hear our case."

Bockting, who is now 46 years old, was sentenced to life in prison and is currently serving his sentence in the Northern Nevada Correctional Center in Carson City. The Director of the Nevada Department of Corrections is routinely named as the respondent in all federal *habeas corpus* petitions filed by prison inmates.

The Nevada Attorney General's Office will file additional briefs to the United States Supreme Court in the upcoming months. Defendant Bockting is represented by the Federal Public Defender's Office. Oral argument is expected to take place before the United States Supreme Court in Washington, D.C. this November. Attorney General Chanos will argue the appeal before the United States Supreme Court.

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FOR IMMEDIATE RELEASE
DATE: Friday May 19, 2006

ATTORNEY GENERAL CHANOS PROMOTES MICHAEL WILSON TO GAMING CHIEF POSITION

Carson City, NV – Nevada Attorney General George Chanos announced today the promotion of Assistant Chief Deputy Attorney General Michael Wilson to the position of Chief Deputy Attorney General of the Attorney General's Gaming Division. Wilson will replace Chief Deputy Attorney General Keith Kizer, who was recently appointed executive director of the Nevada Athletic Commission.

Wilson has worked in the Attorney General's Gaming Division for 23 years, the last 17 of which he has spent as the Northern Nevada Gaming Supervisor or Assistant Chief Deputy Attorney General. Prior to working for the Attorney General's Office, Wilson worked for the Washoe County District Attorney's office and in private practice. Wilson is a veteran of the United States Air Force and has also pursued postgraduate studies at the University of Nevada, Reno and New York University. He graduated in the top 10% of his law class at the University of the Pacific, McGeorge School of Law.

"Mike has the skills, knowledge and experience to lead our gaming division," said Attorney General Chanos. "He has worked hard for our office for many years and has earned this promotion."

Kizer's last day with the Attorney General's Office will be Monday, May 22nd. Kizer has served as Chief Deputy Attorney General of the Gaming Division for over 5 years, and has represented the Nevada Athletic Commission for the last 8½ years.

"Keith has served as an outstanding leader over the Gaming Division," Chanos said. "We look forward to working with him in his new role as Executive Director of the Nevada Athletic Commission."

The Gaming Division represents the Nevada Gaming Commission, the State Gaming Control Board, and the Nevada Gaming Policy Committee. The Division also handles disciplinary actions brought against gaming licensees for violations of gaming regulations and statutes, disputes over payment of taxes and fees, and actions to add individuals to the list of excluded persons (Black Book).

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FOR IMMEDIATE RELEASE
DATE: May 25, 2006

ADVANCED FEE FRAUD SCAMS TARGET JOB SEEKERS

Nevada Attorney General George Chanos alerts consumers seeking careers in the oil and gas industry to be wary of false employment opportunities being advertised by Elfina Oil & Gas Company. The company, which purports to be headquartered in Carson City or "Nevada City" Nevada, posts job openings for engineers on various oil and gas employment websites over the internet. The Nevada Secretary of State's office has no listing for Elfina Oil & Gas and the phone number and King Street address provided as contact information for the company actually belongs to a state agency located in Carson City.

The job postings are particularly attractive to foreign applicants due to the wide range of benefits offered, including "sponsorship for a U.S. visa." Applicants who are extended job offers via e-mail are then told that to work in the U.S., they must first pay money in advance for a temporary work permit and a "US Expatriate License." Once the money is received, the company promises to send the applicant an "invitation letter," prepaid airline ticket, and other documents which will allow them to work at their "duty location" in Nevada.

One complaint received from a Canadian citizen stated that he sent \$510.00 to Elfina via Western Union to a contact in Bristol, Virginia in order to obtain the work permit and license for entry into the US to work for the company. The applicant became suspicious after wiring the money, when he was told that the documents could not be delivered until he sent an additional \$625.00 to ensure that he was not connected to a terrorist organization. No documents were ever received, nor was the applicant successful in obtaining a refund of the money he wired to Elfina.

This scheme is similar to advance fee scams that guarantee to issue a prize upon payment of a cash "advance-fee." Once the fee is paid, usually through a financial services company such as Western Union, the consumer does not receive the prize. As in most advanced fee schemes, the perpetrators represent that the wired funds can only be retrieved

with a confirmation code, but that is not the case. Once the funds are wired, it is out of the victim's hands and can be retrieved anywhere, anyplace by anyone. Some monies have been traced to countries such as Nigeria, Romania, and the Ukraine.

The Attorney General's Bureau of Consumer Protection offers the following tips for applicants responding to job advertisements:

- Be wary if asked to send money via Western Union or by any other means. Legitimate companies do not ask applicants to pay for documents which would allow them to work in the U.S.
- Be cautious of contacts that use free e-mail providers such as Gmail, Yahoo, or Hotmail, as most employers do not use free-email providers.
- Always check with local or state officials to verify that the company is lawfully operating and located in the state. You may also contact the local Chamber of Commerce to verify the existence of a business in a particular location.

If you believe that you have been the victim of this scam, please call the Attorney General's Bureau of Consumer Protection at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable consumer protection information, is also available on the Attorney General's website at www.ag.state.nv.us

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FOR IMMEDIATE RELEASE
DATE: May 25, 2006

ATTORNEY GENERAL ANNOUNCES LAS VEGAS WOMAN ARRESTED ON CHARGES OF THEFT AND IDENTITY THEFT IN CONNECTION WITH FRAUDULENT ON-LINE SALES.

Las Vegas, NV – Nevada Attorney General George Chanos announced today that Monesha Carter, 24 of Las Vegas, has been arrested on charges of theft and identity theft in connection with the fraudulent sale of items via the internet.

Following an extensive investigation, the Attorney General's Bureau of Consumer Protection, headed by Consumer Advocate Eric Witkoski, alleges that on six separate occasions, between December 2004 and September 2005, Carter obtained money from unsuspecting purchasers who responded to advertisements on the Internet that offered items for sale. The victims in these cases sent money to Carter and received nothing in return. In total, the State alleges that Carter defrauded her victims out of approximately \$3,379.00.

In addition, during the service of a search warrant at Carter's residence, Bureau of Consumer Protection investigators discovered a number of credit cards that had been obtained using the identifying information of other victims. Carter is also charged with one count of felony Identity Theft.

"Identity Theft and on-line fraud are growing problems. We intend to prosecute Ms. Carter's illegal conduct to the fullest extent of the law. Hopefully we will discourage her and others from attempting to perpetrate similar schemes in the future." said Witkoski.

Anyone who has information regarding this case should contact the Attorney General's Office at (702) 486-3777 in Las Vegas or (775) 684-1180 in Carson City.



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FOR IMMEDIATE RELEASE
DATE: Tuesday May 30, 2006

FORMER EXECUTIVE ASSISTANT FOR NEVADA COURT REPORTER'S BOARD SENTENCED ON THEFT AND FORGERY CHARGES

Las Vegas, NV –The Nevada Attorney General's Office announced today that Dawn Jackson, former executive assistant with the Nevada Court Reporter's Board, was sentenced today on the charges of Theft, a Category B felony and Forgery of a Public Officer's Signature, a category D felony.

In regard to the theft charge, District Court Judge Valerie Adair sentenced Ms. Jackson to 12 to 36 months in the Nevada State Prison. That sentence was suspended and she was placed on probation for a term not to exceed five years. Ms. Jackson was also order to pay \$38,000.00 in restitution to the Nevada Court Reporter's Board.

On the charge of Forgery of a Public Officer's Signature, Ms. Jackson was sentenced to 12 to 32 months in the Nevada State Prison. This sentenced was also suspended and she was placed on probation not to exceed 5 years.

Conrad Hafen, Chief Deputy Attorney General over the Criminal Division and Political Corruption Unit stated: "Ms. Jackson was placed in a position of public trust. However, she chose to be greedy and dishonest. Today she has been held accountable for her choices. Hopefully, the Court Reporters Board can recover from this devastating financial loss."

The Attorney General's Office began their investigation in 2005, when it was discovered that Ms. Jackson had forged the signature of board member Steve Mack on numerous Nevada Court Reporter checks. The investigation further revealed that Ms. Jackson had embezzled money from NCR accounts in order to pay for airline tickets so family members could travel to Los Angeles and Dallas.

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FOR IMMEDIATE RELEASE
JUNE 14, 2006

ATTORNEY GENERAL JOINS 19 OTHER STATES IN SETTLEMENT WITH NEVADA ALTERNATIVE HEALTH COMPANY

The Bureau of Consumer Protection, along with the offices of 19 other Attorneys General, entered into a settlement with two Nevada companies and their owner, Richard Bailey, regarding the sale of a progesterone cream product promoted as an alternative hormone replacement therapy. The companies, Gateway Distributors, Ltd. and The Right Solution Gateway, market alternative health products to consumers through the Internet and mail using the name, "The Right Solution" (TRS).

The Attorneys General alleged that TRS mailed an advertisement to Maryland residents labeled "Medical Recall Notice." The notice falsely stated that prescription estrogen and progesterone products had been the subject of medical recalls, that the products are hazardous to consumers' health, and that they could cause breast, cervical, and endometrial cancer. In fact, no prescription drug estrogen or progesterone products have been the subject of a medical recall. The notice further advised consumers that they should instead use TRS's natural progesterone product, "YMotion Yam Cream."

The Attorneys General also alleged that TRS's YMotion Yam Cream product is a drug that has not been approved by the United States Food and Drug Administration (FDA), and, therefore, cannot be legally sold in the United States. Additionally, the Attorneys General alleged that TRS made false and misleading claims as to their product having been clinically proven to be safe and effective when, in fact, the product had not been clinically tested or proven to be effective.

The settlement calls for the cessation of sales of the YMotion progesterone cream product or any other drug products, unless they are first approved by the FDA, and prohibits any health claims in advertising unless TRS possesses clinical research proving such claims

to be true. TRS has agreed to pay restitution to consumers who file complaints about the YMotion Yam Cream products within the 180 day claims period provided in the Assurance. TRS has also agreed to pay a penalty of \$100,000.

“Besides providing monetary relief for consumers who may have purchased products based upon unsubstantiated advertising claims, more importantly, consumers will now have accurate information upon which to make decisions about purchasing these products.”

Consumers who wish to file claims for restitution may write The Right Solution, 3220 Pepper Lane, Las Vegas NV 89120.

All complaints must be received no later than December 11, 2006.

The other states that participated in the settlement are: Arizona, California, District of Columbia, Illinois, Kentucky, Maryland, Michigan, Missouri, Montana, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Vermont, Washington and Wisconsin.

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FOR IMMEDIATE RELEASE
DATE: Thursday June 15, 2006

“UPBEAT” PARENTS SUPPORT THEIR CHILDREN

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

“Child support payments are the most obvious means of providing for children, and many parents making them—and making them on time—struggle to do so,” said Deputy Attorney General Donald Winne. “It costs the state many times over when children are not supported financially by those responsible, so to those who do, we’d like to say thanks.”

Attorney General George Chanos adds, “Father’s Day is a day set aside to recognize the important contributions made by those who act as caring, compassionate and contributing parents. To all those fathers who do care and who do contribute, of which there are many, we thank you.”

The Nevada Department of Justice publishes this message each Father's Day. We feel that although it is our duty to find and prosecute parents who don't live up to their obligation and commitment, it is also important to recognize those who do.

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

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**WHATEVER YOUR NEWS AGENCY CAN DO TO HELP WITH PUBLIC
ACKNOWLEDGEMENT OF THESE INDIVIDUALS AND THE IMPORTANT ROLE THEY
PLAY ON BEHALF OF THEIR CHILDREN IS APPRECIATED.**

Humboldt County: Eric Jimenez, Ramon Vaca, Michael Formby, Lonnie Malan

"I appreciate this opportunity to speak about what it means to be a non-custodial parent and more importantly just to be a parent. My two children are the center of my world. Anyone that has children knows that with every new day brings with it new challenges and new victories both for them and for you. Nothing is more rewarding than seeing a smile on their little faces when they learn something new or overcome obstacles in their growing lives. I personally would not want to miss a single day or to not be part of it. Children truly bring out what should be most important to all of us and that is family. Regardless of what happens in our lives, we need to remember that our children need us above all else and as adults, we have a responsibility to be the best father, mothers, teachers, and listeners that we can be. Children are truly gifts from heaven and within them, they offer us all a renewed hope for ourselves and the world we live in."

Eric Jimenez

"I would like to see that one day I would have an equal custody of my son. In the way that his mother and I would both have the same custodial benefits and have equal time with my son. It is a joy to be a father because I want to be there for my son when ever he may need me, in person and not only in an economical way."

Ramon Vaca

"My name is Michael Formby and I have been a non-custodial parent for six years now. My son currently lives in Reno. I would have to say that my son is one of the most important things in my life. For the last ten years, I have watched my son grow up to be a very handsome young man. I know that I have shown him what it takes to be a great father and I have given him the support he has needed over the years. When I have a bad day at work, all I need to do is call him and he makes everything better. He has been a true inspiration in my life. I would have to say the most rewarding thing about being a parent is knowing that you have created a human being that will make a difference in the world someday. It has been a joy watching him grow up with the same interests in life as me. I received a call from him when he had his first baseball game this year and he said "Dad, guess what position I played tonight" and I said "what position was that" and he said, "I pitched just like you did when you were my age". The excitement in his voice made me realize he was growing up to be just like me. I have since re-married and I now have another son who is almost

two years old and a baby due in November. He has been the best big brother in the world and he is very excited about the new addition in our family. When we are all together, my life could not be more complete. I would just like to say that being a non-custodial parent is one of the most difficult transition that I have ever gone through. When you go from seeing you son everyday to a Court Order Visitation Schedule, it can be hard. It can be frustrating at times to be that parent that has to pay child support every month, but as the father, it is my responsibility. I know that my monthly payments are for the benefit of my son and that is why it is a priority for me to pay. Just remember that it takes more than just paying child support to be a good parent, so cherish the time you have with them now because before we know it, they will be grown.”

Michael Formby

Lyon County: Matt Wilson, Charles Roe, Frank Serpa, Joseph De Braga, Albert Torres, David Vincent, Jeremy Scollard, Robert Verso, Kyle Tenbrink

“I feel it’s important to remain part of my children’s lives to help teach them and prepare them for the future. And to promote love and respect.”

Matt Wilson

“Being a parent is not only a huge obligation, it is the most rewarding and challenging part of my life. Being a parent is truly a pleasure and my children are a gift to be treasured.”

Charles Roe

“I want to be part of shaping my child’s life. I believe it’s important.”

Frank Serpa

“No matter what happens between parents, it’s not the children’s fault. They deserve to have the love and devotion just like any other. My kids mean the world to me!!”

Joseph De Braga

"It's very important to stay involved in your children's life in order to help them become good, well balanced people. The money spent in support of your child helps to make life easier and brings more opportunities, but the time you spend with your child is priceless and is what they remember long after the money has been spent."

Albert Torres

"I feel it is important to be part of the child's life because regardless of whether a relationship with the other parent is lasting or not, it is so important to make sure your child knows that he/she is loved unconditionally and that as their parent, you support them in every way."

David Vincent

"It is not a burden but your responsibility to care for your child or children."

Jeremy Scollard

"Children only grow up once and there is so much an absent parent can miss. I love being a part of my children's lives. They change everyday and learn new things everyday. Right now, I am enjoying every minute I have with each of my children. My daughter is turning into a young woman and her personality changes with her mood. My son and I play football, baseball and basketball every chance we get. I feel it takes both parents to teach their children how to become good students in school and a two parent relationship makes everyone happy. I am so glad to not miss an opportunity of watching my children to become responsible adults."

Robert Verso

"Children are the definition of innocence. They did not choose, nor are they the reason for Mom and Dad to not be together. They do deserve, more than anything, that both parents make every effort to provide a safe, happy, healthy and educational childhood."

Kyle Tenbrink



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FOR IMMEDIATE RELEASE

DATE: June 23, 2006

APPLICATIONS AVAILABLE FOR VIOLENCE AGAINST WOMEN GRANT PROGRAM

Carson City, NV -- Attorney General George Chanos has announced the availability of funds under the **STOP** (Service - Training - Officers - Prosecution) Violence Against Women Act (VAWA) Grant program. Nevada has been allocated funds from the U.S. Department of Justice (DOJ) under the VAWA Grant program. The grant money will be awarded 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 more effective law enforcement, court and prosecution strategies to combat violent crimes against women, and the development and enhancement of victim services in cases involving crimes against women.

The Attorney General's Office will administer the **STOP** Grant funds on behalf of programs throughout Nevada. Sub-grant application kits are available on the Attorney General web page (listed under "Hot Topics"), at <http://ag.state.nv.us>. Since the inception of this program in 1995, more than \$10 million has been distributed statewide to organizations and groups to assist in combating crimes against women.

For more information on the grant program, please call Dorene Whitworth, Office of the Attorney General, at (775) 850-4123. Applications are due by July 31, 2006.

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FOR IMMEDIATE RELEASE

DATE: Wednesday June 28, 2006

LAS VEGAS GROUP HOME OPERATOR GUILTY OF NEGLECT

LAS VEGAS - Attorney General George J. Chanos announced today that for the second time in the past 6 months, a group home operator has been rendered guilty of a charge relating to Elder Neglect. Las Vegas Delfina Sambas entered a no contest plea yesterday to a single gross misdemeanor offense of Neglect of Duty with Disregard of Safety. District Court Judge Valorie J. Vega rendered Ms. Sambas guilty and ordered her to pay \$775.00 in penalties and assessments. Also, Sambas has forgone the renewal of her Long Term Care Administrators license.

Originally the 67 year old Delfina Sambas, who had no prior convictions, was facing a potential penalty of 1 year in jail and a \$2,000.00 fine.

The case was presented by the Attorney General's Medicaid Fraud Control Unit (MFCU).

In April 2005, MFCU Investigators were attempting to locate a witness on an unrelated matter when they arrived at Sambas' group home, 215 East Owens Avenue. Upon their arrival they noticed two elderly residents present and alone without a caretaker on the property. Other agencies were contacted to assist the MFCU and provide immediate protection for these elderly. No injuries were reported.

In the first case, on December 5, 2005 another group home operator, Irma Chiang Rafael, was rendered guilty of Involuntary Manslaughter due to charges that she was not present when a fire broke out at her facility killing two residents. Rafael is presently serving 1-2 ½ years in prison. This case was also presented by the Attorney General's office.

"The State of Nevada requires qualified caregivers to be in the group homes whenever there are residents present", said Chanos. "Those laws are designed to ensure the safety and well being of the residents. Often these residents are too frail to take care of themselves and are in need of constant oversight."

The Medicaid Fraud Control Unit investigates and prosecutes instances of patient abuse or neglect, exploitation and isolation. The unit also investigates and prosecutes financial fraud by those providing medical services and goods to Medicaid patients. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>

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FOR IMMEDIATE RELEASE
DATE: Thursday June 29, 2006

ATTORNEY GENERAL ANNOUNCES LAS VEGAS MAN SENTENCED IN CONNECTION WITH DENTAL OFFICE SCAM

Las Vegas, NV – Nevada Attorney General George Chanos announced today that Himmakone Michael Phommaly, 28, has been sentenced to probation and ordered to pay \$555,864.49 in restitution in connection with a scam by which he solicited investments from unsuspecting consumers for dental offices throughout the Las Vegas Valley, then pocketed the money for his own personal use.

Following investigation by the Nevada Secretary of State's Securities Division, the Attorney General's Bureau of Consumer Protection, headed by Consumer Advocate Eric Witkoski, charged Phommaly with several counts of securities fraud and theft.

Between 2002 and 2003, Phommaly perpetrated his scam by telling investors he knew how to make good money in the dental business. Phommaly represented that he would manage several dental offices, recruit dentists and find patients. Phommaly proceeded to take the money from the dental offices for his own use, including the purchase of luxury vehicles, vacations, and personal effects. The investigation also revealed Phommaly utilized a good portion of the money for gambling purposes.

The victims of Phommaly's scam invested in Yeg, Inc., which was supposed to do business as Pearl Dentistries but never did; Fame, LLC, which actually did business as Pearl Dentistries; and Geeky Smiles Latned, Inc., which was to do business as Charmed Dentistries. In total, the victims suffered a loss of \$555,864.49.

Phommaly pled guilty to one count of securities fraud against a person 60 years of age or older and one count of theft with the value of property over \$2,500, both of which are felonies. Phommaly was given a sentence of 24-60 months in the Nevada Department of Corrections for the securities fraud, an additional 24-60 months for the elder enhancement to run consecutive with the securities fraud sentence, and a 24-60 month sentence for the theft to

charge to run consecutive to the other sentences. These sentences were suspended, and Phommaly was placed on probation for a five year period. In addition, Phommaly was ordered to pay \$555,864.49 to the victims during the term of probation. If Phommaly violates the terms of his probation, he could face a maximum sentence of 15 years in prison.

“The actions of Mr. Phommaly should serve as a warning to consumers who are approached with investment opportunities that appear too good to be true. Hopefully, this result will deter other individuals from perpetrating similar scams upon Nevada’s consumers,” said Witkoski.

Anyone who has information regarding this case or a similar scam should contact the Attorney General’s Office at (702) 486-3777 in Las Vegas or (775) 684-1180 in Carson City.

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FOR IMMEDIATE RELEASE
DATE: Friday July 7, 2006

SUPREME COURT AFFIRMS CONVICTION IN FAKE DOCTOR CASE

Las Vegas, NV - The Nevada Supreme Court has affirmed the conviction of a Las Vegas man who pleaded guilty to performing medical procedures while pretending to be a physician. Andrew Michael, age 38, pleaded guilty in June of 2005 to one count of Attempt to Practice Medicine Without a License, a crime that can be treated as a category "D" felony or gross misdemeanor. In August of 2005, District Court Judge Valorie Vega adjudged Michael guilty of a felony and sentenced him to serve four months in the Clark County Detention Center followed by four years of intensive supervision probation and a 45-month suspended prison term.

Michael filed a motion in District Court to withdraw his guilty plea, arguing that his attorney did not inform him that his crime could be treated as a felony. The District Court denied Michael's motion. In a June 30, 2006 order, the Nevada Supreme Court affirmed the District Court's ruling, holding that Michael's attorney had been available to answer any questions and that Michael's guilty plea was entered knowingly and voluntarily.

From May 2001 until May 2003, Andrew Michael served as CEO of Meadows Diagnostic Imaging Center. He claimed to be a cardio-thoracic surgeon and graduate of Johns Hopkins University School of Medicine. While CEO of Meadows, Michael supervised potentially dangerous radioactive dye injections during MRI procedures. Such injections must be attended by a physician due to a risk of anaphylactic shock from the dye. No licensed physician was present during these procedures.

Michael received a bachelor's degree from Hamilton University in Wyoming, a now-defunct internet university that was the subject of a CBS *60 Minutes* expose on "diploma mills." Michael was briefly enrolled in St. Luke's School of Medicine, a correspondence medical school based in Liberia that has since been shut down by African authorities. Witnesses reported that Michael had at various times claimed to be a commercial jet pilot, a Ph.D. in business, a law school graduate, and a United States Navy Seal.

Chief Deputy Attorney General Gerald Gardner, who prosecuted the case, stated, "We are very pleased that the Nevada Supreme Court has upheld Michael's felony conviction. Andrew Michael's reckless behavior jeopardized the lives of numerous patients who thought he was a real doctor. This felony conviction will be reported nationally and therefore will follow Michael wherever he goes. We hope and trust that this will prevent him from ever obtaining work in any licensed medical profession."

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FOR IMMEDIATE RELEASE
DATE: Monday July 10, 2006

NEVADA JOINS AGREEMENT WITH LORILLARD TO REDUCE ILLEGAL INTERNET CIGARETTE SALES

New protocol will reduce supply to illegal Internet cigarette traffickers

Nevada Attorney General George Chanos today announced that Lorillard Tobacco Co. ("Lorillard") has agreed to implement new measures to prevent the illegal sale of its cigarettes over the Internet and through the mail. These protocols are being adopted nationwide and voluntarily by Lorillard pursuant to an agreement reached with 33 Attorneys General across the country.¹ A similar agreement was reached with Philip Morris USA in January.

"It is nearly always illegal to sell or buy cigarettes over the Internet," Idaho Attorney General and National Association of Attorneys General Tobacco Committee Co-Chair Lawrence Wasden said. "Lorillard should be commended for taking a major step to cut off the supply of cigarettes for subsequent illegal Internet sales. I hope other tobacco companies will take similar steps to ensure that they do not supply these illegal vendors."

The protocols provide for: (a) termination of shipments of cigarettes to any of Lorillard's direct customers that the Attorneys General have found to be engaging in illegal Internet and mail order sales; (b) reduction in the amount of product made available to direct customers found by the Attorneys General to be engaged in the illegal re-sale of Lorillard's cigarettes to the Internet vendors; and (c) suspension from the company's incentive programs any retailer found by the Attorneys General to be engaging in such illegal sales.

¹ The negotiations with Lorillard were led by the New York State Attorney General's Office. In addition, the Attorneys General from the following jurisdictions have joined this agreement: Alabama, Arkansas, California, Connecticut, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Montana, Nebraska, Nevada, New Hampshire, New Mexico, Northern Mariana Islands, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia and Wyoming.

The Attorneys General believe that virtually all sales of cigarettes over the Internet are illegal because the sellers are violating one or more state and federal laws, including: (1) state age verification laws; (2) the federal Jenkins Act (which requires that such sales be reported to state authorities); (3) state laws prohibiting or regulating the direct shipment of cigarettes to consumers; (4) state and federal tax laws; (5) federal mail and wire fraud statutes; (6) the federal Contraband Cigarette Trafficking Act; and (7) the federal RICO law. Many of the sales made by foreign websites also violate federal smuggling, cigarette labeling and money laundering laws.

“The bottom line here is that kids will have less access to cigarettes,” said Iowa Attorney General Tom Miller, co-chair of the NAAG Tobacco Committee. “And that’s very important because most smokers start when they are young. Most traditional retailers check photo IDs to prevent children from buying cigarettes, but the great majority of internet sellers have wholly inadequate age-verification systems.”

The Attorneys General believe that Internet cigarette sales present a significant risk to public health, especially for youth. While “brick-and-mortar” retailers check photo IDs to prevent children from buying cigarettes, the vast majority of Internet sellers have age verification systems that are insufficient. In addition, most Internet vendors illegally fail to charge taxes, and research has shown that lower cigarette prices lead to increased smoking rates, particularly among youth. Moreover, numerous studies have shown that the earlier an individual begins to smoke, the more likely it is that the person will become addicted. These factors make age verification through photo IDs a critical safeguard in protecting children from a lifetime of smoking.

“Lorillard always has supported compliance with laws dealing with the illegal sale of our products, and has instituted measures to punish those who are determined to be in violation of the law,” said Ronald S. Milstein, Senior Vice President, Legal and External Affairs of Lorillard. “We are pleased to enter this voluntary accord with the attorneys general to provide a framework for further cooperation with law enforcement and add additional safeguards against the illegal sale of our products. We believe that these measures will assist our active efforts to combat counterfeit product sales and will help us and our customers to comply with the laws and regulations intended to stop sales to and consumption of our products by youth.”

Today’s agreement is another major development in multi-pronged efforts by state Attorneys General to restrict the payment, shipment and supply operations of the illegal Internet cigarette traffickers. In March 2005, Attorneys General announced that the major credit card companies had all agreed to stop processing credit card payments for the Internet retailers. Later in the year, both DHL, UPS and FedEx agreed to stop shipping packages for the vendors engaged in these illegal sales.

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FOR IMMEDIATE RELEASE
DATE: Thursday July 13, 2006

NEVADA ATTORNEY GENERAL'S OFFICE RECEIVES \$540,000 FROM U.S. ADMINISTRATION ON AGING FOR SENIOR MEDICARE PATROL PROJECT

Las Vegas, NV – Nevada Attorney General George Chanos announced today that the Attorney General's Senior Medicare Fraud Patrol (SMFP) program has received a three year grant totaling \$540,000 from the United States Administration on Aging. The money will be used to fund the SMFP and train retired professional volunteers to help their peers become better health care consumers.

The volunteers work to educate older Nevadans about the importance of reviewing their Medicare notices to identify billing errors as well as potentially fraudulent activity. Program volunteers also encourage seniors to report discrepancies to the SMFP project, so that the project may ensure appropriate resolution or referral.

"Nevada's seniors benefit the most from the Senior Medicare Fraud Patrol project and the Nevada Attorney General's Office is grateful for the financial support it receives from the Administration on Aging," Attorney General Chanos said. "These funds will allow us to provide services to our seniors that promote understanding of Medicare and Medicaid program benefits."

Administration on Aging provides grants to states, territories, other jurisdictions and community-based non-profit organizations. Each project is designed to focus on providing program services to seniors who are homebound, rural, non-English speaking or otherwise underserved.

The SMFP is part of the Attorney General's Senior Protection Unit which works to educate and protect seniors and to prosecute those who take advantage of Nevada's seniors.

For more information on the Senior Medicare Patrol program, please visit the AoA web site at <http://www.aoa.gov/smp>. More information on the Nevada Attorney General's Senior Protection Unit can be found at www.ag.state.nv.us.

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FOR IMMEDIATE RELEASE
DATE: Friday July 14, 2006

NEVADA COUNCIL FOR PREVENTION OF DOMESTIC VIOLENCE CANCELS JULY MEETING IN WINNEMUCCA

Reno, NV – Nevada Attorney General George Chanos announced today the cancellation of the Nevada Council for Prevention of Domestic Violence on July 21, 2006, in Winnemucca. The meeting will be rescheduled at the same location for a later date.

The cancellation is due to conflicts of schedule that have rendered several members of the Council unable to attend. Without those members' attendance, the Council will not be able to meet its meeting quorum requirement.

"It is unfortunate that the Council will have to reschedule its meeting," Chanos said. "However, this is the Council's only trip to a rural community this year and we would like to give the Winnemucca community as much of our attention and energy as possible."

Staff members at the Attorney General's office are currently working with council members to set a new date for the meeting. That date will be announced shortly.

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**FOR IMMEDIATE RELEASE
July 19, 2006**

DEFENDANT TO SERVE 12 TO 6 YEARS MINIMUM IN SECURITIES FRAUD SCAM PREYING ON THE ELDERLY THROUGHOUT THE WESTERN STATES

LAS VEGAS -- Attorney General George Chanos announced today that District Court Judge Joseph T. Bonaventure sentenced Isak "Cody" Kruger to serve 12 years in Nevada State prison. Kruger was also ordered to pay a fine of \$50,000 and restitution in the amount of \$784,895.20 to victims of a securities fraud scam targeting primarily senior citizens throughout Nevada.

An investigation by the Secretary of State's Securities Division revealed that Kruger and other individuals organized and established a bogus joint venture investment program entitled "The Neutral Trade Organization," which promised investors they would earn profits from shares in 300 trade centers that would be built in 50 different countries throughout the world. Between February 2000 and December of 2003, Kruger sold unregistered securities to numerous victims throughout the Western states, most of whom were senior citizens. The elderly victims collectively invested hundreds of thousands of dollars in the scheme based on fraudulent representations made by Kruger and other defendants. None of the trade centers were ever built and Kruger used the bulk of the investment money for personal expenses, including investments in race cars, travel, and gym memberships; all without the knowledge of the elderly victims.

Kruger's sentence was based upon a guilty plea to five felony counts of securities fraud against persons 60 to 65 years of age or older. Each count included an enhanced penalty due to the victims' ages, which means in addition to the minimum term for each count, the defendant must serve an additional equal term to run consecutively.

“The Nevada Attorney General’s Office is committed to aggressive prosecution of securities fraud crimes, which are particularly egregious when the targeted victims are senior citizens on fixed incomes,” said Senior Deputy Attorney General Neil Rombardo, who prosecuted the case along with co-counsel, Senior Deputy Attorney General John Kelleher. “We will continue to aggressively prosecute anyone who attempts to perpetuate a fraud on consumers in Nevada”, said Rombardo.

Nevada Consumer Advocate Eric Witkoski advises Nevadans to be suspicious of investment opportunities that do not provide sufficient information about the investment. Individuals who would like more information about investment scams should contact the Secretary of State, Securities Division at (702) 486-2440, or the Attorney General’s Bureau of Consumer Protection at (702) 486-3194. Additional consumer protection information can be found on the Attorney General’s web site at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
July 21, 2006

ATTORNEY GENERAL SUES LAS VEGAS TV REPAIRMAN

Las Vegas— The Attorney General's Bureau of Consumer Protection filed suit on Thursday, July 20, 2006, seeking to halt the alleged deceptive trade practices of **Majid Sabeti-Kolahy, a.k.a. Majid Sabeti, d/b/a Comco ("Sabeti/Comco")**. Sabeti, whose license was permanently revoked in California before he began operating an electronic repair company under the name Comco in Las Vegas, is alleged to have defrauded dozens of Nevada consumers.

The lawsuit accuses **Sabeti/Comco** of multiple violations of Nevada's Deceptive Trade Practices Act, including making false representations, failing to disclose material facts, operating without a license at the current business location, and engaging in these acts with the intent to injure competitors. Over 40 consumers have complained so far to either a State agency or the Better Business Bureau, and these complaints allege, among other things, that **Sabeti/Comco** charged costs up-front but did not fix the televisions as agreed, and, in some cases, provided no services at all. Also, in conducting its investigation, the Bureau of Consumer Protection determined that the business failed to obtain the necessary licenses to operate in its current location of 3111 S. Valley View Blvd., Suite F102, Las Vegas, Nevada.

The Bureau of Consumer Protection is seeking a court order to permanently suspend **Sabeti/Comco's** privilege to conduct an electronic repair business in Nevada and to require **Sabeti/Comco** to reimburse consumers for their losses and pay civil penalties up to \$2,500 for each violation. In a separately filed but related action, the Bureau of Consumer Protection is also seeking to enforce an administrative order issued against **Sabeti/Comco** by the Nevada Consumer Affairs Division in March, 2006.

Consumers who wish to file complaints concerning their transactions with **Sabeti/Comco** may contact the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194. Additional consumer protection and contact information may be found on the Attorney General's website at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: July 27, 2006

Chanos Announces Courtroom Win for the Local Government Employee-Management Relations Board

Las Vegas, NV – Nevada Attorney General George Chanos announced a decision by Clark County District Court Judge Jennifer Togliatti affirming the decision of the State of Nevada Local Government Employee-Management Relations Board ("EMRB") holding the City of Las Vegas to be a joint employer of employees of Nevada Business Services ("NBS"), an entity that administered job training programs in Southern Nevada.

Judge Togliatti previously upheld the EMRB's decision in its other respects, including that NBS and related entities engaged in prohibited labor practices in failing to notify its employees of a reduction in force, thereby precluding negotiation of procedures for the reduction in force, as provided for under NRS 288.150(2)(v). The Court noted in its previous decision that on "June 30, 2000, (a) public employer, NBS 'closed its doors.' On July 1, 2000, (a) non-profit corporation NBS, Inc. 'opened' its doors in the same location, using the same equipment, operating with the same personnel (less those workers who had been terminated) and continued servicing the same clients."

As a result of Thursday's decision, the City of Las Vegas, having handled recruitment and payroll for NBS and undertaken other responsibilities relating to NBS employees, is jointly and severally liable with NBS and the other entities previously found at fault for the damages incurred by twenty of the employees who were terminated, plus attorneys' fees and costs. The award as issued by the EMRB came to a total of approximately \$500,000.

Dennis Belcourt, Deputy Attorney General, represented the EMRB leading up to the decision.

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FOR IMMEDIATE RELEASE

DATE: Thursday August 3, 2006

FORMER STATE EMPLOYEE SENTENCED IN MAJOR WELFARE FRAUD RING

Las Vegas, NV – Nevada Attorney General George Chanos announced today that the last defendant in a major welfare fraud ring has been sentenced. Former Nevada Department of Welfare employee Tasha Downton was sentenced on Monday July 31st on the charge of theft, a category B felony. District Court Judge Sally Loehrer sentenced Ms. Downton to 12 to 48 months in the Nevada State Prison. The sentence was suspended and Downton was placed on probation for a fixed term of 5 years. Downton was also ordered to pay restitution to the Nevada Department of Welfare in the amount of \$5,766.00.

Conrad Hafen, Chief Deputy Attorney General over the Criminal Division and Political Corruption Unit stated: "This now brings an end to a major welfare fraud ring that was in existence for several years. Unfortunately, these crimes have placed a cloud over the Department of Welfare and those individuals who truly need assistance from the state. However, by diligently prosecuting each defendant we have certainly sent a message that if you steal from the state, whether you are an employee or welfare recipient, you will be punished for your criminal acts."

Criminal charges were filed against Downton in November 2004, as part of a department wide welfare fraud investigation. Ms Downton and another co-worker, Simon Williams, conspired to create a fictitious single mother with five children. They accomplished this act by falsifying welfare documents and establishing a monthly food stamp payment program for the fictitious mother. Downton and Williams designated a family member as the person responsible for picking up the food stamps each month. After picking up the food stamps, the family member would meet Downton and Williams in a parking lot and distribute the food stamps. In addition, Downton and Williams established welfare accounts for other relatives who did not qualify for state assistance. Authorities estimate that the amount of illegal welfare benefits distributed during this period may have been as high as \$100,000.00.

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FOR IMMEDIATE RELEASE
DATE: Tuesday August 15, 2006

NEVADA REACHES \$70 MILLION SETTLEMENT WITH GLAXOSMITHKLINE OVER DRUG PRICING LAWSUIT

Funds to reimburse consumers, states and health plans.

LAS VEGAS, NV - Attorney General George J. Chanos announced that the State of Nevada joined with five other states in a \$70 million settlement with pharmaceutical giant GlaxoSmithKline (GSK) (NYSE:GSK), concerning the method in which the drug company sets their pricing for states, insurers and consumers.

The original complaint, filed September 6, 2002, alleged that drug companies, including GSK, inflate the Average Wholesale Price (AWP), which is used as a benchmark for almost all prescription drug sales in the United States.

In the proposed settlement agreement, 30 percent of the \$70 million settlement will go to consumers who incurred co-payments based on AWP for a list of specific Medicare Part B covered drugs manufactured by GSK. The remaining 70 percent will go to third-party payers including health plans, HMOs and other organizations who purchased certain GSK drugs.

The proposed settlement will refund class members for drug amounts paid in excess, and will guarantee a minimum payment of \$100.00.

The State of Nevada will split \$2.5 million with four other states for its role in leading the litigation efforts.

While the proposed settlement releases GSK from any further claims by the plaintiffs if approved by the court, the claims against the other defendants remain. The remaining defendants include over a dozen companies including AstraZeneca (NYSE:AZN) and Bristol-Myers Squibb (NYSE:BMJ).

The settlement included specific physician-administered drugs that are used to treat many types of cancer and other serious illnesses, including Zofran and Kytril, used by patients in the course of receiving chemotherapy. Additional GSK drugs included in the settlement include Alkeran, Imitrex, Lanoxin, Myleran, Navelbine, Retrovir, Ventolin, Zovirax and Zantac.

The other four states splitting the \$2.5 million for leading the litigation are Connecticut, Montana, Arizona and New York.

GlaxoSmithKline is the world's second largest pharmaceutical company. Headquartered in the UK and with operations based in the US, GSK holds an estimated seven per cent of the world's pharmaceutical market.

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FOR IMMEDIATE RELEASE
DATE: Tuesday August 29, 2006

NEVADA ENTERS INTO \$435 MILLION NATIONAL SETTLEMENT WITH SCHERING-PLOUGH
Action settles civil and criminal charges arising from company's improper marketing practices for its products

Las Vegas, NV - Attorney General George Chanos announced today, that the State of Nevada has reached an agreement with pharmaceutical manufacturer Schering-Plough Corporation to settle a number of allegations concerning the marketing and distribution of certain of its products. As a result, the company will pay the State and federal government nearly \$255 million in damages and penalties for Medicaid and federal health care programs. Additionally, in connection with this settlement, a Schering division will plead guilty in federal court in Boston to criminal charges related to this conduct, agreeing to pay total criminal fines of \$180 million.

The conduct at issue with Schering, a Pennsylvania-headquartered manufacturer of a wide variety of pharmaceutical products, fell into three categories: Schering's exclusion of certain price discounts from the formula used to calculate Medicaid Program rebates and resulting underpayment of those rebates for the allergy drug Claritin Redi-Tabs and the potassium supplement K- Dur; the improper "off-label" marketing of brain cancer medication Temodar; and the company's payment of illegal remuneration to physicians to induce them to prescribe hepatitis drugs PEG-Intron and Rebetrone, and bladder cancer medication Intron-A. Resulting losses to state Medicaid Programs were in excess of \$80 million which, under the terms of the national settlement, Schering will be required to repay along with penalties, resulting in a total Medicaid recovery of \$203 million.

Under the terms of Nevada's settlement, the state will recover \$527,955.23 for the Nevada Medicaid Program; \$293,479.73 of that amount will be paid directly to Nevada, with the balance going to the federal government to reimburse its share of the Medicaid costs.

The civil settlements with Schering further require the company to enter into a Corporate Integrity Agreement with the Office of the Inspector General of the U.S. Department of Health and Human Services, in order to monitor the company's operations and ensure compliance with the law in the future.

The settlement was negotiated by the National Association of Medicaid Fraud Control Units joined in by 49 states and the District of Columbia.

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FOR IMMEDIATE RELEASE

DATE: Thursday September 7, 2006

ATTORNEYS GENERAL PROVIDE HOLLYWOOD WITH ANTI-SMOKING MESSAGES FOR DVDS

Las Vegas, NV --- Attorney General George Chanos announced today that he and his colleagues have called upon Hollywood's major motion picture studios to insert anti-smoking public service announcements in all DVDs, videos and other newer home viewing formats of movies in which smoking is depicted. The Attorneys General sent each studio three "classic" truth® anti-smoking campaign messages that were created by the American Legacy Foundation and that are available at no cost for the studios' unlimited use. The letter also is signed by 40¹ other Attorneys General.

"Given the relationship between youth exposure to tobacco use in movies and smoking initiation, we are hopeful these anti-smoking measures will help curtail that relationship in Nevada," said Attorney General Chanos

The Attorneys General letter follows an earlier November 2005 request by 32 Attorneys General to the studios to help prevent youth smoking by inserting anti-smoking messages on movies that depict smoking. The studios never responded to the Attorneys General's letters. Instead, Motion Picture Association of America President Dan Glickman wrote to the Attorneys General that only the individual companies could decide whether to run PSAs on DVDs or videos and that the industry would consider PSAs as one possible idea in an overall anti-smoking campaign effort. To date, the Attorneys General have received no further indication from the studios or the MPAA of progress on an anti-smoking PSA effort.

Today's letter and the earlier request were sent to the CEOs of Paramount Pictures, The Walt Disney Company, Miramax Films, DreamWorks SKG, Sony Pictures Entertainment, MGM Pictures, Universal Pictures, Warner Brothers Studios, Fox Filmed Entertainment, and New Line Cinema. Today's letter was also sent to the CEOs of three independent studios: Lionsgate, MTV Network and The Weinstein Company.

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¹ Alaska, Arizona, Arkansas, California, Connecticut, District of Columbia, Delaware, Florida, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Maryland, Minnesota, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, Northern Mariana Islands, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virgin Islands, Washington, West Virginia, Wisconsin and Wyoming.

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FOR IMMEDIATE RELEASE

DATE: Wednesday September 13, 2006

CARSON DISTRICT ATTORNEY NAMED 2006 WILLIAM J. RAGGIO AWARD RECIPIENT

Carson City, NV -- Attorney General Chanos and the Nevada Advisory Council for Prosecuting Attorneys have named Carson City District Attorney Noel S. Waters as recipient of the William J. Raggio Award for 2006. This award is presented annually to a current or former prosecutor who has contributed significantly to the improvement of the administration of justice in Nevada.

"Carson City District Attorney Noel Waters has dedicated the last two decades to serving the people of Carson City." Attorney General Chanos said. "Over the years, Noel has personally worked to train new police recruits and advocate on behalf of victims of domestic violence. He is very deserving of this award and we applaud him for his accomplishments."

The award is named in honor of former Washoe County District Attorney and current Senator Majority Leader William J. Raggio. Previous recipients are: Senator Raggio in 1998, Ben Graham in 1999, Thomas L. Leen in 2000, William T. Koot in 2001, Mills B. Lane in 2003, Melvyn T. Harmon in 2004, and Howard D. McKibben in 2005. Frankie Sue Del Papa and Stewart Bell were co-recipients of the award in 2002.

Mr. Waters is currently the senior district attorney in Nevada, having served as Carson City District Attorney for 21 years and five term, the last of which expires at the end of 2006. Mr. Waters is being recognized for his exemplary service as Carson City District Attorney, his dedication and innovation as a prosecutor, and his strong commitment to justice for all people.

The Advisory Council is an executive branch state agency created pursuant to NRS chapter 241A with a broad statutory mandate to provide leadership, resources and legislative advocacy on legal and public policy issues related to the duties of Nevada's prosecutors. Attorney General Chanos serves as chairman for the Advisory Council.

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FOR IMMEDIATE RELEASE

DATE: Wednesday September 20, 2006

ATTORNEY GENERAL'S OFFICE JOINS FORCES WITH NEVADA'S IMPAIRED DRIVING ADVISORY COUNCIL

Las Vegas, NV – Attorney General George Chanos announced today that the Nevada Attorney General's Office is joining forces with the Nevada Impaired Driving Advisory Council. This new partnership will focus on reducing the number of DUI arrests in the state of Nevada. A representative from the Attorney General's Office will attend the next Council meeting scheduled for Thursday September 21, 2006.

"I welcome the Attorney General's Office to the Impaired Driving Advisory Council," said Sandy Heverly, chairperson for the Council and Executive Director of Stop DUI. "This partnership will give our Council more resources and avenues toward reaching our top priority: to reduce the number of impaired drivers on Nevada's roads."

Statistics from the Nevada Office of Traffic Safety show that in 2005, 165 people died in traffic accidents involving an impaired driver. That number accounts for nearly 40% of all fatal traffic accidents in that year. Furthermore, one out of every 115 licensed drivers in Nevada was arrested for driving under the influence in 2005. That amounts to 14,668 arrests. These most recent statistics show the beginning of a downward trend, beginning at a peak amount of impaired driving related deaths in 2003, when 190 people died. This trend may be attributable to the efforts of state and local law enforcement to adopt and enforce Zero Tolerance policies.

"I applaud the efforts of state and local law enforcement to concentrate on finding and arresting impaired drivers," Attorney General Chanos said. "However, even one death is too many if that person lost his or her life because of the irresponsibility of an impaired driver."

The Impaired Driving Advisory Council focuses on several priorities to reduce the number of DUI arrests. These priorities include updating Nevada state laws to bring harsher punishment against those who are convicted of DUI, encouraging law enforcement agencies across the state to continue their Zero Tolerance practices and DUI checkpoints, educating drivers across the state on the dangers and consequences of driving under the influence and working with companies and employers across the state to help them establish employee policies addressing the employment of persons

arrested for DUI. **The Council's next meeting will be held on Thursday September 21, 2006 at 10:00 am in the Grant Sawyer Building (555 E. Washington Ave, Las Vegas), Room 1100.**

The Council was created in 2004 as a spin-off from a statewide conference on Impaired Driving. Since then, the Council has met five times to discuss various DUI reduction efforts. Members of the Council include the Nevada Juvenile Justice Programs, Bureau of Alcohol and Drug Abuse (BADA), Nevada Highway Patrol, AAA Nevada, STOP DUI, Prosecuting Attorneys Advisory Council and the Nevada Office of Traffic Safety.

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FOR IMMEDIATE RELEASE

DATE: Monday September 25, 2006

Media Advisory

- What:** Media event concerning insurance fraud in Nevada, specifically focusing on automobile fraud and arson; car burning to dramatize the situation
- When:** September 27, 2006 at 10:00 am
- Where:** Clark County Fire Department Training Facility at Tropicana and Arville in Las Vegas
- Who:** Nevada Insurance Council and the Nevada Attorney General's Office
- Why:** Improve public awareness of fraud problem in Nevada and its impact on auto insurance rates, with additional focus on prosecution and apprehension of those who commit fraud.

Bob Compan will be speaking on behalf of the NIC, Warren Donaldson will represent the NICB, and Brian Kunzi will be speaking on behalf of the Attorney General.

Media inquiries for the Nevada Insurance Council can be directed to Jim Denton at (702) 355-9007.

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FOR IMMEDIATE RELEASE

DATE: Wednesday September 27, 2006

NEVADA ATTORNEY GENERAL'S INSURANCE FRAUD UNIT JOINS WITH OTHER AGENCIES TO EDUCATE CONSUMERS ON HOW FRAUD AFFECTS NEVADANS AUTO INSURANCE RATES

Las Vegas, NV – The Nevada Attorney General's Insurance Fraud Unit joined with the Nevada Insurance Council today for a special demonstration on the most common types of automobile insurance fraud cases and the impact of these cases on Nevadans auto insurance rates.

The FBI's just-released crime statistics for 2005 show that Nevada has seen an increase in both vehicle thefts and arsons over the numbers reported in 2004. Nearly all of that increase has occurred within Clark County. For example, in 2004 a total of 22,635 vehicle thefts were reported in Nevada—19,712 of them within Clark County. In 2005, 26,931 vehicle thefts were recorded statewide with 24,061 occurring in Clark County.

The Reno-Sparks metropolitan statistical area (which includes all of Storey and Washoe Counties) reported 2209 vehicle thefts in 2004 and 2243 thefts in 2005—an increase of just 34. Meanwhile, the Las Vegas Metropolitan Police Department reported 350 incidents of arson (including vehicles) in 2004 and 441 in 2005.

People driving newer lease vehicles with high payments, or those experiencing negative equity in their vehicles will often "dispose" of the problem either through a theft or arson. In both cases, these examples are known as "owner give-ups" and although often reported by the vehicle owner as a theft or a fire of unknown origin, in reality these are crimes perpetrated by vehicle owners with the dual purpose of resolving their economic hardship while diverting suspicion to an imaginary criminal or sudden, inexplicable fire.

"Fraud is the second most costly white-collar crime in America behind tax evasion. Stopping this type of criminal activity takes the combined resources of law enforcement, insurers and state agencies," said Nevada Insurance Council President Gary Bishop. "Only by working together can we combat fraud, which contributes to high insurance rates for all Nevadans."

Brian Kunzi, Director of the Insurance Fraud Unit with the Nevada Department of Justice, echoed the concerns with increasing auto theft rates and in particular reported thefts involving vehicle arsons.

“Car burns are becoming the new crime of this millennium,” stated Kunzi. “Appropriately we currently are in the middle of a jury trial involving an alleged theft and vehicle arson. Proving a car was intentionally set on fire is not difficult. Proving the insured set the fire or hired someone to steal the vehicle and set the fire presents difficulties. Nationwide statistics show a solve rate for arson cases at only 19%.”

Kunzi reported the Attorney General and the Insurance Fraud Unit have been attacking this problem. In addition to the ongoing trial the Unit has obtained convictions in two other vehicle arson cases in the past four months. “We will continue to take these cases seriously and pursue them aggressively,” stated Kunzi.

The Nevada Insurance Council is a non-profit, non-lobbying organization representing the property and casualty insurance industry in Nevada. NIC is dedicated to informing consumers and the media about the insurance business, automotive safety, homeowners insurance and related topics. The NIC contact person is Jim Denton (702) 355-9007.

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FOR IMMEDIATE RELEASE

DATE: Wednesday September 27, 2007

ATTORNEY GENERAL REFERS BOGGS-MCDONALD CASE TO DEPARTMENT OF PUBLIC SAFETY

Attorney General George Chanos announced today that he is referring a complaint filed against Clark County Commissioner Lynette Boggs-McDonald to the Nevada Department of Public Safety, Investigations Division. The complaint, which alleges Boggs-McDonald's improper use of campaign funds, was originally filed with the Secretary of State's Office. Secretary of State Dean Heller later recused himself from the case, since a potential witness, Christine Hastie, is Mr. Heller's campaign treasurer.

Attorney General Chanos stated that he too, had previously retained Ms. Hastie as his campaign treasurer. "It appears that Ms. Hastie may be a material witness in this case," Chanos stated. "The same conflict identified by the Secretary of State's Office would therefore apply to this office. I have spoken with George Togliatti, the director of the Department of Public Safety, and DPS has agreed to review the matter."

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FOR IMMEDIATE RELEASE
DATE: September 28, 2006

ATTORNEY GENERAL GEORGE CHANOS ANNOUNCES AGREEMENT WITH PAYPAL, INC.

Las Vegas, NV- Attorney General George Chanos today announced that Nevada has reached an agreement with PayPal, Inc., resolving concerns about the company's business practices. Nevada was represented by attorneys in the Bureau of Consumer Protection under the direction of Consumer Advocate Eric Witkoski. PayPal provides online services in which members can transfer money to other people or businesses, the most common reasons being payment for auction or on-line business purchases. PayPal charges fees to some users depending on the type of user account.

Twenty eight states, led by Illinois, investigated consumer complaints alleging that during disputes with PayPal, the company would freeze money being held in the consumer's PayPal account. Other complaints alleged that consumers who expected to fund payment through use of their credit cards instead found that their bank accounts had been charged directly. Consumers also complained that although PayPal gives members some protection when using their credit cards, consumers believed Paypal was offering exactly the same protections one gets with the use of a credit card.

Attorney General George Chanos stated, "Today's agreement requires the company to provide adequate protection to consumers before they become PayPal members and whenever they make payments to others using PayPal's system. It requires PayPal to clearly and conspicuously disclose all contractual terms and financial obligations."

The company must clearly disclose important terms and conditions before a consumer becomes a PayPal member as well as when members initiate transactions. As part of making certain that the terms and conditions are spelled out, the agreement calls for improved consumer accessibility by requiring changes to the way the company uses hyperlinks and multi-page documents. When a PayPal members are about to make a purchase, the agreement requires that they be presented with a clear choice regarding which form of

payment they wish to use: credit card, debit card or electronic funds transfer from a bank account. Finally, PayPal will also provide clear access to web pages depicting important differences between its in-house dispute resolution programs and chargeback rights granted by federal law for those who use electronic banking, debit cards and credit cards to make payments and purchases.

Under terms of the agreement PayPal will pay 1.7 million dollars to the states. Nevada will receive a portion totaling Fifty Nine Thousand, Five Hundred Dollars. The settlement is a voluntary agreement between PayPal and the 28 states. PayPal does not admit to, and has denied, any wrongdoing.

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FOR IMMEDIATE RELEASE
DATE: Friday October 6, 2006

ATTORNEY GENERAL CHANOS RELEASES REPORT ON ROYAL LINKS INQUIRY

Las Vegas, NV – Attorney General George Chanos waived the attorney-client privilege and publicly released the report generated from the City of Las Vegas / Royal Links Golf Course inquiry.

"The public paid for this report and they have a right to know its contents," Attorney General Chanos said.

The 157-page investigative report, entitled "Legal Analysis and Opinion Relating to Inquiry Into Matters Concerning the Leasing, Development, and Sale of Wastewater 'Buffer Land' Property, Known as Royal Links Golf Course, and Request For Lift of Deed Restriction," walks through thousands of pages of relevant documents, letters, memos and emails regarding the City of Las Vegas's purchase, lease and sale of this critical sewer plant buffer land over the past decade.

Attorney General Chanos stated, "This report, in painstaking detail, demonstrates years of irregularities and failures by certain City employees in negotiating the lease of land, the transfer of water rights and the eventual sale of the land to Mr. Walters. The report also reveals that the November 2, 2005 lifting of the deed restriction, to allow residential development, was a clear violation of Nevada's Public Purpose Doctrine. We conclude that the City Council acted prudently in rescinding its November 2, 2005 decision to lift the restriction. We hope and trust that the report will inspire the City Council to take appropriate corrective action so that failures like those described in the report will not be repeated."

The Attorney General applauded the courage of a number of dedicated public servants who, during several changes in City administrations, continued to speak out against the improper transactions. Attorney General Chanos stated, "These public servants never lost sight of who they truly represent - the people and taxpayers of the City of Las Vegas."

Attorney General Chanos added, "We also acknowledge the excellent work of the Senn Meulemans law firm. Integrity in government represents a critical State interest and they have provided a great service to the people of State of Nevada with their thorough investigation and objective analysis, which reveals serious failures in government at the City of Las Vegas over the past decade."

The legal analysis and conclusions in the report cite the relevant law regarding the past actions of the City Council.

"This is a fair and reasonable analysis of the past decisions," Attorney General Chanos stated. "It shows that even poor economic decisions by our elected officials enjoy some degree of protection under the law. However, where actions taken by our elected officials are detrimental to the physical and/or economic well-being of the citizens of this State, it constitutes a violation of the Public Purpose Doctrine. This office represents all of the people of the State of Nevada, including, but not limited to, the taxpayers of the City of Las Vegas. To the extent that their legal rights are or have been violated, this office has the authority and the duty to take corrective action. This includes, but is not limited to, whatever legal action may be required to enjoin and/or void any attempt to lift the deed restriction which violates the Public Purpose Doctrine."

CDs of the Report and Exhibit are available at the Attorney General's Las Vegas Office at 555 E. Washington Blvd, Suite 3900, Las Vegas, NV 89101.

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FOR IMMEDIATE RELEASE
DATE: Friday October 6, 2006

Media Advisory

What: News Conference to Recognize October 2006 as National Domestic Violence Awareness Month and Highlight Related Issues Facing Nevada

When: Tuesday October 10, 2006; 11:30 am

Where: Capitol Building
Media Room
101 N. Carson Street
Carson City

Who: Governor Kenny Guinn (Carson City)
Attorney General George Chanos (Las Vegas)

Why: Recent statistics indicate that more than six million women in the U.S. are abused in their homes each year by their husbands or partners. In Nevada, nearly 32,000 incidents (State of Nevada Department of Public Safety) of domestic violence were reported to police in 2005. Over 59,000 contacts were made to domestic violence agencies statewide and 35,411 primary victims contacted domestic violence agencies statewide. **Nevada is ranked fifth in the nation for domestic violence related deaths.**

Please join us for this important press conference to show a united front against domestic violence in Nevada.

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FOR IMMEDIATE RELEASE

DATE: Tuesday October 10, 2006

Attorney General, Governor Call for “A Coordinated Community Response” to Domestic Violence in Nevada

Carson City, NV – The Nevada Attorney General’s Office joined with Governor Kenny Guinn today to call for “A Coordinated Community Response” to domestic violence in Nevada. The two offices held a joint press conference held in simultaneously in Carson City and Las Vegas. The conference also recognized October as Domestic Violence Awareness Month.

“Thirty percent of Americans say they know a woman who has been physically abused by her husband or boyfriend in the past year,” Chief Deputy Attorney General Gerald Gardner said. “It’s those kinds of numbers that prove the need for a Coordinated Community Response to domestic violence.”

During the past fiscal year, domestic violence programs in Nevada, both government-funded and non-profit, handled nearly 59,000 calls for help from victims of domestic violence. Law enforcement officials were called in on one in every five of those calls and nearly 6,000 people were arrested on domestic violence-related charges.

According to the annual study by the Violence Policy Center, Nevada ranked fifth in the nation for murders of women by men. Last year, Nevada ranked number 2.

“Domestic Violence is often considered a ‘silent problem’ because its victims are often unable and unwilling to come forward,” Guinn said. “That’s what makes it such a difficult problem and one that is critical that we take on as a community.”

Guinn applauded those who attended the event for their dedication to combating domestic violence and called on other community groups to join the fight. Several law enforcement agencies, legislative and judicial groups were present at the conference.

Gardner also announced a statewide Purple Ribbon campaign to raise awareness of domestic violence issues. The campaign is sponsored by the Attorney General’s Domestic Violence Unit.

"I encourage you to wear this pin throughout the month and to ask your co-workers, friends and neighbors to do the same," Gardner said. "Together we need to show our fellow Nevadans that we are standing together to say: 'Domestic Violence Stops Here.'"

Purple ribbons are now available at several domestic violence resource centers across the state. A list of locations is available on the Attorney General's website at: www.ag.state.nv.us. Other information on Domestic Violence Awareness Month and related activities is also available on the website.

Press inquiries for the Nevada Governor's Office may be directed to Steve George at 775-684-5668.

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FOR IMMEDIATE RELEASE: OCTOBER 19, 2006

ATTORNEY GENERAL SUES SWEEPSTAKES PROMOTER

Las Vegas, NV - Attorney General George Chanos announces that the Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate Eric Witkoski, filed suit on Wednesday, October 18, 2006, seeking to halt the alleged deceptive trade practices of National Prize Information Group, Corp., d/b/a Las Vegas Actionable Award Program, Prize Search Express and National Prize Information Bureau. The company markets sweepstakes promotions by mailing advertisements to millions of consumers nationwide that state the recipient is a "prize winner."

The Bureau of Consumer Protection's lawsuit accuses National Prize Information Group, Corp. and its companies, National Prize Information Group Corp, Las Vegas Actionable Award Program, Prize Search Express and National Bureau of Prize Information, of multiple violations of Nevada's Deceptive Trade Practices Act and False Advertising statutes. Violations alleged in the lawsuit include false, misleading and deceptive advertising, and making false representations in a transaction.

The Bureau of Consumer Protection is seeking a court order halting further illegal practices and civil penalties of \$2500.00 for each violation of the false advertising statute and up to \$5,000 for each violation of the Deceptive Trade Practices Act.

Complaint forms and consumer protection information may be found by heading to the Attorney General's website at <http://ag.state.nv.us> or calling the Bureau of Consumer Protection's Hotline at 702-486-3132.

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FOR IMMEDIATE RELEASE

DATE: Thursday October 19, 2006

ATTORNEY GENERAL'S OFFICE TO APPEAL RULING IN TAX COMMISSION OPEN MEETING LAW CASE

Carson City, NV – Nevada Attorney General George Chanos announced today that the Office of the Nevada Attorney General will appeal District Court Judge Griffin's decision in the Open Meeting Law case involving the Tax Commission.

Attorney General Chanos stated, "We firmly believe that the Court's decision failed to properly apply the controlling law. More specifically, the decision failed to allow the clear legislative intent, as set forth in the legislative record of the 1983 legislature, to control the disposition of this matter, as required by Nevada law. Further, the decision which we believe wrongly focused on issues extraneous and irrelevant to that controlling issue and which we believe to be legally inaccurate, strikes a significant blow against transparency and openness in government. Such a decision, should not be allowed to stand without review by the Nevada Supreme Court."

The Attorney General went on to state, "I realize that further litigation will result in increased costs to the people of Nevada. However, the additional cost is justified on a matter of such statewide importance." The Attorney General referred to the fact that all parties, for the most part, have fully briefed the issues. At this point, little more remains to be done other than to argue the appeal. Attorney General Chanos went on to state, "An issue of this magnitude should not be decided by a single district court judge. This is precisely the type of case whose importance mandates appellate review."

In an effort to avoid further costs, the Attorney General has suggested that the parties agree not to proceed with briefing the appeal until the 2007 Legislative Session concludes. The Attorney General noted that the Legislature may desire to enact legislation which would permit the Tax Commission to deliberate and take action in closed meetings. He pointed to the Legislative Counsel Bureau opinion, which the Court relied upon in its decision, and the efforts of certain Legislators to involve themselves in this litigation, as evidence of this possibility.

Attorney General Chanos stated: "If the legislature wants the Tax Commission to be able to deliberate and vote behind closed doors then let the legislature come out, in the clear light of day, and announce that intention specifically and unequivocally.

Attorney General Chanos added: "We have advised counsel for the Tax Commission that we will agree to stay the appeal to allow the legislature that opportunity and to avoid unnecessary costs. We are also willing to proceed with the appeal on an expedited basis if that is the preference of the Tax Commission. We leave it to the Tax Commission to choose between those two alternatives."

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FOR IMMEDIATE RELEASE

DATE: Tuesday October 31, 2006

Media Advisory

What: Nevada Attorney General George Chanos to argue *Whorton V. Bockting* case before the Supreme Court of the United States

When: Wednesday November 1, 2006 at 8:00 am PST

Where: United States Supreme Court Building
Washington, D.C.

Why: The Nevada Attorney General's Office has asked the nation's highest court to decide whether a 2004 United States Supreme Court decision limiting hearsay testimony should apply retroactively to a 1988 Nevada case.

The case arises from the conviction of Marvin Bockting, who was found guilty by a Clark County jury of four counts of sexual assault of a minor. At trial, the prosecution presented medical evidence showing that the victim, defendant's six-year old step-daughter, had been sexually assaulted. The prosecution also attempted to call the six-year old victim to the stand, but she was unable to testify. Under a then-existing exception to the hearsay rule, the trial judge allowed the victim's mother and a police detective to testify about statements the victim had made about the rapes.

In 2004 the United States Supreme Court ruled, in the case of *Crawford v. Washington*, that hearsay testimony similar to the kind admitted in Bockting's trial is not admissible unless the defendant has the opportunity to cross-examine the victim. Bockting filed a federal *habeas corpus* petition to the 9th Circuit Court of Appeals, asking for his 1988 conviction to be reversed on this basis. Over the State's objection, the 9th Circuit granted Bockting's request. The Nevada Attorney General's Office argued that the law should not apply retroactively to cases that have already been through their final appeals.

The United States Supreme Court did not state, in the *Crawford* opinion, whether its ruling should apply retroactively. However, since *Crawford* was decided, five United States Circuit Courts have ruled that *Crawford* should not be applied retroactively. Only the 9th Circuit has ruled otherwise.

Attorney General Chanos will be available for comment following the court session on Wednesday morning. Members of the media in the Washington, D.C. area may contact Angelita Plemmer at the National Association of Attorneys General at (202) 326-6047 or (703) 585-1486 for assistance. Media outlets in Nevada may contact Nicole Moon at the Nevada Attorney General's Office at (775) 684-1114 or (775) 230-3360.

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FOR IMMEDIATE RELEASE

DATE: Monday, November 20, 2006

MEDIA ADVISORY

WHAT: Payday Lending Education Coalition Press Conference

WHEN: Tuesday, November 20, 2006 at 10:00 a.m.

WHERE: Nellis Air Force Base Main Gate Visitor's Center
(Las Vegas Boulevard and Craig Road)

WHY: The Payday Lending Education Coalition, which is comprised of a group of consumer advocates representing not-for-profit organizations and governmental agencies, is holding a press conference to announce its Payday Lending Consumer Education Campaign, "Payday Loans Don't Pay: Yearlong Loans Are a Life Sentence."

The members of the Payday Lending Education Coalition are:

Clark County Legal Services

Bureau of Consumer Protection of the State of Nevada Office of the Attorney General

Consumer Credit Counseling Services of Nevada

Senior Citizen's Law Project

Nevada Fair Housing Center

Consumer Affairs Division of the Nevada Department of Business and Industry

Representatives from Clark County Legal Services, Bureau of Consumer Protection of the State of Nevada Office of the Attorney General, and the Airman and Family Readiness Center for Nellis Air Force base will be available for media interviews and give an overview of the current issues facing Nevadans who obtain short-term, high interest loans and specifics of the Payday Lending Education Campaign to follow in the coming months.

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FOR IMMEDIATE RELEASE

DATE: Tuesday, November 21, 2006

PAYDAY LENDING CONSUMER EDUCATION CAMPAIGN LAUNCHED TODAY

Las Vegas—The Attorney General's Bureau of Consumer Protection, along with its Payday Lending Education Coalition partners, Clark County Legal Services, Consumer Credit Counseling Services of So. Nevada, Senior Citizen's Law Project, Nevada Fair Housing Center, and Nevada Consumer Affairs Division, held a press conference today to announce the launch of their 2006-2007 Consumer Education Campaign: **"Payday Loans Don't Pay: Yearlong Loans Are a Life Sentence."**

The announcement of the campaign was made at the Nellis Air Force Base Visitor's Center and included statements by Barbara Buckley, Executive Director, Clark County Legal Services; Kathleen Delaney, Senior Deputy Attorney General, Bureau of Consumer Protection; Michele Johnson, President/CEO, Consumer Credit Counseling Services of So. Nevada; and Susan Robinson, Director, Nellis Air Force Base Airman and Family Readiness Center.

Today's speakers highlighted the growing problem of Nevada residents finding themselves trapped in a vicious debt cycle created by easy access to quick cash offered by local payday lenders and how some lenders have begun issuing loans of one year or more to avoid recent legislative changes that place limitations on the enforcement of short-term, high interest loans.

In a 2005 Bill sponsored by Assemblywoman Barbara Buckley, the Nevada State Legislature enacted legislation that significantly enhanced the protections for consumers who obtain money through short-term loans, deferred deposit loans, title loans, and check-cashing services. Among other things, the new law restricts the amount, number and duration of certain loans, limits fees that can be collected upon default, and requires lenders to offer borrowers the opportunity to enter into a repayment plan before pursuing formal collection efforts.

Under the new law, short-term loans are specifically defined as any loan that charges an annual percentage rate (“APR”) of interest of more than 40% and requires the loan to be paid in full in less than one year. Prior to the enactment of the new law, short-term lenders, a.k.a. payday lenders, typically made loans ranging from one to eight weeks, with an average APR ranging from 400% to 500%. Following enactment of the new law, however, some lenders began issuing loans with durations of one year or more to avoid application of the new law. In the most egregious cases, lenders convince borrowers to sign new “one year” contracts every few months, effectively continuing their short-term lending practices without being subject to the new law’s restrictions or protections.

Highlights of the 2006-2007 Consumer Education Campaign include 600+ hours of Public Service Announcements in both English and Spanish, which will run during the next three months, and community presentations made available free of charge, starting with a presentation for seniors scheduled for December 11, 2006, at 9:30 a.m. at the East Las Vegas Community/Senior Center, 250 N. Eastern Avenue. Additional community presentation dates are provided on the Attorney General’s website at www.ag.state.nv.us.

Any consumer who suspects he or she may have been the victim of an **illegal payday lending operation** should contact the **Financial Institutions Division** at (775) 684-1830 in northern Nevada or (702) 486-4120 in southern Nevada. Additional information is also available on their website at www.fid.state.nv.us.

Any consumer who wishes to seek **debt counseling** should contact **Consumer Credit Counseling Service** at (702) 364-0344 or toll-free at (800) 451-4505. Additional information is also available on their website at www.cccnevada.org.

Any consumer who has a question about his or her **personal legal rights** may contact **Clark County Legal Services** at (702) 386-1070 or toll-free at (800) 522-1070. Additional information is also available on their website at www.clarkcountylegal.com.

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FOR IMMEDIATE RELEASE
Wednesday, November 22, 2006

ATTORNEY GENERAL SUES TO SUSPEND PURRFECT AUTO SERVICE BUSINESS LICENSES

Las Vegas— The Attorney General's Bureau of Consumer Protection filed suit this week seeking to halt the alleged deceptive trade practices and suspend the business licenses of four (4) Purrfect Auto Service locations. The suit specifically names the following Nevada corporations as Defendants: (i) **Sunbar Investments, Inc. d/b/a Purrfect Auto Service #112**, 10050 S. Eastern Avenue, #301, Henderson, Nevada; (ii) **SRV Investments, Inc. and Susan's Investments, Inc., d/b/a Purrfect Auto Service #121**, 3190 E. Sunset Road, Unit A, Las Vegas, Nevada; (iii) **Vartan's Investments, Inc., d/b/a Purrfect Auto Service #108**, 5035 S. Decatur Boulevard, #140, Las Vegas, Nevada; and (iv) **Al Uma, Inc., d/b/a Purrfect Auto Service #36**, 3101 N. Rancho Drive, #101, Las Vegas, Nevada.

The lawsuit, which was the result of an undercover sting operation conducted jointly by the Attorney General's Bureau of Consumer Protection ("BCP") and the Nevada Consumer Affairs Division ("CAD"), accuses the specific Purrfect Auto Service franchisees of multiple violations of Nevada's Deceptive Trade Practices Act, including advertising the sale of goods or services with the intent not to sell them as advertised, making false representations, and engaging in deceptive acts with the intent to injure competitors. To conduct the undercover investigation, BCP and CAD Investigators outfitted a vehicle with video cameras and posed as customers seeking to obtain an advertised 60,000-mile service package. Prior to leaving the vehicle at each location, the Investigators marked and documented various parts of the vehicle that would need to be changed, altered, or moved to complete the 60,000-mile service. Later review of the videotapes and marked parts revealed that each Purrfect Auto Service location charged for one or more services that were not performed.

The Bureau of Consumer Protection is seeking a court order to permanently suspend each Defendant's privilege to conduct an auto repair business in Nevada and to pay civil penalties up to \$5,000 for each violation.

Consumers who wish to file complaints concerning their transactions with a Purrfect Auto Service location may contact the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194 to obtain a complaint form. Consumers with internet access may also obtain a Consumer Complaint Form, as well as other consumer protection and contact information, on the Attorney General's website at www.ag.state.nv.us.

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FOR IMMEDIATE RELEASE

DATE: Thursday November 30, 2006

ATTORNEY GENERAL'S OFFICE RECOGNIZES NOVEMBER 30, 2006 AS NATIONAL METHAMPHETAMINE AWARENESS DAY

Las Vegas, NV – The Nevada Attorney General's Office is joining with several other local, state and federal agencies and organizations to recognize November 30, 2006, as National Methamphetamine Awareness Day. The other agencies proclaiming this day include the U.S. Department of Justice, Nevada Department of Public Safety and the National Association of Attorneys General.

In 2005, the U.S. Department of Health reported that methamphetamine use in Nevada was among the highest, per capita, in the nation. In 2004, Nevada ranked 9th among the states for federal seizures of methamphetamine.

"Methamphetamine is a highly addictive drug. It destroys individuals and families and can wreak havoc on our communities," said Attorney General George Chanos. "As a state, we are coming together to fight this threat and I applaud the efforts of our local and state communities, agencies and organizations."

Earlier this year the Nevada Attorney General's Office and Department of Public Safety hosted a statewide Meth Summit in Winnemucca. More than 170 people from law enforcement agencies, social service organizations, education and the judiciary participated in the summit. During the three day meeting, participants were divided into work groups based on occupation to brainstorm an action plan for the state of Nevada. These brain storming sessions resulted in a number of recommendations including:

- Requesting that law enforcement agencies participate in local coalition community group meetings. In addition, law enforcement will create a community group comprised of representatives from the District Attorney's Office, courts, school district and social services. This group will meet on a regular basis and discuss common concerns relating to methamphetamine in the community.
- Finding funding sources to institutionalize, enhance and expand the statewide drug court process, including transitions from juvenile to adult drug court.

- Implementing a statewide education program, i.e. the Montana Meth Project. This includes educating legislators, executive branch and the public on the meth problems facing our communities.
- Appointing a community coordinator to organize representatives from law enforcement, CPS, education, medical and local business to compile records, keep statistics and report findings to state/federal government.

The Nevada Attorney General's Office has also submitted a Bill Draft Request (BDR) to the Nevada State Legislature to update state laws pertaining to the manufacture and use of methamphetamine in our state. The intent of the proposed bill is to place controls on the sale of pharmaceuticals containing precursor materials used to make methamphetamine. By adopting this BDR, the Nevada legislature would bring Nevada's laws into compliance with new federal requirements. 38 other states have passed laws restricting the amount and frequency of sales of products containing these precursor materials. The 2001 Nevada State Legislature passed laws making psuedophedrine a controlled substance, which made it illegal to sell the drug in mass quantities. This resulted in a drop in meth lab seizures from 284 in 2000 to 50 in 2004.

"Restricting the sale of precursor chemicals is proven to reduce the number of meth labs in our state," Attorney General Chanos said. "The 2001 Legislature got us started on the right foot. Now it's time to do more."

The Nevada Attorney General's Office works to facilitate and coordinate the state's various District Attorney's offices in addressing the methamphetamine issue, and other serious issues, facing the state of Nevada.

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FOR IMMEDIATE RELEASE
DATE: December 5, 2006

ATTORNEY GENERAL ANNOUNCES LAS VEGAS MAN SENTENCED IN CONNECTION WITH CUSTOM TRAILER SCAM

Las Vegas, NV – Nevada Attorney General George Chanos announced today Vince Rimoldi, of Las Vegas, has been sentenced to probation and ordered to pay \$61,470.00 in restitution in connection with the advertising and sale of custom trailers.

Following an extensive investigation into Rimoldi's business practices, the Attorney General's Bureau of Consumer Protection, headed by Consumer Advocate Eric Witkoski, charged Rimoldi with several counts of theft.

Between July 2005 and February 2006, Rimoldi obtained large cash deposits from individuals by enticing them to purchase custom trailers through newspaper classified advertisements. In some instances, Rimoldi did not deliver the promised trailers for which he had collected the deposits. On other occasions, Rimoldi delivered a trailer which was not built in a workmanlike fashion and ultimately had to be repaired by the consumer.

The Bureau of Consumer Protection's investigation also revealed that Rimoldi had not obtained licenses from the Department of Motor Vehicles to manufacture and sell custom trailers. Further, Rimoldi did not obtain county or city business licenses prior to commencing his operation.

Rimoldi pled guilty to one count of theft with the value of property over \$2,500, which is a felony. Rimoldi was given a sentence of 12-36 months in the Nevada Department of Corrections for the crime. This sentence was suspended, and Rimoldi was placed on probation for a five year period. In addition, Rimoldi was ordered to pay \$61,470 to the victims during the term of probation.

"The actions of Mr. Rimoldi should serve as a notice to consumers to be cautious when approached with an opportunity to purchase a product significantly below its market value. If the deal is too good to be true, it probably is. Always conduct an independent investigation of

a business and/or individual before deciding to purchase a good or service from it,” said Witkoski.

Anyone who has information regarding this case should contact the Office of Attorney General Bureau of Consumer Protection at (702) 486-3777 in Las Vegas or (775) 684-1180 in Carson City.

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FOR IMMEDIATE RELEASE

DATE: Wednesday December 20, 2006

THREE WORKERS SENTENCED FOR CRIMES RELATED TO MEDICAID FRAUD

Las Vegas—Attorney General George J. Chanos announced today that three (3) individuals, including a husband and wife, have been convicted and sentenced for crimes related to Medicaid Fraud.

The case was investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit (MFCU). Those convicted include:

Eugenia Mesa, age 58;
Rene Mesa, age 57; and
Jose Antonio Rivera, age 24.

MFCU Director, Tim Terry, said these investigations began in 2005, during the course of earlier investigations of their prior employers.

Rene Mesa and Eugenia Mesa, husband and wife, were accused of falsifying the amount of home care they claimed to have provided to Medicaid patients. Additionally, Mrs. Mesa was not authorized to be a personal care aid.

In November 2006, Eugenia Mesa pled guilty to the misdemeanor offense of Acting Without Lawful Authority. Justice of the Peace Karen Bennett-Haron sentenced Mrs. Mesa to thirty (30) days in jail, suspended, payment of a \$500.00 fine, and performance of 80 hours of community service.

On December 20, 2006, Rene Mesa pled guilty to Felony Medicaid Fraud-Submitting False claims. District Court Judge, Jennifer P. Togliatti, sentenced him to serve 30 days in jail, 5 years of probation, 100 hours of community service and pay \$15,000.00 in restitution. Judge

Togliatti commented that it appeared to be a complicated case that required a considerable scheme on the part of R. Mesa.

On December 19, 2006, Jose Antonio Rivera pled guilty to a Gross Misdemeanor level of Attempted Medicaid Fraud-Submitting False Claims. He was accused of falsifying the amount of home care being provided to his mother and grandmother. District Court Judge, Joseph Bonaventure sentenced Mr. Rivera to 9 months in jail, suspended; a fine of \$1,000, 1 year probation; and 96 hours of community service. Additionally, Rivera has paid \$10,000.00 in restitution and enforcement costs.

Attorney General George Chanos said that "While it is sad that Rene Mesa's greed resulted in his own felony conviction, along with the conviction of his wife; it is shameful that Jose Rivera exploited the health care needs of his own mother and grandmother for his personal illicit gain. Furthermore, Judge Togliatti is correct, health care frauds are complicated cases that involve a considerable amount of investigative resources. Our office will continue to be dedicated to prosecuting these matters."

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes instances of patient abuse or neglect, exploitation and isolation. The unit also investigates and prosecutes financial fraud by those providing medical services and goods to Medicaid patients. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE

DATE: Wednesday December 20, 2006

LAS VEGAS DOCTOR ARRESTED IN CONNECTION WITH THE DEATH OF A PATIENT

Las Vegas – Attorney General George Chanos announced today that the Attorney General's Office has filed criminal charges against Dr. Harriston L. Bass, 52, of Las Vegas. Dr. Bass was charged with one count of second degree murder, 21 counts of sale of a controlled substance and six counts of possession for sale of a controlled substance. Dr. Bass was arrested today by investigators with the Nevada Division of investigations. Dr. Bass' arrest is the culmination of a six month investigation into Dr. Bass' illegal sales of controlled substance to his patients.

Chief Deputy Attorney General Conrad Hafen filed the criminal charges and will be prosecuting the case on behalf of the State of Nevada and the Attorney General's Office.

"This is a case where a medical doctor believed he was above the law and did not have to comply with the state licensing procedures for dispensing controlled substances," Hafen said. "It is unfortunate that Dr. Bass' arrogance has caused the death of an individual and caused undue addiction of many of his patients."

If convicted on the second degree murder charge, Dr. Bass could be sentenced for 10 years to life or 10 years to 25 years in the Nevada State Prison with the possibility of parole after 10 years. As to the Sale of a Controlled Substance counts, Dr. Bass could be sentenced from 1-5 years in the Nevada State Prison on each count and fined up to \$10,000. The Possession for Sale of a Controlled Substance charge carries a possible sentence of 1-4 years in the Nevada State Prison and a fine of up to \$5,000.

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For Immediate Release
Date: Friday December 29, 2006

ATTORNEY GENERAL ANNOUNCES NEVADA TO FILE ASSURANCE IN SONY BMG SETTLEMENT

Las Vegas - Attorney General George Chanos announced today that SONY BMG Music Entertainment has agreed to pay the Nevada and 39 additional states \$4.25 million to resolve the states' investigation into problems that arose when SONY BMG placed anti-copying software on music CDs. The settlement, an Assurance of Discontinuance, which the Attorney General plans to file within the next couple of weeks in Clark County District Court, also sets forth SONY BMG's agreement to broad injunctive relief, which will prevent SONY BMG from using anti-copying software on its music CDs in the future without first complying with the reforms required by the settlement.

During 2005, SONY BMG distributed more than 12 million CDs with two kinds of anti-copying software. SONY BMG did not tell consumers that the CDs contained anti-copying software or Digital Rights Management (DRM) software. One version of the software was called XCP and this software was designed to hide or "cloak" a number of the program's files and operations so that when consumers played XCP CDs in their Windows-based computers, consumers did not know that the anti-copying software was downloaded onto their computers. XCP made Windows-based computers vulnerable to security threats, including viruses and other problems.

Also, when consumers did discover XCP on their computers, they experienced problems when they tried on their own to remove the software. Some consumers who tried to remove XCP had their CD- ROM drives crash.

Another version of the anti-copying software used by SONY BMG, called MediaMax, caused a driver to download on a consumer's computer even if the consumer declined to accept the software. One version of MediaMax, Media Max 5.0, also created a security vulnerability on consumers' computers by allowing later users to modify the contents of the computer and to run dangerous programs that they would not otherwise have been able to run.

Under the terms of the settlement, SONY BMG will provide refunds up to \$175 to all consumers who experienced harm to their computers when they sought to remove the DRM software. Refund claims must be submitted to SONY BMG through a claims process which SONY BMG will publicize on its website.

The injunctive relief provisions will specifically prohibit SONY BMG from using XCP or MediaMax DRM software in the future, and will sharply limit the ways in which SONY BMG may use anti-copying software in the future. If it does choose to use DRM software in the future, SONY BMG must inform consumers about it.

The other states participating in today's settlement are: Alabama, Alaska, Arizona, Arkansas, Connecticut, Delaware, Florida, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Michigan, Massachusetts, Mississippi, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, and the District of Columbia.

Members of the media may also contact John McKay at Sony for comment by calling (212) 833-5520

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