



STATE OF NEVADA

BEFORE THE NEVADA COMMISSION ON ETHICS

In re **Lawrence Weekly**, Chair,
Board of Directors, Las Vegas
Convention and Visitors Authority,
State of Nevada,

Ethics Complaint
Case No. **18-062C**

Subject. /

STIPULATED AGREEMENT

1. **PURPOSE:** This Stipulated Agreement resolves Ethics Complaint Case No. 18-062C ("Complaint") before the Nevada Commission on Ethics ("Commission") concerning Lawrence Weekly ("Weekly"), Chair of the Board of Directors of the Las Vegas Convention and Visitors Authority ("LVCVA") in Nevada.

2. **JURISDICTION:** At all material times, Weekly was a public officer as defined in NRS 281A.160. The Ethics in Government Law ("Ethics Law") set forth in NRS Chapter 281A gives the Commission jurisdiction over elected and appointed public officers and public employees whose conduct is alleged to have violated the provisions of NRS Chapter 281A. See NRS 281A.280. Accordingly, the Commission has jurisdiction over Weekly in this matter.

3. **PROCEDURAL HISTORY BEFORE COMMISSION**

a. On August 20, 2018, the Commission initiated this Complaint and issued its *Order Initiating an Ethics Complaint, Accepting Jurisdiction and Directing an Investigation*, alleging that Weekly accepted various improper gifts and used his official position and/or government time/resources to acquire airline gift cards purchased with LVCVA funds to pay for personal travel, in violation of the following provisions of the Ethics Law:

- 1) NRS 281A.400(1) – Seeking or accepting any gift, service, favor, employment, engagement, emolument or economic opportunity which would tend improperly to influence a reasonable person in his position to depart from the faithful and impartial discharge of his public duties;

- 2) NRS 281A.400(2) - Using his public position to secure or grant an unwarranted advantage for himself or any person to whom he has a commitment in a private capacity;
 - 3) NRS 281A.400(5) - Acquiring through his public duties or relationships, any information which by law or practice is not at the time available to people generally, and using the information to further a pecuniary interest of himself or any other person or business entity;
 - 4) NRS 281A.400(7) - Using governmental resources to benefit a significant personal or pecuniary interest; and
 - 5) NRS 281A.400(9) - Attempting to benefit his personal or financial interest through the influence of a subordinate.
- b. On August 20, 2018, staff of the Commission issued a *Notice of Complaint and Investigation* pursuant to NRS 281A.720 and Weekly was provided an opportunity to provide a written response to the Complaint.
 - c. On September 24, 2018, Weekly submitted a written response to the Complaint.
 - d. On October 25, 2018, the Executive Director presented a recommendation relating to just and sufficient cause to a three-member review panel pursuant to NRS 281A.720.
 - e. A Panel Determination issued on December 6, 2018 concluded that:
 - 1) Credible evidence supports just and sufficient cause for the Commission to render an opinion in the matter regarding the allegations pertaining to NRS 281A.400(1), (2), (7) and (9) related to Weekly's use of Southwest gift cards purchased with LVCVA funds for personal travel.
 - 2) Sufficient credible evidence does not support a determination that just and sufficient cause exists for the Commission to render an opinion in the matter regarding the allegations pertaining to 281A.400(1), (2), (7) and (9) (regarding Weekly's receipt of any items from the LVCVA warehouse of promotional products/merchandise) and NRS 281A.400(5).

- f. In lieu of an adjudicatory hearing before the Commission, Weekly now enters into this Stipulated Agreement acknowledging his duty as a public officer to commit himself to protect the public trust and conform his conduct to the requirements of the Ethics Law.

4. STIPULATED FACTS: At all material times, the following facts were relevant to this matter:¹

- a. Weekly is the Chair of the LVCVA Board of Directors (“Board”) and serves as a Member of the Board’s Audit Committee. Weekly also is an elected member of the Clark County Board of Commissioners.
- b. The LVCVA is a political subdivision of the State of Nevada and is a statutorily created public entity responsible as the destination marketing organization for Las Vegas to promote tourism, conventions, meetings and special events throughout Southern Nevada.
- c. The LVCVA is a governmental entity subject to Nevada’s Open Meeting Law (NRS Chapter 241), Public Records Law (NRS Chapter 239) and Ethics Law.
- d. The LVCVA obtains its funding, in part, from a percentage of hotel taxes and fees in Southern Nevada. Its primary goal is to increase tourism in the region for economic development purposes.
- e. The LVCVA is governed by a 14-member Board comprised of 8 elected officials representing the municipalities and counties in Southern Nevada and 6 representatives from the private sector.
- f. The LVCVA Board hires a President and Chief Executive Officer (“CEO”) and this position was held by Rossi Ralenkotter (“Ralenkotter”) during the relevant time periods. The CEO is responsible for carrying out all policy directives of the Board, including marketing, operation of facilities, human resources, finance and public affairs.
- g. The LVCVA maintains Board Policies, which include Policy 8.01 - Code of Conduct and Conflicts of Interest Policy (the “Policy”). The Policy in effect during the relevant time period required compliance with the Ethics Law and

¹ Stipulated Facts do not constitute part of the “Investigative File” as that term is defined by NRS 281A.755. All statutory and common law protections afforded to the Investigative File shall remain and are not affected by this Stipulated Agreement.

- states that LVCVA's directors, officers and employees shall work for the common good of the public that LVCVA serves and not for any private or personal interest. The Policy also prohibits Board members from seeking or accepting gifts, services, favors, employments, engagements, emoluments or economic opportunities that would improperly influence their public duties; using their position in government to secure unwarranted privileges; or using governmental property to benefit their personal or financial interests.
- h. The LVCVA maintains a Travel Policy that governs travel arrangements and expenses for LVCVA staff, non-staff and Board Members. The Travel Policy in effect during the relevant time period indicates that Board Member travel for LVCVA business must be authorized by the President/CEO and arranged by the division responsible for the trip. The Travel Policy contemplates that Board Members will retain proper receipts and complete expense reports for business travel.
 - i. Part of the LVCVA's mission is to develop and maintain relationships with airlines to expand and improve air service to Las Vegas and to increase visitation and hotel occupancy. To support that mission, the LVCVA purchases and receives promotional gift cards and certificates annually to be used for business purposes from several airlines, including Southwest Airlines.
 - j. The LVCVA has an in-house travel agency operated by LVCVA staff that books all business travel for LVCVA employees and Board Members and also books personal travel for certain LVCVA executives.
 - k. In late 2017, Luke Puschnig, Esq. ("Puschnig"), legal counsel for the LVCVA, discovered that Southwest gift cards received or purchased by the LVCVA were potentially being used to pay for personal travel.
 - l. In February of 2018, Puschnig informed the Chair of the Board's Audit Committee of the LVCVA of his discovery of the personal travel purchases with LVCVA-funded Southwest gift cards.
 - m. The Audit Committee retained Todd Bice, Esq. ("Bice") to look into the matter and Bice retained Eide Bailly to perform a forensic accounting audit regarding the personal use of Southwest gift cards.

- n. Eide Bailly prepared a June 8, 2018 Forensic Accounting Report (the "Report"), which was presented by Bice to the LVCVA Board during a June 12, 2018 meeting.
- o. The Report revealed that Brig Lawson ("Lawson"), the former Senior Director of Business Partnerships, received and distributed approximately 612 Southwest gift cards that were purchased and paid for by the LVCVA between 2012 and 2017. Lawson had no system for tracking and recording the distribution or usage of the Southwest gift cards.
- p. The Report also revealed that personal/non-business travel totaling \$19,631.80 had been booked through the LVCVA travel agency and paid for with 192 Southwest gift cards purchased by the LVCVA for Ralenkotter, Weekly and others.
- q. On or around July 22, 2016, the LVCVA travel agency staff purchased roundtrip flights for Weekly and his daughter from Las Vegas to Dallas with eight Southwest gift cards totaling \$1,399.32 (\$699.66 for Weekly's daughter and \$699.66 for Weekly). The travel occurred on July 25, 2016 and July 27, 2016.
- r. The gift cards used to purchase the airline travel to Dallas for Weekly and his daughter were provided by Lawson. Seven of the gift cards were purchased by the LVCVA, though Lawson, on March 22, 2016 and one of the gift cards was purchased by the LVCVA, though Lawson, on March 26, 2015.
- s. Because a travel authorization for Weekly's travel had not been received from Ralenkotter and Weekly's travel was being arranged/requested by Weekly himself, the LVCVA travel staff did not perceive that Weekly was traveling to Dallas on behalf of the LVCVA for business purposes.
- t. After Weekly and his daughter completed their travel to/from Dallas, Weekly did not submit a travel expense form to the LVCVA and did not provide any receipts or documentation related to his travel.
- u. When the forensic accounting audit revealed that personal travel had been purchased for Weekly and his daughter using the LVCVA's Southwest gift

cards, Weekly provided a \$700 check to the LVCVA on April 25, 2018 as reimbursement for the cost of his daughter's travel to Dallas in 2016.

- v. The Meeting Minutes of an April 25, 2018 public meeting of the Audit Committee reflect that Weekly "discussed his lack of awareness of the use of travel cards for his personal travel and accepted full responsibility for neglecting to reconcile the amount at the time of his travel."

5. TERMS / CONCLUSIONS OF LAW: Based on the foregoing, Weekly and the Commission agree as follows:

- a. Each of the stipulated facts enumerated in Section 4 of this Stipulated Agreement is agreed to by the parties.
- b. Weekly is a public officer, which constitutes a public trust to be held for the sole benefit of the people of the State of Nevada (in particular, the citizens of Las Vegas).
- c. As a public officer, Weekly may not seek or accept any gift, service, favor, emolument or economic opportunity which would tend improperly to influence a reasonable person in his position to depart from the faithful and impartial discharge of his public duties (NRS 281A.400(1)). Weekly also must not use his public position to secure unwarranted privileges, preferences, exemptions or advantages for himself (NRS 281A.400(2)) or use government resources to benefit a significant personal or financial interests (NRS 281A.400(7)).
- d. The Commission considers whether an action is unwarranted pursuant to NRS 281A.400(2) if the action was illegal or otherwise against written policies that are applicable to the public officer.
- e. Weekly did not adequately avoid the conflict of interest between his public duties and private interests when he accepted free travel for himself and his daughter paid for with LVCVA airline gift cards.
- f. Weekly violated NRS 281A.400(1) because his acceptance of free personal travel from the LVCVA would tend to improperly influence a reasonable person in his position as a Board Chair to depart from the impartial discharge of his public duties.

- g. When Weekly accepted free air travel to and from Dallas, he used his position as an LVCVA Board Member to secure an unwarranted privilege or advantage for himself, in violation of NRS 281A.400(2). Additionally, Weekly used government property (Southwest Airlines gift cards purchased by the LVCVA) to benefit his significant personal or pecuniary interest, in violation of NRS 281A.400(7) and (9).
- h. Weekly's actions constitute a single course of conduct resulting in one violation of the Ethics Law, implicating the provisions of NRS 281A.400(1), (2), (7) and (9), as interpreted and applied in accordance with the provisions of NRS 281A.020.
- i. Weekly's violation was willful pursuant to NRS 281A.170 because he acted intentionally and knowingly, as those terms are defined in NRS 281A.105 and 281A.115, respectively.
- j. For an act to be intentional, NRS 281A.105 does not require that Weekly acted in bad faith, or with ill will, evil intent or malice. However, Weekly acted voluntarily or deliberately when he accepted the free travel. *See In re McNair*, Comm'n Op. Nos. 10-105C, 10-106C, 10-108C, 10-109C and 10-110C (2011) ("the relevant inquiry regarding willful misconduct is an inquiry into the intentional nature of the actor's conduct . . . The fact that an actor may have acted with the best of intentions does not relieve the actor of liability.") (citation omitted).
- k. NRS 281A.115 defines "knowingly" as "import[ing] a knowledge that the facts exist which constitute the act or omission." NRS Chapter 281A does not require that Weekly had actual knowledge that his conduct violated the Ethics Law, but it does impose constructive knowledge when other facts are present that should put an ordinarily prudent person upon inquiry. *See In re Stark*, Comm'n Op. No. 10-48C (2010). Even if Weekly was deemed to have no actual knowledge that his conduct would violate the provisions of NRS 281A, Weekly's long career in public service should have made him aware of the statutes and regulations governing public officers.

- I. Pursuant to the factors set forth in NRS 281A.775 in determining whether a violation is willful and the penalty to be imposed, the Commission has considered the following factors:
 - 1) Weekly has not previously violated the Ethics Law.
 - 2) Weekly has been diligent to cooperate with and participate in the Commission's investigation and resolution of this matter.
 - 3) Weekly was instrumental in initiating the forensic accounting audit that resulted in the discovery of other instances of personal travel purchased with Southwest gift cards owned by the LVCVA.
 - 4) During an open public meeting of the Board's Audit Committee, Weekly acknowledged his use of the gift cards and accepted full responsibility for his failure to reconcile the amount at the time of his travel.
 - 5) Weekly has already provided \$700 reimbursement to the LVCVA.
- m. However, these mitigating factors are offset by the following considerations:
 - 1) The seriousness of the conduct is significant when measured against the public's trust that public officers will not use their public position or influence to acquire economic opportunities or advantages for themselves that are not available to the general public.
 - 2) Weekly waited almost two years to provide any reimbursement to the LVCVA for the free travel and he has not yet provided full reimbursement.
- n. For the willful violation, Weekly will pay a civil penalty of \$1,000.00 pursuant to NRS 281A.790(1)(a). Pursuant to NRS 281A.790(3), Weekly will pay an additional civil penalty in the amount of \$1,398.64, which penalty equals twice the unreimbursed financial benefit (\$699.32) realized by Weekly for his free travel. Weekly may pay the penalty in one lump sum payment or in monthly installment payments as arranged with the Commission's Executive Director.
- o. This Stipulated Agreement depends on and applies only to the specific facts, circumstances and law related to the Ethics Complaint now before the Commission. Any facts or circumstances that may come to light after its entry

that are in addition to or differ from those contained herein may create a different resolution of this matter.

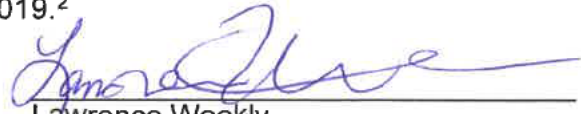
- p. This Agreement is intended to apply to and resolve only this specific proceeding before the Commission and is not intended to be applicable to or create any admission of liability for any other proceeding, including administrative, civil, or criminal regarding Weekly. If the Commission rejects this Stipulated Agreement, none of the provisions herein shall be considered by the Commission or be admissible as evidence in a hearing on the merits in this matter.

6. **WAIVER**

- a. Weekly knowingly and voluntarily waives his right to a hearing before the full Commission on the allegations in Ethics Complaint Case No. 18-062C and all rights he may be accorded with regard to this matter pursuant to the Ethics Law (NRS Chapter 281A), the regulations of the Commission (NAC Chapter 281A), the Nevada Administrative Procedures Act (NRS Chapter 233B) and any other applicable provisions of law.
- b. Weekly knowingly and voluntarily waives his right to any judicial review of this matter as provided in NRS Chapter 281A, NRS Chapter 233B or any other applicable provisions of law.

7. **ACCEPTANCE:** We, the undersigned parties, have read this Stipulated Agreement, understand each and every provision therein, and agree to be bound thereby. The parties orally agreed to be bound by the terms of this agreement during the regular meeting of the Commission on January 16, 2019.²

DATED this 29 day of January, 2019.


Lawrence Weekly

///

///

///

² Subject waived any right to receive written notice pursuant to NRS 241.033 of the time and place of the Commission's meeting to consider his character, alleged misconduct, professional competence, or physical or mental health.

The above Stipulated Agreement is approved by:

FOR YVONNE M. NEVAREZ-GOODSON, ESQ.
Executive Director, Commission on Ethics

DATED this 13th day of February, 2019. /s/ Judy A. Prutzman
Judy A. Prutzman, Esq.
Associate Counsel

Approved as to form by:

FOR NEVADA COMMISSION ON ETHICS

DATED this 13th day of February, 2019. /s/ Tracy L. Chase
Tracy L. Chase, Esq.
Commission Counsel

The above Stipulated Agreement is accepted by the majority of the Commission.³

DATED February 13, 2019.

By: /s/ Cheryl A. Lau
Cheryl A. Lau, Esq.
Chair

By: /s/ Teresa Lowry
Teresa Lowry, Esq.
Commissioner

By: /s/ Keith A. Weaver
Keith A. Weaver, Esq.
Vice-Chair

By: /s/ Philip K. O'Neill
Philip K. O'Neill
Commissioner

By: /s/ Brian Duffrin
Brian Duffrin
Commissioner

³ Commissioners Gruenewald, Wallen and Yen participated in the Panel hearing and are therefore precluded from participating in this Stipulated Agreement pursuant to NRS 281A.220(4).