Minutes of the Nevada State Legislature

Assembly Committee on Government Affairs

Date: March 5, 1979

Page: 1

#### MEMBERS PRESENT

Chairman Dini

Mr. Marvel

Mr. Fitzpatrick

Mrs. Westall

Mr. Harmon

Mr. Craddock

Mr. Jeffrey

Mr. Robinson

Mr. Getto

Mr. Bedrosian

Mr. Bergevin

#### GUESTS PRESENT

See Guest List attached

\* \* \* \* \*

Chairman Dini called the meeting to order at 9:00 A.M.

## AB 387 - MAKES VARIOUS CHANGES IN LAW RELATING TO LEGISLATIVE COUNSEL BUREAU

#### JOHN CROSSLEY, Legislative Auditor, L.C.B.

Mr. Crossley had distributed to the Committee a document outlining the main objectives of the Bill which are contained in Sections 2 and 3, a copy of which is attached hereto and made a part hereof. The document also contains the proposed Amendments. Mr. Crossley went on to elaborate on each item independently.

## AB 411 - PROHIBITS ALLOWANCE FOR LODGING TO STATE OFFICERS AND EMPLOYEES IF LODGING IS FREE

#### PAUL PRENGAMAN, Assemblyman, District 26

Mr. Prengaman stated the intent of AB 411 was to begin a review of the comp policy in Nevada. He stated the Bill attempts to prohibit public officers and employees from receiving lodging for allowance if, in fact, that lodging has been provided to them free. He stated in section 2 he attempted to set up a formula for use of the \$30 flat fee but at the time he was not clear on what was being done at the present time and he now understands it

309

Date: March 5, 1979

is already being done. He advised the Committee he has therefore requested an amendment which would delete the section. He stated by not specifying a penalty it becomes a misdemeanor to accept free lodging and then put in a bill to the State for it. He then went on to elaborate on his motivation for introducing the Bill, namely, that he felt it was time Nevada cleaned up its image in regard to the He stated he felt there was nothing more comp situation. extravagant than someone receiving free lodging and then billing the State for it. Mr. Prengaman stated in support of his motivation he would distribute to the Committee copies of a newspaper article which appeared in The Washington Post, dated Sunday, November 20, 1978, a copy of which is attached hereto and made a part hereof. Mr. Prengaman stated he was particularly concerned about Nevada's image by outsiders and the newspaper article was the case in point.

A general discussion ensued between the Committee and Mr. Prengaman regarding Nevada's image and the allotment for expenses is not sufficient for either lodging or food service. Mr. Jeffrey stated he thought the per diem policy was the problem; and unless someone did have free room and meals there was no way they could break even. Mr. Jeffrey stated he was told by various state personnel they should be traveling more for the good of the state but could not afford to do so based on the per diem which was insufficient. Mr. Jeffrey stated he would like to have someone tell him where they could get a room for \$13 in the State of Nevada unless it was a flop house and he didn't feel state employees should have to travel that way. Mr. Getto stated he felt the question was an ethical one and felt very strongly that no one should submit for a room and take a comp for one at the same time. Dr. Robinson expressed the opinion that the amount for meals was ludicrous.

#### ROBERT GAGNIER, Executive Director, SNEA

Mr. Gagnier stated he was not speaking for or against the Bill but had some proposed language changes and to clear up some misconceptions as to state per diem. He advised the Committee at the present time the State Administrative Manual which governs travel policy provides employees will receive a lump sum of \$30 for all expenses incurred for every 24 hours; if they are gone for less than 24 hours the rate is \$17.50 for a room, \$6.50 for dinner, \$3.50 for lunch, \$2.50 for breakfast. Mr. Gagnier stated the only place he knows of in Las Vegas that currently gives a discount to state employees is the Show Boat. He stated the Show Boat was inconvenient unless you had a car

Date: March 5, 1979

Page: 3

and taxi fare would be prohibitive. He also pointed out it was not in the general area where state employees do their business and it is only good for certain days of the week and not on the weekend. Mr. Gagnier suggested an amendment in section 1, line 3, that it not be limited to just state officer but to everyone. He also pointed out instances where employees have to bring their own campers and living accommodations to an area where they are working because there are no hotel rooms available and they do not get paid for their expense in doing so. He suggested if the Bill is passed that there be added to line 5 language such as except "employee owned or rented R.V.'s or mobile homes".

Dr. Robinson questioned Mr. Gagnier in connection with the abuse that might occur and wanted to know if state employees were "ahead of the game or behind" and Mr. Gagnier responded they were way behind. Mr. Gagnier stated many employees share a room and \$12.50 for food expense in many areas of the state is not enough. He advised the Committee the rank and file state employee does not get comped and staying at the home of a friend is pretty rare and even if they did, Mr. Gagnier felt they would still come out on the deficit side.

AB 330 - EXTENDS TIME FOR COMPLETION OF NEVADA ADMINIS-TRATIVE CODE AND REQUIRES EXCLUSION OF MATERIAL

#### FRANK DAYKIN, Legislative Counsel

Mr. Daykin explained to the Committee that the Bill had two purposes: the primary purpose is to extend the date for completion of the Code to November 1, 1982 rather than 1980. He stated they necessarily made a guess when the original statute was drafted how long it would take to complete it and they might be done in the coming interim but it might extend into the next one. He stated the second purpose was contained in the two last lines and is by way of reinforcing by law something they had been doing already by negotiating.

#### COMMITTEE ACTION:

AB 387 - Mr. Fitzpatrick moved AMEND and DO PASS, seconded by Mr. Harmon and unanimously carried.

AB 411 - Chairman Dini appointed Mr. Harmon and Mr. Getto as a sub-committee.

AB 330 - Mr. Bergevin moved DO PASS, seconded by Mr. Harmon, and unanimously carried.

Minutes of the Nevada State Legislature

Assembly Committee on Government Affairs

Date: March 5, 1979

Page: 4

 $\underline{\text{SJR 8}}$  - Mr. Harmon moved DO PASS, seconded by Mr. Getto, nine in favor, one absent, Mr. Bedrosian opposed; carried unanimously.

There being no further business to come before the meeting, the same was adjourned.

Respectfully submitted,

Sandra Shatzman Assembly Attache

8769

#### **AB** 387

AB 387 addresses the accounting of the Legislative Branch of government. The two main objectives of the bill are in Sections 2 and 3.

#### Page One

#### Section 2

Creates authority for petty cash account for use by the Counsel Bureau. We do have written procedures as to what it may be used for.

#### Section 3

In 1977 the Legislative Auditor was made the ex-officio Legislative Fiscal Officer (NRS 218.755). In order to carry out this function a bank account was established. This section establishes the authority for that bank account in law. This is in accordance with SB 43, now Chapter 8.

#### Page Two -

Between sessions we find that it is necessary to make minor improvements in the buildings, especially since we assumed complete responsibility for the building and grounds in 1977. These changes are in anticipation of session. Lines 8 and 9 on page 2 allow for that.

During the 1977 session the Research and Fiscal Analysis Divisions were separated. Lines 13 and 14 on page 2 take care of that.

Lines 35 and 36 on page 2 eliminate the requirement that all workpapers are to be retained by the Legislative Auditor. Only certain workpapers are of value, and of course, those would be retained.

## AB 387 PROPOSED AMENDMENTS

#### Title: Third line:

...pay for certain [capital] improvements,...

#### Page 1, line 12:

Insert after "branch of government", the following:
 ", related payroll costs"

#### Page 1, line 22:

Delete after "as a", the word [continuing]

### Page 2, line 1:

Insert prior to the word "fund" the following:
 "special revenue"

Delete after the word "fund", the following:
[in the state treasury]

#### Page 2, line 16:

Delete the following:

[The statute revision operation]

# The Stained Image of Nevada's Mr. Clean

By Lou Cannon 1 Washington Post Staff Writer:

LAS VEGAS - A bizzarre aftermath to this month's election has politically scarred Nevada's governorelect, widened a federal probe into underworld influence and provideda n underworld influence and provided anwielded in this gambling-oriented state.

The governor-elect is state Attorney General Robert List, a Republican who campaigned on a law-and-order theme and won a 17 percentage point victory in a state where the Democrats have a nearly 2-to-1 registration edge. List, widely regarded as incorpruptible, successfully defended Nevada's tough gambling-license law before the U.S. Supereme Court.

> Disclosures in Navada newspapers since the election, however, have tarnished List's "Mr. Clean" image.

The governor-elect has acknowledged that on at least 18 occasions during the past two years he accepted the hopitality of the Stardust, a hotel casino in Las Vegas owned by Ar-4 gent Corp. which has been a principal target of a massive federal probe into underworld influence in Nevada gambling.

In an effort to cut his political losses, List this week sent the Star, dust a personal tekeck of \$3,124 to cover free lodging, meals and entertainment he had received there. List also admitted that he had received \$125 from the state for lodging and ! food expenses at the same time he was staying for free at the Stardust.

These admissions would, in most states, probably be enough to impeach, recall or thoroughly discredit a new governor.

But in wide-open Nevada there appears to be considerable sympathy for List and general acceptance of his story that he has been the target of a plot by an unsavory casino figure who; was refused a gambling license and a financially shaky newspaper publisher in debt to the Stardust and other casinos.

The other figures in this "only in Nevada" drama are Frank (Lefty) Rosenthal, entertainment director of the Stardust, and Bob Brown, publisher of a small, struggling Las Vegas daily known as the Valley Times,

Rosenthal, who has a long history of association with underworld figures, once was convicted of bribing a base ketball player to affect the outcome of a game. It is a measure of Las Vegas' lack of concern for such things that Rosenthal now has a Monday night television program in which he comments on the game and offers a football handleap.

When Rosenthal was denied a license by the Nevada Gaming Commission a few years ago, he appealed and challenged the constitutionality of the law a challenge supported by publisher Brown. It was this case that List took to the Supreme Court, & List then reported the matter to the which upheld the constitutionality of the Nevada gambling license law.

Brown is a friend of Rosenthal's and acknowledges that he has received "large amounts" of prepaid advertising from Argent Corp. to keep his hard-pressed newspaper alive, Last year Brown went to Florida to testify as a character witness for Rosenthall who had been barred from Florida racetracks and was attempting to be reinstated.

On Oct. 29, 10 days before the election, List and Brown met privately in a Las Vegas coffee shop. The two men had once been friends, but Brown had tion; List and Brown met privately in Coprint the story, W. Jackson and Brown met privately in Coprint the story, W. Jackson and Brown met privately in Coprint the story, W. Jackson and Brown met privately in Coprint the story, W. Jackson and Brown met privately in Coprint the story, W. Jackson and Brown met privately in Coprint the story, W. Jackson and Brown met privately in Coprint the story, W. Jackson and Brown met privately in Coprint the story, W. Jackson and Brown met privately in Coprint the story, W. Jackson and Brown met privately in Coprint the story and the story of the

become a critic of the attorney gencratic opponent, Lt. Gov. Bob Rose.

As Brown tells the story, List made an overture to him to join the winning team, "If I'm elected governor, I can do you a lot of good Brown remembers List saying.

As List recalls it Brown told him that the Valley Times was working on a story about List's free stay at the Stardust. Brown said he had witnesses who would say that "booke" and broads' were sent to the room in which List was staying.

List, whose wife and three children had been with him during one of the times he stayed free at the Stardust; emotionally denied this part of the story and asked Brown not to print it.

Then, in List's version, Brown asked him, "How would you feel toward Argent and these people if this story did not run?" Immediately, says List, he sensed that the story was an effort to win favorable licensing treatment for Rosenthal.

Brown acknowledges that he rulsed the issue but says he was not trying to win any kind of deal for Rosenthal.

FBI as an "extortion" effort by Brown and Rosenthal. The FBI investigated and this week presented undisclosed testimony to a federal grand jury

The offending story never ran before election day. During the days between the meeting and the election, Brown was asked to withhold the story by emissaries of List, outgoing Nevada Goy. Mike O'Callaghan and Nevada Gaming Commission Chairman Harry Reid. Rose himself asked that the story be suppressed, saying it would backfire."

In the end, Brown agreed not to

"It was too near the election and would have looked like a smear," he said in retrospect. "Everybody in the state would have thought I was a hatchelman. There was no way could have recovered from that."

The story finally came out atter the election, first appearing in the pro-List, Las Vegas Sun in a version heavily favorable to the governorelect and sharply critical of the Valley Times, view and the property of

Whatever the motive of the participants, the story seems to have damaged all who were involved. Brown admits that the affair has deepened his "credibility problems," which he says arise from the favors he has received from Argent.

Rosenthal has been called up by the Gaming Commission to see whether he should be designated "a key employe," who must be licensed. Refusal of this license, which seems almost a foregone conclusion, would require him to leave the Stardust.

And List, although everyone concedes he gave no favor to Rosenthal, Is starting his own administration under a cloud. Manage of the second

The List makes no apology for accepting the Stardust's hospitality, saying that the state only allows \$17.50 for a hotel room and that he usually winds up out-of-pocket on state trips. Nevada budget director Howard Barrett, reap- s pointed to his job by List, says that the practice is widespread.

But Lisvs judgment in staying at the Stardust at the same time that he ! was carrying the Rosenthal case to the high court seems questionable even to many of his supporters. List's 4: responses on this issue have, if anything, only expanded these questions about his judgment.

### GUEST LIST

NAME	REPRESENTING	IF YOU WISH TO SPEAK
(Please print)		Pro Con
John Crossla	LCB. RB387	ix
		1 1
	,	
-		
		· · ·
		<u> </u>
		240
	•	316
	* ·	