

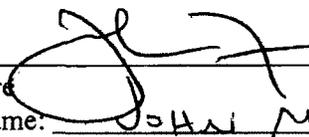
4. Attach two copies of all documents or items you believe provide credible evidence to support your allegations. NRS 281A.440.2(b)(1) requires you to submit all related evidence to support your allegations. NAC 281A.435.3 defines credible evidence as a minimal level of any reliable and competent form of proof provided by witnesses, records, documents, exhibits, minutes, agendas, videotapes, photographs, concrete objects, or other similar items that would reasonably support the allegations made within the complaint. Credible evidence does not include a newspaper article or other media report if the article or report is offered by itself.

State the total number of additional pages attached (including evidence) _____.

REQUESTOR'S INFORMATION:

NAME: JOHN MATSU	E-MAIL: john.matsis@banw.org
ADDRESS: 3040 ST TADPAZ ST	
CITY, STATE, ZIP: LAS VEGAS, NV 89128	
TELEPHONE: 702 498-6981	CELL PHONE: SAME

By my signature below, I do affirm that the facts set forth in the foregoing complaint and attachments thereto are true and correct to the best of my knowledge and belief and I am willing to provide sworn testimony if necessary regarding these allegations.

Signature: 
Print Name: JOHN MATSU

Date: 12/16/10

Please return an original signed form, two copies of the form, and three copies of the supporting documents and evidence to:

Executive Director
Nevada Commission on Ethics
704 W. Nye Lane, Suite 204
Carson City, Nevada 89703

Ethics complaints submitted by facsimile will not be considered as properly filed with the Commission.
NAC 281A.255.3



Beacon Academy of Nevada

A public on-line charter school sponsored by the Nevada State Board of Education

Governing Body

Hadassa Lefkowitz, President
Special Education Teacher, Clark County School District
1705 Plato Pico Drive
Las Vegas, NV 89128
(702) 280-7078
wldsrvd@gmail.com 702-280-7078
Member since: June 2008

Stacey Ginoza, Vice President
Dean of Students, Tarkanian Middle School
2365 Brockton Way
Henderson, NV 89015
(702) 480-3353
stacey.ginoza@gmail.com
Member since: June 2008

Sharon McNair, CPA, Treasurer
Forensic Accountant
McNair and Associates
4015 El Capitan Way, Suite 888
Las Vegas, NV 89147
(702) 646-0888
sharon@mcnaircpas.com
Member since: June 2008

Anthony Willey, Member
Elementary School Teacher, Clark County School District
353 Amber Pine Street
Las Vegas, NV 89144
(702) 277-6966
Tonywilley62@yahoo.com
Member since: November 2009

Beacon Academy of Nevada - 8970 West Tropicana Avenue, Suite 6 - Las Vegas, NV 89147
Phone: 888-844-8020 - Fax: (702) 538-9500 - www.banv.org



Beacon Academy of Nevada

A public on-line charter school sponsored by the Nevada State Board of Education

William Carrico, Esq., Member

Federal Public Defender

5448 Desert Spring Street

Las Vegas, NV 89149

(702) 682-6702

billynvus@yahoo.com

702-682-6702

Member since: August 2009

Ernest Freggiaro, PE

Civil Engineer, Integrity Engineering

4588 Coachman Circle

Las Vegas, NV 89119

ernief@integrity-engineering.net

702-683-3398

Member since: September 2009

Open Position

Beacon Academy of Nevada - 8970 West Tropicana Avenue, Suite 6 - Las Vegas, NV 89147

Phone: 888-844-8020 - Fax: (702) 538-9500 - www.banv.org

Caren Jenkins

From: John Matsis [john.matsis@banv.org]
Sent: Wednesday, December 15, 2010 12:57 PM
To: Steve Canavero
Cc: Thomas McCormack; Caren Jenkins; William Carrico; Ernie Freggiaro; Anthony Willey; Gary Waters
Subject: Beacon Academy Board Issues
Attachments: Flangas McMillan Invoice 12-7-10-12-15-10.pdf

Steve:

I have attached an invoice from Flangas McMillan Law Group, the legal counsel for Beacon Academy of Nevada. To this point, the law firm has represented the board on issues regarding its former EMO, Insight Schools, Inc., and issues pertaining to the regulations regarding student count/attendance for virtual charter schools. However, this invoice includes in excess of \$10,000 of charges related to the complaints made against board members/officers Hadassa Lefkowitz, Sharon McNair and Stacey Ginoza. These three individuals have been reported to the Department of Education, the Attorney General's office and the Nevada Ethics Commission prior to the receipt of this invoice, and the enclosed invoice further documents their deliberate and ongoing attempts through illegal, secret and cloaked meetings and activities with intent to violate the Nevada Open Meeting law and to further protect, through legal representation paid with public funds, the defense of these individuals in current ongoing investigations regarding their conduct and ethics as state officials. It is important to emphasize that the other three members of the board who have not been named in any complaint have not received any notification of these legal services nor granted their permission. Further, any correspondence sent to your office and the Attorney General's office has not been shared or vetted by these other three members.

Furthermore, this invoice identifies the letter and intent of the Nevada Open Meeting law in possible violations previously not known or reported (Nov 30-10)

In review of the invoice submitted by Flangas/McMillan Law Group the following points are submitted for consideration and deemed critical evidence of unethical and illegal behavior:

1. The invoice represents over \$10,000 in legal charges for services which were never authorized by the vote of the Governing Body of Beacon Academy of Nevada.
2. Individual Governing Body members listed in the invoice, acting independently of proper and public Governing Body authority and action solicited legal services for actions in which three Governing Body members are currently under investigation by the Nevada Attorney General and Nevada Commission on Ethics using public funds to pay for private legal services.
3. The Invoice substantiates previous information provided to the Nevada Attorney General and Nevada Commission on Ethics regarding collusion and conspiracy to violate the Nevada Open Meeting law and engage in activities for the benefit of one or more Governing Body members.
4. The invoice documents intent (as described on page one - October 18-10 "conference" of two Governing Body members to circumvent Nevada law by requesting and receiving legal advice for conducting public business in secret.
5. The invoice documents that three members of the Governing Body secretly and apart from the full Governing Body conspired to respond to Open Meeting Law violations and did so without consultation and input from three members of the Governing Body and thus were conducting public business in secret and apart

from the Governing Body on which they serve. Three members of the Governing Body were never consulted or advised regarding the entire series of invoiced charges and were essentially ignored in terms of offering their input into full Governing Body responses requested by the Nevada Department of Education and Nevada Attorney General. It is especially offensive that three Governing Body members would, without proper and public consultation with other members of the Governing Body, submit a response to state authorities in any form without proper and due consideration of the response by all members - and that such consideration was not publically noticed or conducted.

6. This invoice documents that Governing Body action was considered and taken outside of the public meeting venue required of such under Nevada law.

7. This invoice documents further and more deliberate attempts by three Governing Body members in the process of deferring their responsibilities as Governing Body members to an unauthorized legal counsel in which they were not authorized to engage and to "*Analyze and develop strategy in connection with issues...*" (Nov 24-10), and the crafting of a written response not considered in any way by the full and complete Governing Body in a public setting as required by law.

8. The charges invoiced pertaining to the Nevada Open Meeting Law legal services were never properly considered nor authorized by vote of the Governing Body and thus cannot legally or ethically be considered a debt of Beacon Academy of Nevada.

This invoice came to the attention of Executive Director Gary Waters on Monday evening December 13, 2010, when President Hadassa Lefkowitz came to the school and presented him with the invoice. This was odd in itself as all invoices from Flangas McMillan are mailed to the school and paid by me. It was very odd that she was hand delivering a bill. Mr. Waters, upon reviewing it, informed Ms. Lefkowitz that he could not pay this bill as he was unaware of board approval or of full board knowledge of these expenses that clearly were for the protection of three individuals rather than the board as a whole. After debating the issue, Ms. Lefkowitz left without a check. However, on Tuesday evening December 14, Ms. Lefkowitz called Mr. Waters, and when he informed her that he would be at the school that evening for a parent open house, she informed him that she was coming to pick up the check. Once again, Mr. Waters explained why he could not in good conscience write this check, but she was insistent. He also asked her what the hurry was to have this check cut as we typically have 30 days to pay legal bills. When he told her that he should consult with your office regarding the propriety of making this payment without full board knowledge, she claimed that she had already done so. He asked her who she spoke to, and she said "I okayed it Steve Canavero."

As I left the building, I called member William Carrico, a practicing attorney, to apprise him of this predicament. He asked if she is a signatory, I affirmed that, although she has never signed a Beacon check, and his advice was to give her an unsigned check to see if she would actually sign it. That is what happened, I am watching my web based bank account information that will inform me when it clears.

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John Matsis
Director of Compliance
Beacon Academy of Nevada
(702) 726-8607 Direct
www.bany.org

Flangas McMillan Law Group

3275 South Jones Blvd.
Suite 105
Las Vegas, NV 89146

Ph:(702) 307-9500

Fax:(702) 382-9452

Beacon Academy

December 7, 2010

8970 W. Tropicana Ste. 6
Las Vegas, Nevada 89145

File #: 1286.002

Inv #: 29374

RE: General

DATE	DESCRIPTION	HOUR RATE/HR	AMOUNT	LAWYER
Oct-04-10	Review email from John Matsis regarding missing information on discs.	0.30 \$375.00	112.50	JRM
Oct-14-10	Prepare letter to Jankowski regarding missing information from Insight data cd.	0.50 \$375.00	187.50	JRM
Oct-25-10	Review audit letter request from Reeves.	0.30 \$375.00	112.50	JRM
Oct-26-10	Voice message and email from John regarding audit letter; email and voice message to John regarding the same; work on Atty audit letter.	1.30 \$375.00	487.50	JRM
Oct-27-10	Finalize letter; fax to Alexia; email copy to John; email from Jankowski regarding board meeting being held; conference with John Matis regarding board meeting; email to Tom regarding the same. Conference with Sharon and Hadassa regarding Vendor agreement and payments.	0.80 \$375.00	300.00	JRM
Oct-28-10	Conference with Sharon and Hadassa regarding what can be discussed at meeting without publishing; conference with Hadassa regarding strategy	0.30 \$375.00	112.50	JRM

Nov-01-10	Conference with Sharon regarding audit and personnel.	0.30 \$375.00	112.50	JRM
Nov-02-10	Conference with Gary regarding new contract; email to Sharon regarding the same.	0.30 \$375.00	112.50	JRM
	Review of statutes regarding language about governing body; review of new adopted Admin code regulations effective October 15, 2010	1.60 \$275.00	440.00	JKP
Nov-04-10	Meet with Gary Waters and Sharon to discuss issues with contracts and school. Conference with Gary regarding second contract and whether contract is actually being performed by employee Nestor; conference with Sharon regarding same and double payment; email from John Matsis regarding White Pine/DSA dispute.	3.00 \$375.00	1,125.00	JRM
Nov-05-10	Review Sharon's email to Gary requesting payment for services already performed by Nestor; review Gary's response; conference with Hadassa.	0.30 \$375.00	112.50	JRM
Nov-08-10	Conference with Sharon regarding audit and strategy. Review Gary's analysis of Nestor's duties and contract; meet with Sharon to discuss changes to audit and board strategies. conference with Gary regarding resignation of special education instructor.	2.30 \$375.00	862.50	JRM
Nov-09-10	Conference with Sharon regarding McNair and Association providing service as a board member; analysis regarding Open Meeting Law; conference with Sharon regarding strategy with Amy.	1.00 \$375.00	375.00	JRM
	Research regarding provisions of Open Meeting Act and what constitutes Meeting; Discussion with Attorney General's Office regarding same	1.00 \$275.00	275.00	JKP
Nov-10-10	Review Hadassa email regarding meeting of board members; email to Sharon regarding notice; conference with William Carrico regarding meeting; email from Sharon regarding meeting; conference with Sharon regarding meeting; review topics of information. Review financials and revised audit notes; review new employment	1.70 \$375.00	637.50	JRM

agreements and job descriptions. Email my modification to financial notes to Sharon.

Nov-12-10	Email from <u>Sharon on services to board</u> ; email to Sharon regarding the same; email from Terri regarding my corrections to the notes; email to Sharon and Terri regarding the same and the White Pine issue; conference with Sharon regarding note corrections and meeting.	0.80 \$375.00	300.00	JRM
Nov-15-10	Email from Sharon regarding documents for meeting; email to Sharon regarding the same. Review new material from Gary. Prepare for meeting with Beacon Board; Attend Beacon meeting to advise Board on various issues.	2.80 \$375.00	1,050.00	JRM
Nov-16-10	Review Matsis' email regarding audit report; email to John regarding the same; email to Sharon regarding revised provisions in notes to finance statements; email from Sharon with staff and salaries.	0.40 \$375.00	150.00	JRM
Nov-17-10	Emails from Tom Jankowski on meeting; conference with Hadassa regarding error in posting the notice for the board meeting thereby necessitating canceling the meeting.	0.30 \$375.00	112.50	JRM
Nov-18-10	Review email from McCormick to Hadassa regarding board meeting; email from John Matsis to McCormick.	0.30 \$375.00	112.50	JRM
Nov-19-10	Conference with Hadassa regarding new board meeting date. Conference with Hadassa regarding Complaint to McCormick regarding allegations that board violated open meeting law .	0.50 \$375.00	187.50	JRM
Nov-22-10	Review letter from McCormick; review email from John regarding Helene Upson resignation; review Helene letter; conference with Sharon regarding letter. Email to Steve Canavero regarding telephone conference availability; email from Steve; email to Hadassa; email to Steve regarding phone conference.	0.70 \$375.00	262.50	JRM
Nov-23-10	Prepare for call with Canavero based on statue and codes; call to Canevero with Hadassa and Jessica	1.50 \$375.00	562.50	JRM

	Begin Research regarding Whistleblower Protection Act; Review of Bylaws	3.50 \$275.00	962.50	JKP
Nov-24-10	Analyze and develop strategy in connection with issues raised by AG and DOE; conference with Sharon regarding issues and information needed for response to state. Conference with Hadassa.	1.80 \$375.00	675.00	JRM
Nov-27-10	Review email from Hadassa with meeting date and agenda; conference with Hadassa to discuss AG letter with Complaint and accusations; conference with Stacy regarding; same develop strategy.	0.50 \$375.00	187.50	JRM
Nov-29-10	Conference with Sharon regarding Complaint and McCormick letter.	0.30 \$375.00	112.50	JRM
Nov-30-10	Review email from Canavero on response to McCormick letter. Review emails from Sharon; review various documents to be used in response to AG and DOE; review and analysis of status and Administrative Code for response. Meeting with Hadassa, Stacy and Sharon to discuss response to AG and DOE.	4.20 \$375.00	1,575.00	JRM
	Begin review and analysis of case law on Whistleblower Actions; Review of Complaint Packet from AG's office; Meeting with Hadassa and Sharon; Begin Drafting Response to Tom McCormick	6.00 \$275.00	1,650.00	JKP
	Totals	38.60	<u>\$13,265.00</u>	

DISBURSEMENTS

Federal Express	16.15
Westlaw Research	121.20
Totals	<u>\$137.35</u>

Total Fee & Disbursements	<u>\$13,402.35</u>
Previous Balance	787.50
Previous Payments	787.50

Balance Now Due

\$13,402.35