

2. Conduct Violating the Provisions of NRS 281A

Steven Horsford has served in the Nevada State Senate since November 2004, serving during three regular sessions and numerous special sessions. Senator Horsford has served as Majority Floor Leader since 2009. Since 2009 he has also served as co-chair of the Senate Committee on Finance and as a member of the Senate Committees on Government Affairs and Health and Education.

On or about April 12, 2010, Senator Horsford formed Victory 2010 PAC. See Attachment A – Committee for Political Action Registration Form filed with the Secretary of State. Horsford serves as president of the PAC, and his co-conspirators in this questionable endeavor include vice president and Senator Mike Schneider, treasurer Michael Kern and, in an unnamed capacity, State Senator Valerie Wiener.

The PAC's start up funding was provided largely by a \$10,000 contribution made on May 27, 2010 from a Washington, D.C.-based union, the American Federation of State, County and Municipal Employees (AFSCME). The AFSCME web site bills itself as the largest public employee and health care worker union in the nation (see <http://afscme.org>). The PAC also received a \$100 donation from Friends for Steven Horsford on May 6, 2010. See Attachment B – Victory 2010 PAC Contribution and Expenditure Report filed June 1, 2010 with the Secretary of State's office by Senator Horsford.

One could comment about the appearance of impropriety of a PAC formed with union dollars to sway voters toward Democrat candidates being formed by the Democrat State Senate Majority Leader and other State Senators, but it is best to move forward to actual illegal conduct versus an appearance of impropriety.

On or about June or July, 2010, Senator Horsford sent an undated letter to an unknown number of "supporters" on letterhead titled "Victory Leaders." The first sentence of the letter references "the primary elections in Nevada this past month," hence setting forth an approximate timeframe of the mail date of the letter. The bottom of each page of the two page letter indicates it was "Paid for by *Victory 2010 PAC*" and was "Printed in House." The official address of Victory 2010 PAC is identical to that of Senator Horsford's "district office." See Attachment C for the two page letter from Victory Leaders with attachment on "Fact Sheet and Benefits" for membership.

The letter solicited for financial commitments of sponsorship for Victory 2010. According to the letter sent and signed by Senator Horsford, monetary donations to Victory 2010 would be rewarded by various benefits to the donor through "sponsorship levels." Depending on the level of sponsorship a donor could receive benefits including but not limited to: a private dinner with the Senate Majority Leader and Chairs of all the standing committees, a private dinner with the Senate Majority Leader and a Chair of a standing committee of their choice, a private reception with the Senate Majority Leader and Nevada Senate Democrats or a luncheon with the Senate Majority Leader. In short, Senator Horsford was attempting to sell access to the highest-ranking members of the

Nevada State Senate. This pay-to-play ultimatum flies in the face of the spirit and intent of the Nevada Ethics in Government Law.

After the letter became public through the news media, Senator Horsford apparently had a change of heart. On August 19, 2010 the Las Vegas Review Journal published an article announcing that Senator Horsford was “rescinding his letter soliciting contributions in exchange for access” and that “The program in question has been discontinued.” At least one Democrat Senator, John Lee of North Las Vegas, commented to the newspaper that Horsford did not speak to him prior to sending the letter. See Attachment D.

The newspaper also cites Senator Bill Raggio, R-Reno, as saying that lobbyists have told him that Democrats are intimidating them into not giving donations to Republicans or their issues will not be heard in the 2011 session of the Nevada Legislature. If true, this conduct is outrageous and tantamount to an abuse of power.

Further, the Elections Deputy for Democrat Secretary of State Ross Miller (Matt Griffin) was quoted by the newspaper as saying “There is nothing in the letter that violates the law. The primary concern of people was it was so overtly ‘pay to play.’” Overt indeed. One has to wonder how Secretary of State Miller and his deputy will respond to this complaint if it is filed under state elections law, since they appear to have already passed judgment on the legitimacy and legality of this heinous attempt to twist lobbyists’ arms and unduly influence the outcome of an election by selling access to the 2011 session of the Nevada Legislature under the threat of not hearing legislative proposals vital to lobbyists’ clients and industries.

The group Citizen Outreach sent a letter to Horsford on August 29, 2010 asking certain specific questions, including:

1. Have all the dinner club memberships to Victory 2010 PAC been returned to all of the donors, or will you only be returning memberships at the donors’ request?
2. If you only intend to return dinner club memberships at the donor’s request, are you worried that those who choose not to make such a request are choosing not to do so only because they fear legislative retribution from you, your office and your colleagues in the 2011 Legislature.
3. Even though it may not be “legally” required, will you be publicly disclosing the names of individuals, businesses, unions and/or other special interests who joined your dinner club – along with the amount they contributed? If not, why not?
4. Under the circumstances, wouldn’t you agree that it would be inappropriate for those who joined your dinner club – some surely under perceived duress – to “voluntarily” give alternative donations to you or any other PACs you’re affiliated with for the duration of this current election cycle? If not, why not?

It is not known whether Senator Horsford responded to these questions, but they would be excellent questions to ask him.

Despite the fact that Senator Horsford “rescinded” the letter and may or may not have returned “membership” contributions, his actions still constitute a violation of state ethics laws by virtue of the fact that he solicited and accepted contributions under the program.

By implying that in order to have legislation considered by Senate Democrats individuals needed to contribute money to Victory 2010 PAC, Senator Horsford is in direct violation of NRS 281A.400 (1), NRS 281A.400 (2) and NRS 281A.400 (4).

Senator Horsford attempted to sell access to high ranking public officials in the State of Nevada. This is a clear violation of NRS 281A.400 (1) as the gifts, emoluments and economic opportunities solicited by Senator Horsford were clearly designed as quid pro quo in exchange for access to legislators and undoubtedly resulted in his departure from “...the faithful and impartial discharge...” of his public duties.

Senator Horsford used his position as Senate Majority Leader to secure unwarranted privileges, preferences and advantages for himself, his business entity--Victory 2010 PAC and other fellow Senate Democrats and to grant unwarranted privileges, preferences and advantages to lobbyists and others to whom the letter was sent in a direct violation of NRS 281A.400 (2).

Donations to Victory 2010 PAC are an augmentation or “other compensation” from a private source for the performance of a public officer’s duties, e.g. to allow free exchange of ideas and encourage full public participation in the legislative process. Senator Horsford accepted these augmentations and other compensations when he accepted contributions to Victory 2010 PAC on behalf of himself and other Senate Democrats and in exchange promised as a public officer to provide certain access to himself and other public officers which violates NRS 281A.400 (4).

Senator Horsford’s actions in this instance violate several sections of the Nevada ethics law. He attempted to sell access to high ranking political officials, thereby creating a situation where those with money have more access and therefore more influence over the legislative process. This action is unbecoming of a state Senator whose job is to serve as an elected representative of the public, and more specifically as an elected representative of the members of his Senate district. Although Senator Horsford rescinded the letter and discontinued the program in question, he nevertheless violated state ethics laws by his deliberate, intentional and willful conduct in soliciting and accepting contributions through the letter and, likely, other activities he conducted on behalf of Victory 2010 PAC before his egregious conduct became a matter of public record.

The deadline for the second reporting period for Victory 2010 PAC is October 26, 2010, which fortunately for Horsford and the Senate Democrats is just days before the general election. It remains to be seen whether Horsford will appropriately and legally report all contributions to, and potentially refunds from, Victory 2010 PAC. Unfortunately for voters, there will be little time to respond to this information in the short time between the filing date and the election date.

3. Additional Witnesses:

Senator Mike Schneider, Victory 2010 PAC officer

Senator Valerie Weiner, Victory 2010 PAC officer

Michael Kearns, Victory 2010 PAC officer

Julie Mogensen, Resident Agent for Victory 2010 PAC and district office manager for Senator Steven Horsford

John Does 1 to 200 or more, recipients of Victory Leaders letter