



**STATE OF NEVADA**

**BEFORE THE NEVADA COMMISSION ON ETHICS**

In re **Qiong Liu**, former City Manager,  
City of North Las Vegas,  
State of Nevada,

Ethics Complaint  
Case No. 19-126C

\_\_\_\_\_  
Subject. /

**STIPULATED AGREEMENT**

1. **PURPOSE:** This Stipulated Agreement resolves Ethics Complaint Case No. 19-126C before the Nevada Commission on Ethics ("Commission") concerning Dr. Qiong Liu ("Liu"), former City Manager of the City of North Las Vegas, State of Nevada.

2. **JURISDICTION:** At all material times, Liu served as City Manager of the City of North Las Vegas, State of Nevada and 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 the Ethics Law. See NRS 281A.280. Accordingly, the Commission has jurisdiction over Liu in this matter.

3. **PROCEDURAL HISTORY BEFORE COMMISSION**

a. On February 13, 2020, the Commission issued an *Order on Jurisdiction and Investigation* in Ethics Complaint No. 19-126C ("Ethics Complaint"), alleging that Liu violated NRS 281A.400(1), (2), (6), (7) and (9) and NRS 281A 420(1) and (3).

b. On February 13, 2020, staff of the Commission issued a *Notice of Complaint and Investigation* under NRS 281A.720(2), stating the allegations.

c. In lieu of an adjudicatory hearing before the Commission, Liu and the Commission now enter into this Stipulated Agreement.

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**4. STIPULATED FACTS:** At all material times, the following facts were relevant to this matter:<sup>1</sup>

a. Liu was initially hired by the City of North Las Vegas ("City") in May 2005 to be the City Engineer and Deputy Public Works Director. In September 2013, Liu was promoted to Deputy City Manager and in May 2014 her title was changed to Interim City Manager.

b. Liu became the City Manager in November 2014 and executed an Employment Agreement with the City on December 3, 2014. The Employment Agreement contained the following language regarding salary and bonuses:

#### **SECTION 5: SALARY**

The City agrees to pay Employee for her services rendered pursuant thereto on an annual base salary of One Hundred Ninety Thousand and No/100ths Dollars (\$190,000.00), payable in installments at the same time as other employees of the City are paid.

In addition, the City agrees to increase said base salary and/or other benefits of Employee in such amounts and to such extent as the Mayor and City Council may determine that it is desirable to do so on the basis of performance of Employee.

#### **SECTION 7: ANNUAL PERFORMANCE**

Employee shall be given a performance evaluation on the annual anniversary from the date of this contract, and shall be eligible for a salary and/or bonus increase at that time. Such evaluation shall be based on written performance standards to be jointly developed by the City and Employee. Employee shall be eligible for merit and bonus adjustments resulting from the review.

c. The Employment Agreement further established that "Employee shall be provided the standard compensation and benefit plan available to current appointive and Department Directors of the City." In 2015, appointed employees of the City did not receive pay or benefit increases due to the economic challenges faced by the City. Likewise, as an appointed employee, Liu waived her 2015 annual performance evaluation

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<sup>1</sup> Stipulated Facts do not constitute part of the "Investigative File" as that term is defined by NRS 281A.775. All statutory and common law protections afforded to the Investigative File shall remain and are not affected by this Stipulated Agreement.

provided for in Section 7 of her Employment Agreement and any potential merit and bonus adjustment she might therefore be entitled to.

d. At the September 7, 2016, City Council Meeting, the Council provided an Annual Performance Review of Liu. The Council voted to raise Dr. Liu's base salary to \$220,000.

e. An email sent to Liu the following day from the City Clerk stated that the effective date of the increase in Liu's salary was presumably September 7, 2016 but stated that any amendment to the Employment Agreement would need to be drafted and may need to go back to City Council for approval.

f. On September 8, 2016, Liu signed a Personnel Action Form to increase her pay from \$190,000 to \$220,000. In the box requiring an "Estimated Effective Date" for the increased pay, the date of September 3, 2016 was listed.

g. A written amendment to Liu's Employment Agreement dated September 21, 2016 was drafted and placed on the September 21, 2016 City Council Meeting agenda. The City Council approved the agenda item and directed finalizing the Amendment to Liu's Employment Agreement.

h. A year later, in December 2017, Mayor John Lee told Liu that he had spoken to Councilmembers about his intent to award Liu a further 5% pay increase and \$10,000 bonus. Liu informed Mayor Lee that she opposed his proposed bonus. In addition, Dr. Liu told Mayor Lee that her 2016 merit increase had not been applied retroactively to her November 2015 anniversary date, which she believed was in error.

i. Liu also informed the City Council, in December 2017, that she believed she had been underpaid since 2014 in comparison to City Managers in neighboring cities.

j. On December 20, 2017, Liu acknowledged receiving service of notice that her Annual Performance Review would be discussed, and action would be taken, at the January 3, 2018 City Council Meeting. On January 3, 2018, Liu received notice that her annual performance review would be postponed to the January 17, 2018, meeting.

k. On January 4, 2018, Liu signed a Personnel Action Form requesting a "Retro Pay increase per Council Action on 9/7/16 to \$220,000 to November 5, 2015, per contract and standard practice." That same date she also prepared an Interoffice Memorandum to Mayor Lee and Council Members, copied to the HR Director, which addressed "Merit

Increase Related Concerns,” and explained the reasons why she believed her September 7, 2016, pay raise should be processed retroactively to November 5, 2015. The Memo was sent by Liu’s Executive Assistant, Rebecca Gipson, to HR. Dr. Liu contends that she intended to personally send a copy of the Memo and Personnel Action Form to the other recipients. But the Memo was never in fact sent to Mayor Lee and the Councilmembers.

I. If Liu’s requested retroactive increase had been processed, she would have received a lump sum of approximately \$25,000 as well as a corresponding increase to her PERS contributions.

**Executive Director’s Asserted Facts**

m. Based on his investigation, the Executive Director asserts that Liu directed a subordinate to transmit the Personnel Action Form with only Liu’s own signature to Human Resources and attach the un-transmitted Memo. When the HR Director told Liu that he could not process the retroactive raise under Liu’s sole authority, but that the Personnel Action Form required another signature from the Mayor or Council, the HR Director asserts that Liu insisted that she did not need Council approval and directed the HR Director to process the request. The HR Director, who had more than twenty years of human resources experience, who was Liu’s subordinate, and who directly reported to Liu, stated in an interview during the Executive Director’s investigation of this matter that he believed that Liu was threatening his employment if he did not process the retroactive raise.

**Subject’s Asserted Facts**

n. It is Dr. Liu’s position that the Personnel Action Form was submitted through the normal channels and that she expected it to be approved or denied through the normal process. Dr. Liu maintains that she submitted the Personnel Action Form to correct an administrative error that was inconsistent with both her Employment Agreement and City pattern and practice.

o. It is Dr. Liu’s position that she was entitled to the retroactive pay per the City’s long-standing practice and according to her Employment Agreement. It is also Dr. Liu’s position that the City agreed with her position, as evidenced by the City’s subsequent agreement through a Memorandum of Understanding.

p. Dr. Liu maintains that her Personnel Action Form specifically disclosed that it was being requested by her for the City's consideration and thus, constitutes a self-disclosure.

q. Dr. Liu disputes that she demanded the HR Director process her Personnel Action Form. Rather, Dr. Liu contends that she only submitted the Personnel Action Form through the normal channels (i.e., through the HR Director) and expected it to go through the normal approval process. Dr. Liu disputes being told by the HR Director or anyone else at the City that the Personnel Action Form required another signature from the Mayor or the Council as it would contradict the City's long-standing practices given the set format of the Personnel Action Form and the administrative nature of the process, which had been established and applied for all employees at the City. Dr. Liu disputes that she ever threatened Ms. Palmer's employment in any way (either directly or indirectly). Rather, Dr. Liu maintains that after the Personnel Action Form was submitted to the HR Director, the HR Director informed her that it would be processed and that she was entitled to the retroactive pay increase requested therein.

r. Dr. Liu disputes any suggestion that she directed subordinates to take improper actions or threatened (whether directly or indirectly) any City employees. However, Dr. Liu understands that the Commission anticipates providing testimony from Mr. Palmer that is contrary and therefore, based on that understanding, enters into the following Stipulated Agreement.

s. Dr. Liu maintains that she intended to personally send the Personnel Action Form and the Interoffice Memorandum to City Council and that before she could do so, she was summoned by Mayor Lee to his office shortly after the Personnel Action Form was sent to HR. Mayor Lee then pressured Dr. Liu to resign which Dr. Liu maintains caused her to forget to send the Personnel Action Form and the Interoffice Memorandum to City Council as intended.

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

a. Allegations that Liu violated NRS 281A.400(1), (2), and (7) and NRS 281A.420(3) are hereby dismissed by stipulation of the parties.

b. Liu violated NRS 281A.400(6), NRS 281A.400(9) and NRS 281A.420(1). 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 concludes that Liu's violations of NRS 281A.400(9) and NRS 281A.420(1) were willful pursuant to NRS 281A.170. While Dr. Liu disagrees, she agrees to enter into this Stipulated Agreement in order to resolve the Ethics Complaint. In doing so, Dr. Liu makes no admissions of liability or fault.

c. The Commission further concludes that Liu's violation of NRS 281A.400(6) should not be deemed a willful violation for the following reasons:

- 1) Seriousness of Violation: Although the conduct related to the suppression of governmental records was serious the alleged conduct did not result in any actual financial gain for Liu or otherwise affect her pecuniary interests.
- 2) Previous History: Liu has not previously been the subject of any violation of the Ethics Law or previous ethics complaints.
- 3) Cost of Investigation and Proceedings: Liu was diligent to cooperate with and participate in the Commission's investigation and resolution of this matter.
- 4) Mitigating Factors Such as Self-Reporting or Correction: There was no self-reporting or self-correction in this matter. However, Liu's willingness to engage in the process has resulted in a better understanding of Nevada Ethics Law.
- 5) Restitution Paid to Parties: Not applicable since there was no actualized financial gain.
- 6) Financial Gain from Violation: The actions did not result in financial gain.

d. For her willful violations of NRS 281A.400(9) and NRS 281A.420(1), Liu agrees to pay a fine of \$5,000.00 for each violation, for a total fine of \$10,000.00, pursuant to NRS 281A.790(1)(a). The \$10,000.00 total fine will be paid in one lump sum within sixty (60) days of the Commission's approval of this Agreement.

e. Liu agrees to complete ethics training within sixty (60) days of approval of this Agreement.

f. The Commission admonishes Liu to familiarize herself with the Ethics Law for the purpose of making proper disclosures in the future and in furtherance of complying with the applicable requirements of the Ethics Law.

g. This 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.

h. This Agreement is intended to apply to and resolve only this specific proceeding before the Commission and is not, and cannot be construed as, an admission of liability by Dr. Liu. In addition, this Agreement is not intended to be used in any other proceeding, including administrative, civil, or criminal, regarding Liu.<sup>2</sup>

i. If the Commission rejects this 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. Liu knowingly and voluntarily waives her right to a hearing before the full Commission on the allegations in Ethics Complaint Case No. 20-075C and all rights she may be accorded with in regard to this matter pursuant to 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. Liu knowingly and voluntarily waives her 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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<sup>2</sup> The Commission's expression of intent does not create any duty or responsibility on the Commission or its staff to enforce the terms of this stipulation in any other proceeding.

7. **ACCEPTANCE:** We, the undersigned parties, have read this Stipulated Agreement, understand each and every provision therein, and agree to be bound thereby once approved by the Commission. In addition, the parties orally agreed to be bound by the terms of this Agreement during the regular meeting of the Commission on October 19, 2022.

DATED this 20<sup>th</sup> day of Oct., 2022.

  
\_\_\_\_\_  
Qiong Liu

FOR QIONG LIU, Subject

DATED this 20<sup>th</sup> day of October, 2022.

  
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Andrea Champion, Esq.  
Jones Lovelock

FOR ROSS E. ARMSTRONG, ESQ.  
Executive Director  
Nevada Commission on Ethics

DATED this 25 day of October, 2022.

  
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Elizabeth J. Bassett, Esq.  
Associate Counsel

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Approved as to form by:

FOR NEVADA COMMISSION  
ON ETHICS

DATED this 25<sup>th</sup> day of October, 2022.

/s/ Tracy L. Chase  
Tracy L. Chase, Esq.  
Commission Counsel

The above Stipulated Agreement is accepted by the Nevada Commission on Ethics:<sup>3</sup>

DATED this 25<sup>th</sup> day of October, 2022.<sup>4</sup>

By: /s/ Kim Wallin  
Kim Wallin, CPA, CMA, CFM  
Chair

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

By: /s/ James Oscarson  
James Oscarson  
Commissioner

By: /s/ Thoran Towler  
Thoran Towler, Esq.  
Commissioner

By: /s/ Amanda Yen  
Amanda Yen, Esq.  
Commissioner

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<sup>3</sup> This stipulation may be signed in counterparts and when combined constitute the full stipulation.

<sup>4</sup> Members of the Review Panel, Vice-Chair Duffrin and Commissioners Gruenewald and Sheets, are precluded from participating in this Stipulated Agreement pursuant to NRS 281A.220(4).