



## The Nevada Policy Research Institute

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### **LVCVA still has questions to answer**

An admission last week by the Las Vegas Convention and Visitors Authority chairman that the authority should more tightly supervise its principal advertising contractor corroborates recent findings by the Nevada Policy Research Institute, Andy Matthews, NPRI vice president for communications, said today.

According to a recent report by the *Las Vegas Review-Journal*, Las Vegas Mayor and LVCVA Board Chairman Oscar Goodman is calling for the authority's \$92 million a year contract with R&R Partners to be reviewed on an annual basis, rather than every five years, the current practice.

"While this recognition by Mayor Goodman is a positive step," said Matthews, "additional measures are still necessary to ensure the public authority is truly held accountable to Nevada taxpayers."

Matthews said significant problems revealed by NPRI's oversight project on the publicly financed convention authority are still not being addressed. Those issues include:

- Deep conflicts of interest on the LVCVA board, many members of which have business, political and personal ties to R&R Partners, which is also one of the state's most powerful lobbying firms.
- The LVCVA's practice of giving unsecured loans to private companies in contravention of state law, including a company owned by R&R president Billy Vassiliadis.
- Recent claims by an LVCVA lawyer that LVCVA officers are exempt from state and county regulations, including a requirement for public officers to file annual financial disclosure statements.
- The apparent attempt by the LVCVA to redefine its legal identity in a way that would abrogate authority contracts, bonding commitments and state statutes.
- Travel expenses for top LVCVA executives paid by companies doing business with the authority, a violation of state statute.

Board Chairman Goodman stopped shy of calling for the advertising contract to be put to an open bid, the *Review-Journal* reported. R&R Partners' current five-year contract expires June 30, and the LVCVA missed a March 1 deadline to automatically extend the lucrative deal another five years.

The LVCVA staff has been meeting with individual board members for the past month to weigh options on how to handle the advertising agreement and is expected to present a report to the board at its next meeting in April.

Goodman's call to heighten oversight of its advertising vendor comes as the LVCVA's financial condition continues to rapidly deteriorate. Faced with sharply declining room tax revenues threatening to wipe out the LVCVA's cash reserves, the authority voted Tuesday to delay for at least one year an \$890 million project to expand and remodel the convention center.

The move underscores the dramatic decline in anticipated revenue as Clark County room tax collections plummeted 34 percent in January, forcing the LVCVA to slash its projection for its most important revenue stream to \$190 million this fiscal year, down from a budgeted \$243 million.

Despite the steady erosion in room tax collections, which account for 80 percent of the LVCVA's budget, the authority plans to increase spending for advertising this year by 5 percent, while cutting spending across the board elsewhere.

NPRI's in-depth report on LVCVA financing exposed a pattern of extravagant spending, lax accounting, shoddy oversight and an overly cozy relationship with major contractors, including R&R. One particularly troubling episode involved the LVCVA's decision to provide R&R with the authority's actual rubber stamp for approval of expenses above \$500.

The NPRI report is available online at <http://www.npri.org/publications/npris-transparency-project-on-the-lvcva>.

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