



ANNUAL REPORT

FISCAL YEAR 2022

Nevada Commission on Ethics

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TO NEVADANS

The Nevada Commission on Ethics remains committed to our mission statement as we “strive to enhance the public's faith and confidence in government by ensuring that public officers and employees uphold the public trust by committing themselves to avoid conflicts between their private interests and their public duties.”

Fiscal Year 2022 was marked by a steady emergence from the COVID-19 pandemic, with governments and communities opening services to the public with occasional setbacks because of COVID-19 variants. The year allowed the Commission to address pandemic-related restrictions, reduce delays in processing cases, and evaluate the lessons learned from pandemic operations to plan for the agency's future.

This annual report will reflect on the year that has now concluded and look to the Commission's future as we begin the Fiscal Year 2023.

Kim Wallin, CPA, CMA, CFM
Chair

Ross E. Armstrong, Esq.
Executive Director

“A public office is a public trust and shall be held for the sole benefit of the people” - NRS 281A.020(1)(a)

COMMISSION BACKGROUND

What We Do

The Nevada Commission on Ethics is an independent public body appointed by the Governor and Legislative Commission to interpret and enforce the provisions of Nevada's Ethics in Government Law, Nevada Revised Statutes Chapter 281A. The Ethics Law preserves the public's trust in government. It sets forth various standards of conduct to guide public officers and employees to avoid conflicts of interest and maintain integrity in public service. The Commission's primary functions include:

- Providing outreach and training to Nevada's public officers, employees, and other interested entities regarding conflicts of interest and the Ethics Law.
- Providing advisory opinions to public officers and employees to guide them in compliance with the Ethics Law.
- Enforcing the provisions of the Ethics Law by investigating and adjudicating alleged misconduct of public officers and employees that violate the Ethics Law.



8 Commissioners



**Over 139,000 public officers
and employees**



6 Staff Members

Mission Statement

The Nevada Commission on Ethics, by the authority granted under Chapter 281A of NRS, strives to enhance the public's faith and confidence in government by ensuring that public officers and public employees uphold the public trust by committing themselves to avoid conflicts between their private interests and their public duties.

Commissioners & Staff

Commissioners	
Kim Wallin, CPA, CMA, CFM Chair	Brian Duffrin Vice Chair
Barbara Gruenewald, Esq. Commissioner	Teresa Lowry, Esq. Commissioner
James Oscarson Commissioner	Damian Sheets, Esq. Commissioner
Thoran Towler, Esq. Commissioner	Amanda Yen, Esq. Commissioner
Commission Staff	
Ross Armstrong, Esq, Executive Director	Tracy L. Chase, Esq., Commission Counsel
Elizabeth Bassett, Esq., Assoc. Counsel	Darci Hayden, Senior Legal Researcher
Erron Terry, Investigator	Kari Pedroza, Executive Assistant

Commission's Guiding Principles

1. Our highest priority is to protect the citizens of Nevada by interpreting and enforcing the provisions of the Ethics Law in a fair, consistent and impartial manner.
2. We act with a high degree of integrity, honesty and respect when investigating and adjudicating public complaints alleging ethics violations by public officers and employees.
3. We are committed to providing outreach and education to our Stakeholders (the public and public officers and employees) to enhance their awareness and understanding of ethics requirements and prohibitions under the Nevada Ethics law.
4. Our objectivity, independence and impartiality are beyond reproach. We avoid all personal or professional circumstances or conflicts calling these into question.
5. Our processes ensure all actions, decisions and policies are consistently applied and do not result in advantages or disadvantages to any party to the detriment of another.
6. Our confidential advisory opinions are thoroughly researched and written with the needs of the requestor in mind and consistent with opinion precedent and applicable statutes including legislative intent.
7. We carry out our duties in a rigorous and detailed manner and utilize the resources provided to us wisely and only for the legitimate purposes of the agency.
8. We continuously challenge ourselves to improve the practices and processes of the agency to keep pace with the needs of the individuals we serve and to comply with legislative mandates.
9. We continuously improve our public communication and public access to provide guidance and assistance to those we hold accountable for compliance.
10. We value and respect the opinions and recommendations of our Stakeholders, Staff and Commission Members which guide us in our decision-making.

FY 2022 HIGHLIGHTS

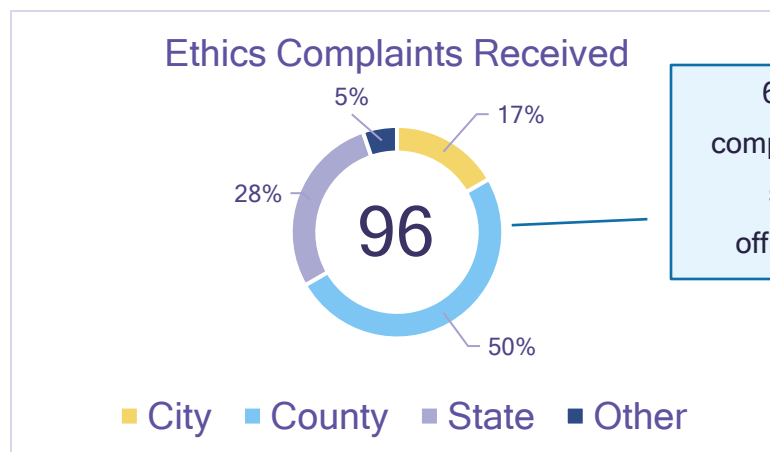
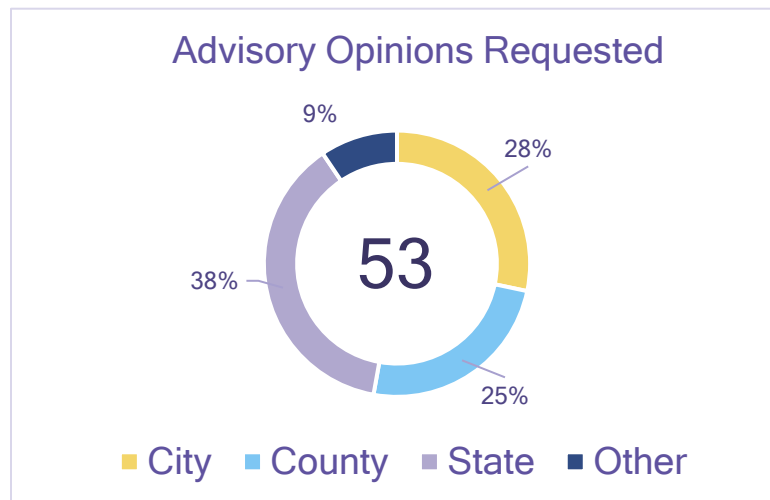
Strategic Highlights

Strategic accomplishments for the Commission in FY 2022 included:

- Cleared the backlog of cases pending before the Commission
- Planned for the 2023 Legislative Session
- Enhanced utilization of social media accounts to increase ethics awareness and education
- Diligent use of the Commission's complaint by motion process to initiate ethics cases when ethics violations are discovered or reported outside the complaint process

Operating Highlights

The Commissions operations largely returned to normal in FY 2022. There were no statutory changes from the 2021 Legislative Session that required the Commission to change its processes or procedures.



61% of County complaints were about school district officers/employees

FISCAL UPDATE

Fiscal Year 2022 was marked primarily by a surge in the Omicron variant of the virus that caused COVID-19. The surge and staff vacancies created some challenges in spending allocated funds. Overall, the Commission reverted \$50,422 in unspent funds. Some highlights:

- Unable to maximize the use of travel funds primarily due to increased COVID-19 risk with the Omicron variant.
- Full use of information services budget category funds to maintain safe operations during the Omicron variant wave and to leverage the “new normal” of hybrid operations.
- Receipt of \$8,398 in outstanding penalties related to case dispositions transferred to the State General Fund.
- Initial approval for online training software to be approved and implemented during State Fiscal Year 2023.

Sources of Commission Revenue & Penalties Collected

Local Government Assessments - SFY 2022 \$642,225	State General Funds - SFY 2022 \$244,300	Penalties Collected for General Fund \$8,398
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We carry out our duties in a rigorous and detailed manner and utilize the resources provided to us wisely and only for the legitimate purposes of the agency. - Guiding Principle #7



Fiscal Priorities for 2023 Legislative Session

1. Public Information Officer for education and outreach
2. Competitive staff salaries
3. Additional investigation resources
4. Enhanced technology connectivity

During the 2022 Fiscal Year, the Commission evaluated and established budgetary priorities for the 2023 Legislative Session. The Commission approved four priorities designed to enhance the Commission’s commitment to education and outreach as well as maintaining sufficient staff resources to execute the statutory functions of the Commission.

REGULATORY AND LEGISLATIVE PRIORITIES

Regulatory Priorities

The Commission did not initiate or adopt any regulatory changes to Nevada Administrative Code Chapter 281A during this fiscal year. The Commission does not expect to adopt or modify regulations in the next fiscal year but will likely pursue the rulemaking process following the 2023 Legislative Session.

Legislative Priorities

The Commission voted to establish a Legislative Subcommittee which met 3 times to review possible statutory change proposals for the 2023 Legislative Session. The review included an analysis of the Commission's bill from the 2021 Legislative Session with many priorities remaining the same.

Priority Legislative Changes in the Commission's BDR Proposal for the 2023 Legislative Session

Confidentiality protections for individuals submitting Ethics Complaints

Adoption of "unwarranted harm" prohibition in the ethical standards

Ability to adjust case timeframes for good cause

Clarity on limited use exception and cooling off portions of the ethical standards

Various procedural changes

The Committee's bill draft proposal was approved by the full Commission on May 18, 2022 and submitted for consideration as a bill for the 2023 Legislative Session.

The 2023 Legislative Session will begin on February 6, 2023. Chair Wallin has been designated by the Commission as its point person in guiding Commission staff through Legislative Session decision-making.



EDUCATION & OUTREACH

A Return to In-Person Training

The Commission reinstated in-person training during the Fiscal Year 2022 while continuing to leverage technology to make training and other educational materials accessible.



In-Person Training

As the pandemic threat became reduced, staff gave in-person training during this fiscal year to Carson City, the City of North Las Vegas, the City of Elko, the City of Ely, the Humboldt General Hospital Board, Boulder City, the Reno Inns of Court, and Nye County.

Leveraging Virtual Options

The Commission continued to promote the Commission's online training videos and substantially increased education and outreach content using social media platforms. In addition, several short videos have been produced for the Fiscal Year 2023.

Upcoming Training System

The Commission secured preliminary approval to use American Rescue Plan Act dollars to establish an online learning platform which will increase training availability and allow the Commission to better track compliance with training requirements.

“We are committed to providing outreach and education...to enhance awareness and understanding of ethics requirements...”

Commission Guiding Principle #3

COMMISSION OPERATIONS

Operations Focus

	<p><u>Top 3 Topics for Advisory Opinions</u></p> <ol style="list-style-type: none"> 1. Cooling Off 2. Disclosure and Abstention 3. Other/Multiple
	<p><u>Top 3 Jurisdiction Types for Complaints</u></p> <ol style="list-style-type: none"> 1. School Districts 2. Rural County Government 3. Higher Education
	<p><u>Top 3 Resolution Types for Investigated Cases</u></p> <ol style="list-style-type: none"> 1. Dismissed with or without a Letter of Caution / Instruction 2. Stipulated Violation 3. Deferral Agreement
	<p>No new litigation activity initiated in FY22 and all previous litigation activity cleared</p>

Goals for State Fiscal Year 2023

1. Continue to develop and finalize a Commission on Ethics Brand
2. Successfully persuade the 2023 Legislative Session to approve the Commission's budgetary and policy goals
3. Increase the number of public officers and employees who receive ethics training from the number trained in FY 2022
4. Promote awareness of the Ethics Law's jurisdiction and authority to the general public
5. Process cases promptly without creating a new case backlog

APPENDIX

Appendix A Investigated Cases Resolved in FY 2022¹

Case Name	Resolution
In re Jim Alworth, 19-095C (City of Ely)	Stipulated Agreement -1 Non-willful Violation
In re Amy Hagan, 20-060C (Southern Nevada Health District)	Stipulated Agreement - 1 Non-willful Violation
In re Steve Alford, 20-064C (University of Nevada, Reno)	Stipulated Agreement -1 Non-willful Violation
In re Kory Alford, 22-038C (University of Nevada, Reno)	Stipulated Agreement -1 Non-willful Violation
In re Bonnie Weber, 20-010C (City of Reno)	Stipulated Agreement - Deferral Agreement
In re Jeff Zander, 21-070C (Elko County School District)	Stipulated Agreement - Deferral Agreement
In re Danielle Milam, 20-063C (Clark County Library District)	Stipulated Agreement - Dismissal
In re Tina Quigley, 19-102C (NV High-Speed Rail Authority)	Stipulated Agreement - Dismissal
In re Steven Morris, 20-007C (City of Boulder City)	Consent Order - Letter of Instruction

¹ Investigated case means that the Commission accepted jurisdiction and directed an investigation be conducted. This list only includes cases that were resolved in FY 2022 (regardless of year the complaint was submitted) and does not include the list of current open cases.

Appendix B Investigated Cases Resolved by Review Panels in FY 2022²

Case Name	Resolution
In re Melanie Young, 20-001C (NV Department of Taxation)	Dismissed - Letter of Caution
In re Steve Walton, 19-111C (City of Boulder City)	Dismissed - Letter of Instruction
In re Lola Brooks, 21-039C (Clark County School District)	Dismissed - Letter of Instruction
In re Christine Hoferer, 21-038C (Mineral County)	Dismissed - Letter of Instruction
In re Debra Strickland, 20-018C (Nye County)	Dismissed - Letter of Instruction
In re Hillary Schieve, 21-081C (City of Reno)	Dismissed - Letter of Instruction
In re Justin Jones, 22-005C (Clark County)	Dismissed - Letter of Instruction
In re Paul Hamilton, 21-014C (Carson City Airport Auth.)	Deferral Agreement
In re Doug Staton, 21-032C (Lander County School District)	Deferral Agreement
In re Jesus Jara, 20-043C (Clark County School District)	Dismissed
In re D. Kevin Moore, 21-028/29C (NV Board of Dental Examiners)	Dismissed
In re Jennifer Pedigo, 20-027C (NV Board of Vet. Examiners)	Dismissed
In re Brett Waggoner, 20-023C (Nye County)	Dismissed
In re Louis De Salvio, 22-004C (Las Vegas Planning Commission)	Dismissed
In re Damon Haycock, 20-083C (Nevada PEBP)	Dismissed

² Investigated case means that the Commission accepted jurisdiction and directed an investigation be conducted. This list only includes cases that were resolved in FY 2022 (regardless of year the complaint was submitted) and does not include the list of current open cases or those in which the determination of the review panel was to refer to the full Commission.

Appendix C Advisory Opinions Issued

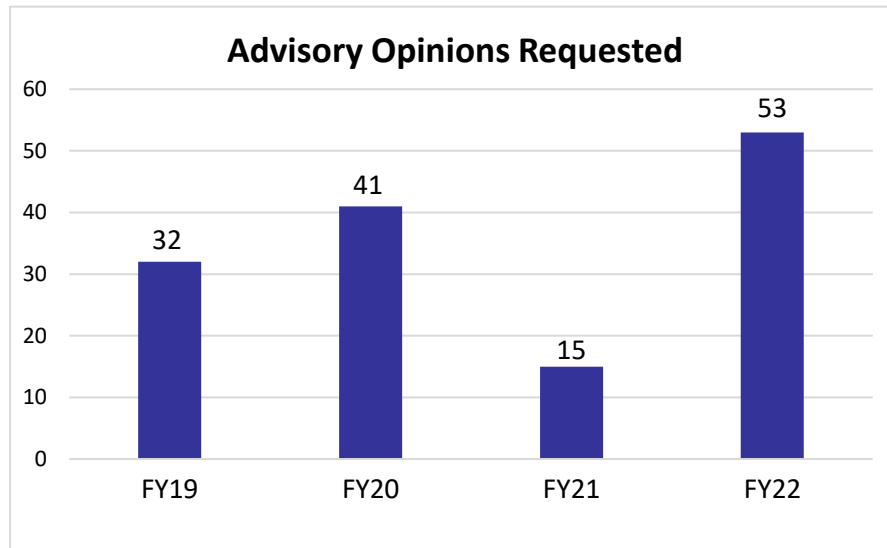
Date Published	Case Number	Main Topic(s)
11/2/2021	21-055A	Cooling Off
1/5/2022	21-079A	Cooling Off
1/18/2022	21-088A	Cooling Off
1/18/2022	21-102A	Cooling Off
1/20/2022	21-092A	Cooling Off
4/7/2022	22-015A	Cooling Off
5/17/2022	22-003A	Cooling Off
5/17/2022	22-044A	Cooling Off
12/1/2021	21-074A	Disclosure and Abstention (Spouse)
1/18/2022	21-080A	Disclosure and Abstention (Business Org)
1/18/2022	21-101A	Disclosure and Abstention (Nonprofit Org)
2/7/2022	21-105A	Disclosure and Abstention (Relative)
3/7/2022	22-010A	Disclosure and Abstention (Business Org) Contracting
8/19/2021	21-054A	Disclosure and Abstention
9/16/2021	21-051A	Disclosure and Abstention Contracting
9/22/2021	21-053A	Disclosure and Abstention
4/18/2022	22-014A	Disclosure and Abstention (Relative) Economic Opportunities
4/7/2022	22-012A	Contracting
5/18/2022	22-017A, 18A, 19A	Contracting
8/16/2021	21-036A	Testimony Before Other Bodies
6/16/2022	22-064A	Gifts

Appendix D Count of Open Complaint Cases as of June 30, 2022

Proceeding to Adjudicatory Hearing	Under Investigation	Pending Jurisdictional Determination
9	8	18

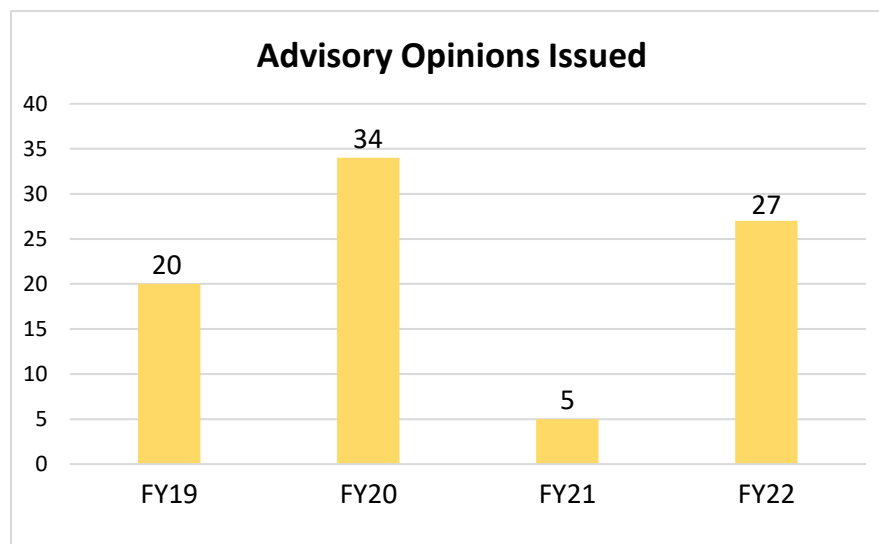
Appendix E Data Graphs

Figure 1



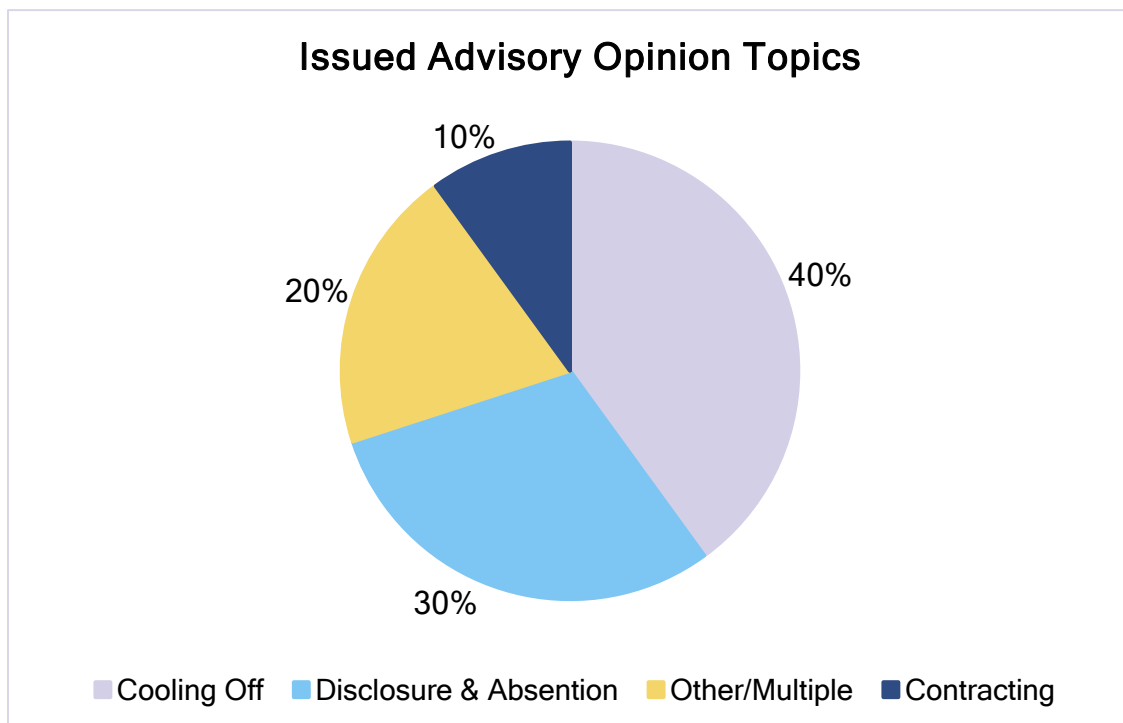
- Advisory Opinion Requests are now trending up after a dip in requests during the COVID-19 pandemic. FY22 saw a 250% increase in requests over FY21.
- The average number of advisory opinions requested for the five years prior to FY19 was 13 per year.

Figure 2



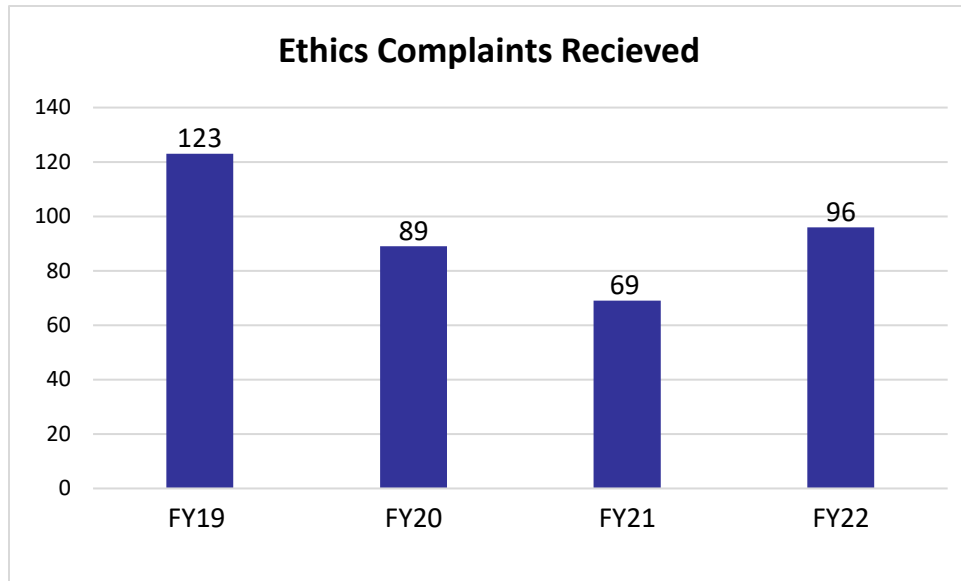
- Differences between requested and issued opinions reflect requests withdrawn or dismissed and timing issues that straddle fiscal years. The Commission issued more than five times as many Advisory Opinions in FY22 as FY21.

Figure 3



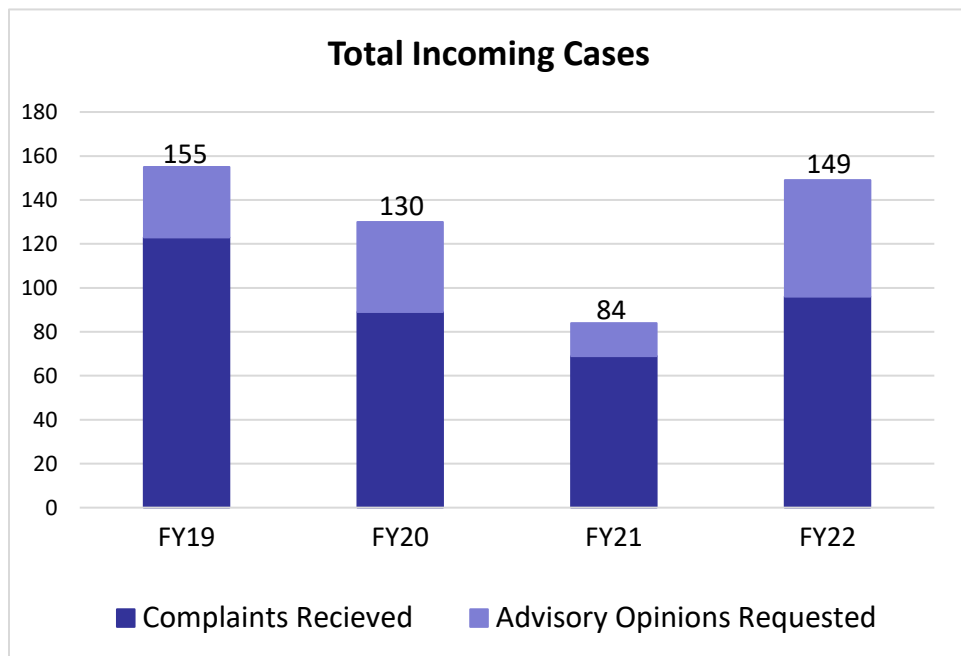
- Cooling off questions were sought by public officers and employees, primarily employed by state agencies, who were considering departure from public service for the private sector.

Figure 4



- Complaints are trending back up after a dip in complaint activity during the COVID-19 pandemic. FY22 saw a 40% increase in complaints received over FY21.
- The average number of complaints received for the five years prior to FY19 was 61 per year.

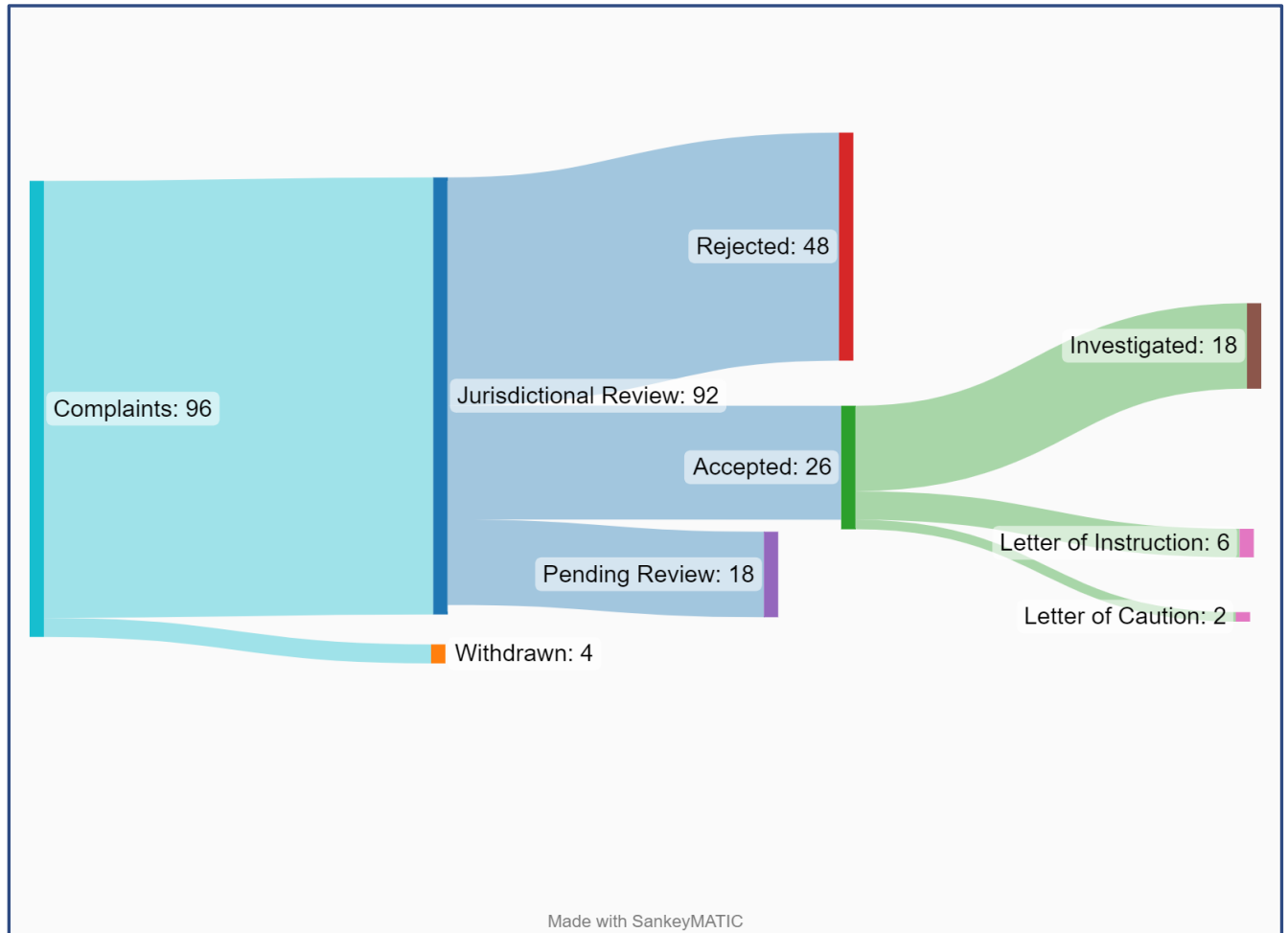
Figure 5



- Overall the Commission saw a 77% increase in total cases submitted in FY22.
- 5-year average of total incoming cases for FY14-FY18: 74 cases per year.

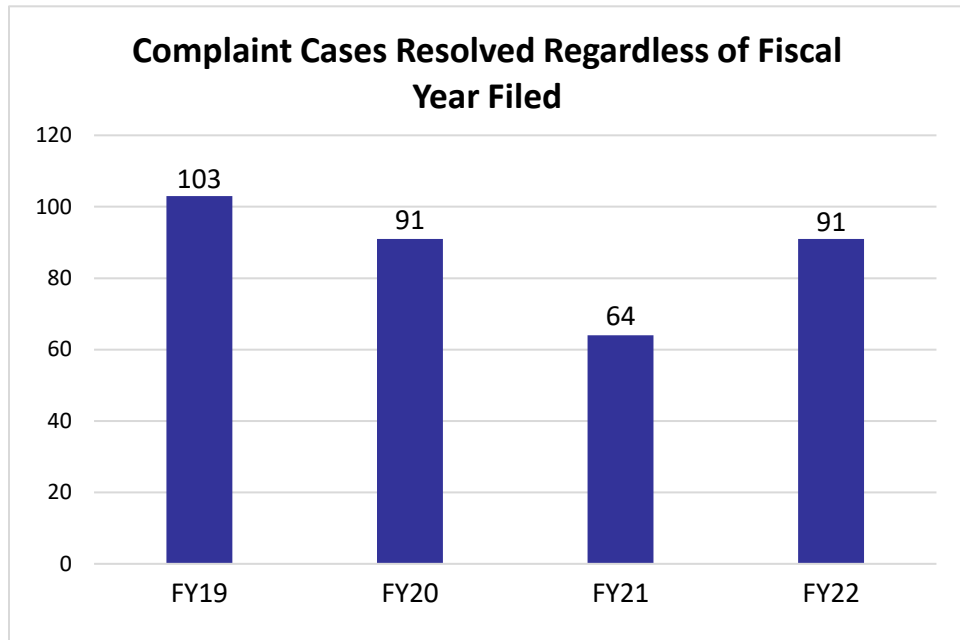
Figure 6

Jurisdictional Review Determinations for Cases Received in FY22



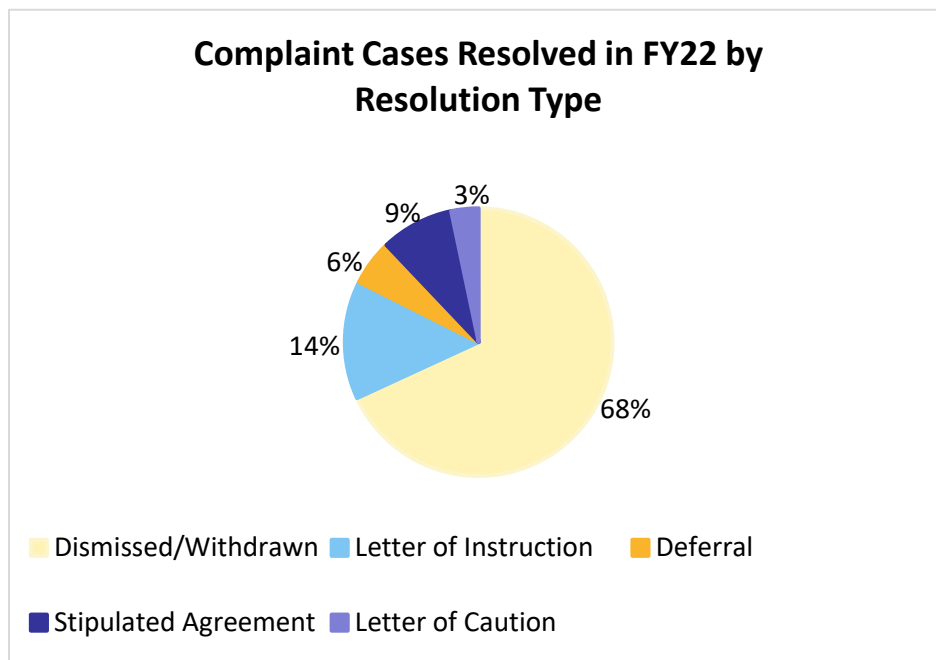
- The relatively large number of cases pending review is due to the receipt of 13 complaints between June 6 and June 14.
- Reasons for rejection of jurisdiction may include insufficient evidence, individual not a public officer or employee, or conduct outside the statute of limitations.

Figure 7



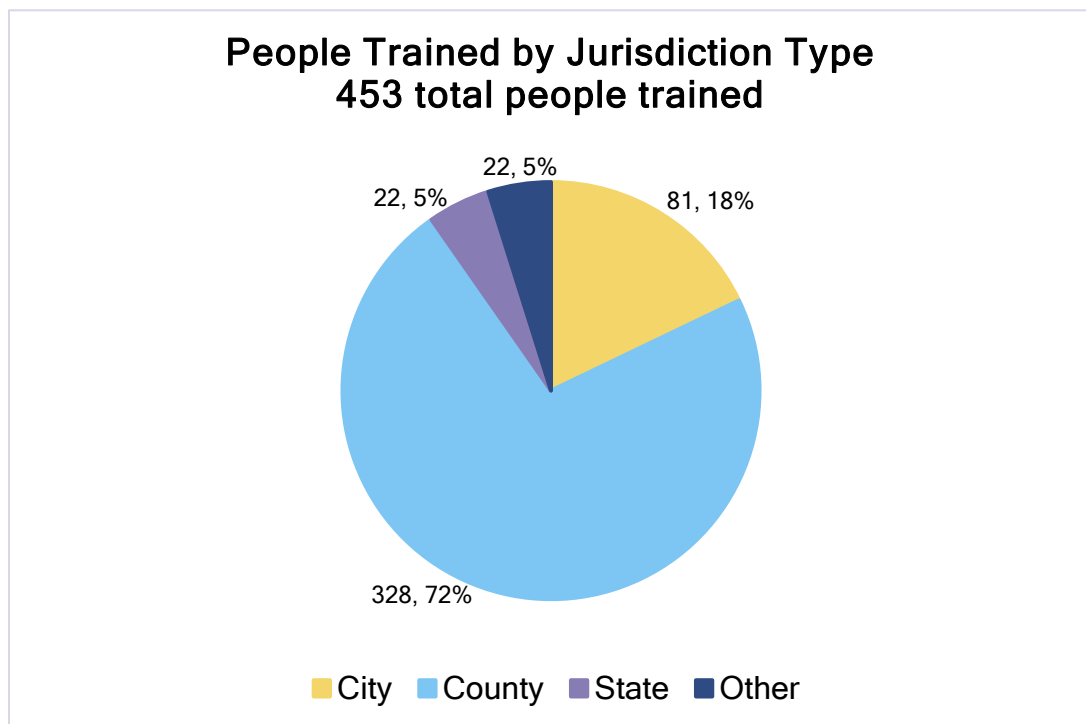
- Complaint case resolution has returned to pre-pandemic levels with the Commission resolving 42% more cases in FY22 than FY21.

Figure 8



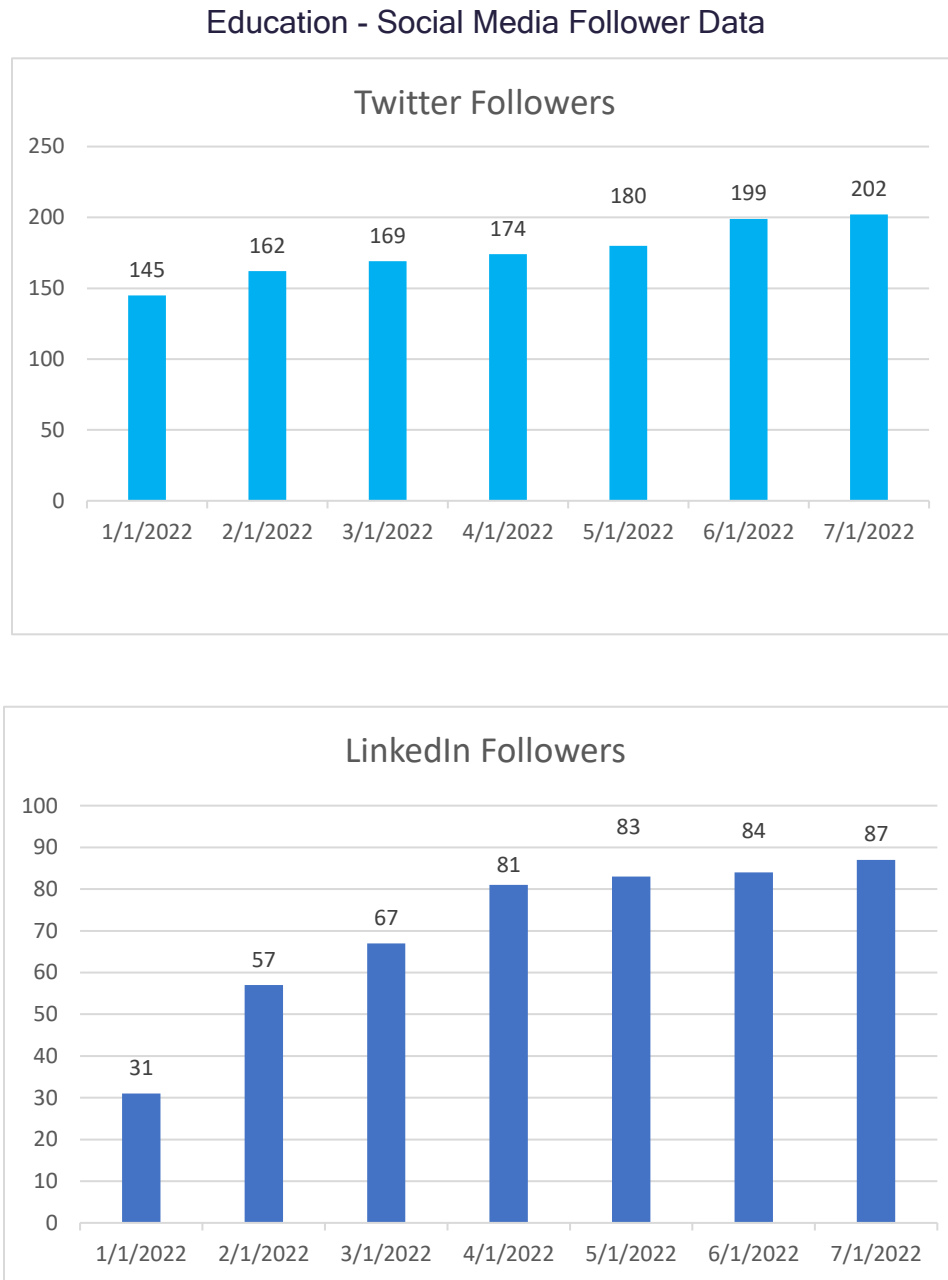
- Cases dismissed and letters issued include both at jurisdictional determination phase and at the review panel phase combined.

Figure 9



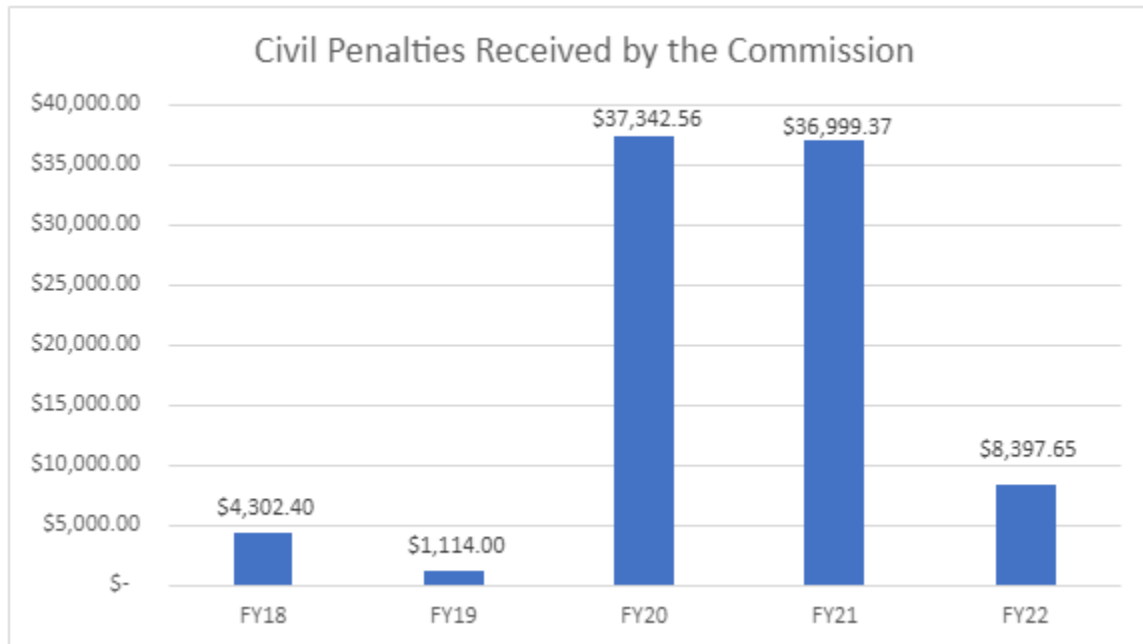
- Clark County's use of the NCOE training video accounts for roughly half of all individuals trained.

Figure 10



- The Commission began providing educational material to followers via Twitter and LinkedIn starting in January of 2022. At that time the Commission started to track the number of followers for each platform. The next annual report will have an entire year of data.

Figure 11



- Complaint cases involving the Las Vegas Convention Visitors Authority processed in FY20 and FY21 resulted in the issuance and collection of historic penalties.