



STATE OF NEVADA

BEFORE THE NEVADA COMMISSION ON ETHICS

In re **John Brig Lawson**, Former Senior Director
of Business Partnerships, Las Vegas Convention
and Visitors Authority, State of Nevada,

Ethics Complaint
Case No. 18-060C

Subject. /

STIPULATED AGREEMENT

1. **PURPOSE:** This Stipulated Agreement resolves Ethics Complaint, Case No. 18-060C ("Complaint") before the Nevada Commission on Ethics ("Commission") concerning John "Brig" Lawson ("Lawson"), former Senior Director of Business Partnerships of the Las Vegas Convention and Visitors Authority ("LVCVA"), and serves as the final opinion in this matter.

2. **JURISDICTION:** At all material times, Lawson was an employee of the LVCVA and was a public employee as defined in NRS 281A.150. 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 Lawson in this matter.

3. **PROCEDURAL HISTORY BEFORE COMMISSION**

A. On or about August 16, 2018, the Commission initiated this Complaint, alleging Lawson, in his employment with LVCVA, expended tax-payer funds to acquire Southwest Airline gift cards to pay for his personal travel and the personal travel of his domestic partner and his partner's parents, 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, the Commission issued its *Order Initiating an Ethics Complaint, Accepting Jurisdiction and Directing an Investigation* (“Order”) and staff of the Commission issued a *Notice of Complaint and Investigation* (“Notice”) in Ethics Complaint No. 18-060C pursuant to NRS 281A.720.
- C. Pursuant to the *Notice*, Lawson was provided an opportunity to submit a written response to the Complaint. However, by and through his former counsel Russell E. Marsh, Esq., of Wright, Marsh & Levy, Lawson, on the advice of counsel, declined to participate in any written response to the Complaint or investigatory interview but had previously submitted to an interview with Eide Bailly. Lawson also recently provided documentation to the Executive Director which has been considered as addressed within this Stipulated Agreement.
- D. On August 12, 2020, the Executive Director presented a recommendation relating to just and sufficient cause to a three-member review panel pursuant to NRS 281A.720.
- E. In a Panel Determination issued on August 19, 2020, the Review Panel unanimously found and concluded that:
- (1) Credible evidence supported just and sufficient cause for the Commission to render an opinion in the matter regarding the alleged

violations of NRS 281A.400(1), (2), (5) and (7) related to Lawson's acquisition and personal use of the Southwest Airline gift cards;

- (2) Credible evidence did not support just and sufficient cause for the Commission to render an opinion in the matter regarding the allegation pertaining to NRS 281A.400(9), and that allegation was dismissed; and
- (3) The allegations related to NRS 281A.400(1), (2), (5) and (7) should be referred to the Commission for adjudicatory proceedings.

F. In lieu of an adjudicatory hearing before the Commission, Lawson now enters into this Stipulated Agreement.

4. STIPULATED FACTS: At all material times relevant to the allegations in this matter, the Commission's Executive Director and Lawson agree to the following facts:¹

- A. Lawson was the Senior Director of Business Partnerships for the LVCVA.
- B. Lawson's domestic partner is the owner of a company that coordinated event and entertainment services for the LVCVA.
- C. In his position with the LVCVA, Lawson was responsible for airline development, which involved the negotiation of air service by different airlines into Las Vegas. Part of Lawson's job included negotiation of sponsorship packages for certain airlines, including Southwest Airlines, whereby the LVCVA would provide funding/sponsorship of an airline's event in exchange for certain assets received by the LVCVA. These assets included advertisement opportunities for the LVCVA to market Las Vegas. Lawson obtained Southwest Airline gift cards or travel vouchers (for use by LVCVA) as part of his negotiations for the LVCVA funding/sponsorships.
- D. The LVCVA 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. It operates one of the largest convention facilities in the world and competes for visitors with the largest visitor destinations in the world.

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.

- E. 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.
- F. The LVCVA obtains its funding, in part, from a percentage of hotel taxes and fees paid in Southern Nevada. Its primary goal is to increase tourism in the region for economic development purposes.
- G. 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.
- H. The LVCVA maintained Board Policies, which included 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 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 prohibited LVCVA's directors, officers and employees from using their office or position for unlawful purposes or personal gain, including 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 for themselves or persons to whom they have commitments in a private capacity; or using governmental property to benefit their personal or financial interests.
- 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 purchased and received promotional gift cards and certificates annually to be used for business purposes from several airlines, including Southwest Airlines.
- J. During Lawson's tenure with the LVCVA, the LVCVA had an in-house travel agency operated by LVCVA staff that booked all business travel for LVCVA employees and Board Members, and also booked personal travel for certain LVCVA executives and family members.

- K. In early 2017, the LVCVA's Finance Department became aware that the LVCVA was receiving and in possession of Southwest Airline gift cards, at which time Lawson turned over the Southwest Airline gift cards that were in his possession. The Finance Department took possession of approximately \$14,000 of Southwest Airline gift cards into its custody and thereafter maintained custody of the gift cards.
- L. When the Southwest Airline gift cards were discovered, the Finance Department learned there was no system for tracking and recording the distribution or usage of the Southwest Airline gift cards.
- M. In late 2017, LVCVA's General Counsel learned that certain personal travel for LVCVA's former CEO, Rossi Ralenkotter, and his spouse had been purchased with the LVCVA's Southwest Airline gift cards.
- N. In February 2018, LVCVA's General Counsel informed the Chair of the Audit Committee of the LVCVA Board of the discovery of the personal travel purchases for LVCVA personnel with LVCVA-funded Southwest Airline gift cards.
- O. The Audit Committee retained Todd Bice, Esq. ("Bice") to investigate the matter and Bice retained Eide Bailly to perform forensic accounting services regarding any personal use of LVCVA's Southwest Airline gift cards by LVCVA personnel. Lawson was interviewed by Eide Bailey during the forensic accounting investigation.
- P. Eide Bailly prepared a June 8, 2018 Forensic Accounting Report ("Report"), which was presented to the LVCVA Board of Directors during a June 12, 2018 meeting.
- Q. The Report revealed that Lawson purchased a total of 612 Southwest gift cards totaling \$90,000 with LVCVA funds between 2012 and 2017. The documentation and invoices regarding Lawson's purchases of the Southwest Airline gift cards did not identify the purchases as gift cards and, instead, designated the purchases as related to promotional activities/events such as "Summer Travel Programs," "Deck Parties," and "Sponsorship and Planning Summits."

- R. During the time period that Lawson was purchasing Southwest gift cards, he reported directly to Valerie Segarra ("Segarra"), Executive Director of Strategic Initiatives, and Segarra reported directly to Cathy Tull ("Tull"), Chief Marketing Director, between 2011 and January 2017. Tull reported directly to Ralenkotter. Lawson reported directly to Tull from January 2017 to January 2018, then reported to Michael Goldsmith until Lawson left the LVCVA in May 2018.
- S. On or about June 22, 2015, Segarra and Tull signed off on an LVCVA Payment Requisition originated by Lawson for a \$15,000 check to Southwest Airlines, purportedly for the LVCVA's sponsorship of a Southwest Airlines Planning Summit. However, email correspondence between Lawson and Southwest Airlines indicates that the \$15,000 actually paid for the LVCVA's purchase of 75 Southwest gift cards valued at \$200 each.
- T. On or about January 5, 2017, Segarra, Tull and Ralenkotter signed off on an LVCVA Payment Requisition originated by Lawson for a \$57,000 check to Southwest Airlines, purportedly for the LVCVA's sponsorship of an annual Southwest Airlines Deck Event in Dallas, TX. However, email correspondence between Lawson and Southwest Airlines indicates that \$3,000 was used to purchase 60 Southwest gift cards valued at \$50 each and \$11,000 was used to purchase 55 Southwest gift cards valued at \$200 each.
- U. The Report acknowledged that approximately 200 Southwest Airline gift cards (worth \$50,000) purchased by Lawson could not be accounted, and the Report provided it could not be determined whether those gift cards were used for personal or business travel.
- V. Pursuant to records provided by Southwest Airlines, the LVCVA purchased 480 Southwest gift cards between 2014 and 2017 totaling \$68,000 of the \$90,000 identified in the Report, but Southwest did not retain records related to approximately 132 gift cards purchased by LVCVA between 2012 and 2014.

- W. The records provided by Southwest Airlines revealed that Lawson used Southwest Airline gift cards belonging to the LVCVA for himself, his domestic partner, and his partner's parents between October 2015 and June 2018 totaling approximately \$8,500.

Traveler	2015	2016	2017	Total
John Brig Lawson	237.00	292.02	180.16	\$709.18
Domestic Partner	1,752.00	3,927.28	539.88	\$6,219.16
Domestic Partner's Father	420.00	348.00	0.00	\$768.00
Domestic Partner's Mother	420.00	381.60	0.00	\$801.60
Total	\$2,829.00	\$4,948.90	\$720.04	\$8,497.94

- X. Lawson's current legal counsel, Christopher Oram, Esq., presented documentation that purports to represent approximately \$4,057.26 of the Southwest Airline gift cards used by Lawson's domestic partner in 2015 and 2016 paid for LVCVA-related business travel (entertainment for sponsorship activities).
- Y. The LVCVA's in-house travel department is no longer in existence and LVCVA's Finance Department has no records to corroborate LVCVA-related travel by Lawson's domestic partner such that the Commission cannot prove by a preponderance of evidence that the use of \$4,057.26 of the Southwest Airline gift cards was not for official LVCVA purposes. Nevertheless, LVCVA does acknowledge that Lawson's domestic partner was a contractor at the time of the events in this matter to provide LVCVA entertainment services for its sponsorship activities.
- Z. The LVCVA maintained an Employee Handbook that summarized the policies and programs of the agency applicable to its employees. The August 2012 and December 2015 versions of the Employee Handbook included a "Business Ethics" section that contained the following language, in relevant part:
- "Employees may not use, divert, or appropriate Authority property, equipment, services, or assets for personal use or benefit."

AA. The September 2016 version of the LVCVA Employee Handbook included an expanded "Business Ethics" section that contained the following language, in relevant part:

Employees are prohibited from taking personal opportunities that are discovered through the use of corporate property, information or position without approval. Employees may not use corporate property, information or position for personal gain.

1. Employees should protect the LVCVA's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the LVCVA's profitability. All LVCVA assets should be used for legitimate business purposes.
2. LVCVA resources may be used for minor personal uses, as long as such use is reasonable, does not interfere with duties, is not done for pecuniary gain, does not conflict with the LVCVA's business, and does not violate any LVCVA policy.

BB. In response to the audit findings, the LVCVA implemented new policies to clarify the procedure for using travel gift cards provided to the LVCVA, and to prevent use of gift cards for personal travel in the future.

5. TERMS / CONCLUSIONS OF LAW: Based on the foregoing, Lawson 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. As a public employee, Lawson was employed in a position of public trust to be held for the benefit of the people of the State of Nevada (in particular, the citizens of Las Vegas).
- C. As a public employee, Lawson was prohibited from: 1) seeking or accepting 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)); 2) using his public position to secure unwarranted privileges, preferences, exemptions or advantages for himself or members of his family (NRS 281A.400(2)); 3) using his public position to acquire information not generally available to the public to further a pecuniary interest for himself or other

person or entity (NRS 281A.400(5)); and 4) using government resources to benefit a significant personal or financial interest of himself or members of his family (NRS 281A.400(7)).

- D. The Commission considers whether an action is improper or unwarranted, in part, if the action was against written policies that are applicable to the public employee.
- E. Lawson did not adequately avoid the conflict of interest between his public duties and private interests when he acquired and utilized airline gift cards purchased with LVCVA funds to pay for personal travel for himself, his domestic partner and his partner's parents.
- F. Lawson violated NRS 281A.400(1), (2), (5) and (7) when he appropriated LVCVA purchased Southwest Airline gift cards to pay for his personal air travel and air travel for his domestic partner and his partner's parents.
- G. As interpreted and applied in accordance with the provisions of NRS 281A.020, Lawson's actions related to his acquisition and use of Southwest Airline gift cards for personal travel constitute a single course of conduct resulting in one violation of the Ethics Law, implicating the provisions of NRS 281A.400(1), (2), (5) and (7).
- H. Lawson's violation was willful pursuant to NRS 281A.170. A willful violation does not require that Lawson acted in bad faith, or with ill will, evil intent or malice. However, Lawson acted voluntarily or deliberately when he used airline gift cards purchased with LVCVA funds for his personal travel and the personal travel for members of his family. *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).
- I. Pursuant to the factors set forth in NRS 281A.775 in determining whether the violations are willful and the penalties to be imposed, the Commission has considered the following factors:
 - 1) Lawson has not previously violated the Ethics Law.

- 2) Through his current legal counsel, Christopher Oram, Esq., Lawson has represented that approximately \$4,057.26 of the \$8,497.94 Southwest Airline gift cards assigned to Lawson was utilized by his domestic partner in 2015 and 2016 for LVCVA travel related to services performed for LVCVA sponsorship events.
 - 3) Lawson turned over the unused gift cards that were in his possession.
- J. However, these mitigating factors are offset by the seriousness of the conduct when measured against the public's trust that public employees will not use their position or influence to acquire economic opportunities or advantages for themselves that are not available to the general public.
- K. For the willful violation, Lawson agrees to pay \$5,000.00 pursuant to NRS 281A.790(1)(a) for the surreptitious nature of his acquisition and improper use of LVCVA property for a personal purpose. Pursuant to NRS 281A.790(3), Lawson will pay an additional civil penalty in the amount \$8,881.36, which penalty represents two-times the approximate financial personal benefit realized by Lawson, his domestic partner, and his partner's parents in using Southwest Airlines gift cards purchased with LVCVA funds for personal travel (\$8,497.94 total gift cards used minus \$4,057.26 for the amount of gift cards used by Lawson's domestic partner for LVCVA travel, equals \$4,440.68. This amount (\$4,440.68) multiplied by 2, equals \$8,881.36). The total \$13,881.36 penalty may be paid in one lump sum due on or before March 30, 2021 or in equal monthly installment payments, as arranged with the Commission's Executive Director, with the final payment due not later than June 30, 2023. If any installment payment is missed, the lump sum will become due on or before March 30, 2021, or within 90 days after the missed payment if the missed payment occurs after March 30, 2021.
- L. 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.

- M. 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 Lawson. 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. Lawson knowingly and voluntarily waives his right to a panel determination or adjudicatory proceedings/hearing before the full Commission on the allegations in Ethics Complaint, Case No. 18-060C 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. Lawson 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.

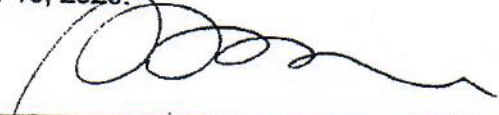
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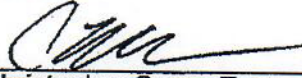
7. **ACCEPTANCE:** We, the undersigned parties, have read this Stipulated Agreement, understand each and every provision therein, and agree to be bound thereby. The parties orally agreed to be bound by the terms of this agreement during the regular meeting of the Commission on November 18, 2020.²

DATED this 9 day of NOV, 2020.


John Brig Lawson


FOR JOHN BRIG LAWSON,
Subject

DATED this 9 day of Nov, 2020.


Christopher Oram, Esq.
Counsel for Subject³

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

DATED this 9th day of November, 2020.


Ann Wilkinson, Esq.
Associate Counsel
Nevada Commission on Ethics

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.

³ Execution of the Stipulated Agreement by Subject's Counsel, Christopher Oram, Esq. confirms he obtained approval from any co-counsel representing the Subject in these proceedings to approve the Stipulated Agreement on behalf of the Subject.

Approved as to form by:

DATED this 18th day of November, 2020.

/s/ Tracy L. Chase

Tracy L. Chase, Esq.
Commission Counsel
Nevada Commission on Ethics

The above Stipulated Agreement is accepted by the majority of the Commission.⁴

DATED this 18th day of November, 2020.

By: /s/ Brian Duffrin

Brian Duffrin
Vice-Chair

By: /s/ Barbara Gruenewald

Barbara Gruenewald, Esq.
Commissioner

By: /s/ Thoran Towler

Thoran Towler, Esq.
Commissioner

By: /s/ Damian R. Sheets

Damian R. Sheets, Esq.
Commissioner

⁴ Chair Wallin and Commissioners O'Neill and Lowry participated in the Review Panel hearing and are therefore precluded from participating in the Commission's consideration of this Stipulated Agreement pursuant to NRS 281A.220(4). Commissioner Yen, after consulting with Commission Counsel, disclosed she is a partner with the law firm of McDonald Carano and the LVCA is a client of the firm. The Subject of Ethics Complaint 18-060C is Mr. Lawson, former Senior Director of Business Partnerships of the LVCVA, and the underlying facts of this Complaint occurred while Mr. Lawson was employed by the LVCVA. Based upon her circumstances and in compliance with NRS 281A.420, Commissioner Yen abstained from participation in any proceedings related to the LVCVA including Ethics Complaint No. 18-060C (Lawson). Consequently, the necessary quorum to act on this matter was reduced based upon the above-referenced provisions of the Ethics Law.