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Dear Elected Official:

In addition to my request for a legal opinion on The Chamber membership by WCSD and others, I ask your attention on the following:

To be clear, litigation over WC1 is ongoing and more litigation pending.

Everyone, especially those that backed WC1 should be very concerned about any possible waste, fraud and abuse in the spending of Capitol Funds. I believe that such funds may have been inappropriately dedicated, are being spent on greatly inflated building and that as we predicted (as they denied) salaries may have been supplanted.

So many issues to address with the Washoe County School District (WCSD) and reported \$40 million deficit. Even former trustee Rosenberg said he had no "inkling" of the shortfall. Why the misinformation by WCSD? Why did CFO Ciesynski receive pay raises of \$57,000 over just 5 years as WCSD floundered? Why did his boss, COO Pete Etchart receive over \$82,000 in raises in just 4 years?

Nothing I see in the CAFR (Audit) or any WCSD releases give any hint of the impending crisis. There seems a nexus between the alleged deception and the desire to pass WC1. So what Were We Told?

"The District has maintained its favorable ratings ... for prudent fiscal management. ... These rating firms complimented the District for its strong fiscal management and conservative budgeting practices." WCSD 2016

"The new report demonstrates WCSD's prudent fiscal policies ...." Dec 2016 Superintendent Traci Davis

**Solutions?** First and foremost, clean house: Superintendent Davis, COO Etchart and CFO Ciesynski must go! This is a no brainer. Ask the District Attorney to look into this to see if any improper activity is involved. An independent auditor is needed to go through the books to look for waste, fraud and abuse- not a WCSD employee! Cut the bloated administration and cut administrator salaries. Support Watchdog Church application for the Oversight & Protection committees.

Sincerely,  
Jeff Church  
www.RenoTaxRevolt.com

WCSD: (Source: transparentnevada) Thomas B Ciesynski EXECUTIVE DIRECTOR 2016 \$156,343.18 \$207,896.01 (first figure is salary, 2nd is pay & benefits) 2015 \$149,950.50, \$198,419.57, 2014 \$150,360.22, \$197,724.70, 2013 \$129,016.33 \$169,898.35, 2012 \$114,301.95 \$150,922.48  
What raise did he get in 2017? The 2016 Washoe County Budget Director made far less: \$148,922.41!

Peter B Etchart, Chief Operations Officer, Washoe County School District, 2016, \$155,263.18, \$215,015.66. 2015: \$147,436.90, \$202,945.40. 2014: \$145,000.71, \$199,272.59. 2013: \$102,583.01, \$132,771.64. And in 2017? Wow! As WCSD teetered, he received over 65% in raises.

\*Disclaimer: LtCol Jeff Church, USAF (Ret) is exercising his right of free speech on a matter of extreme public concern. He is not a fiscal expert. Sources on request. The reader should exercise their own due diligence in researching any of the matters covered herein.

- BCC 5-1-17 #4 -  
Jeff Church

## Request for Legal Opinion

Q: May a Nevada City/County/ State government entity belong, at taxpayer expense, to an organization that advocates for political and legislative issues?

Q: Does this include membership in the Reno-Sparks Chamber of Commerce (The Chamber)- see their advocacy info below- a 501 c-6 Advocacy organization.

NV Constitution: Article 8, Section 9 reads, "The State shall not donate or loan money, or its credit, subscribe to or be, interested in the Stock of any company, association, or corporation, except corporations formed for educational or charitable purposes."

Per its bylaws, The Chamber is not a 501 C Charitable or educational organization. It is a 501 c (6) Commerce/ Trade organization. From the Official IRS website:

Chamber of commerce and board of trade  
Internal Revenue Code section 501(c)(6) specifically defines chambers of commerce and boards of trade as exempt organizations. A chamber of commerce usually is composed of the merchants and traders of a city...  
Chambers of commerce and boards of trade usually promote the common economic interests of all the commercial enterprises in a given trade community.

Further, these organizations are not prohibited from political lobbying "However, any expenditures it makes for political activities may be subject to tax under section 527(f)." It is not known if the Chamber has correctly filed such tax returns. Again from the official IRS website:

However, a section 501(c)(6) business league may engage in some political activities, so long as that is not its primary activity. However, any expenditures it makes for political activities may be subject to tax under section 527(f). ...

Yes. Organizations described in IRC 501(c)(4), (c)(5), and (c)(6) may engage in an unlimited amount of lobbying, provided that the lobbying is related to the organization's exempt purpose."

Political campaign activity:

Amounts paid for intervention or participation in any political campaign may not be deducted as a business expense. IRC 162(e)(2)(A).

Lobbying:

Amounts paid for direct legislative lobbying expenses at the federal and state (but not the local) level may not be deducted as a business expense.

Grass roots lobbying expenditures also are not deductible.

To me, a non-attorney, the Nevada constitution would seem clear. I am not aware if there are further Nevada laws or Ethics Commission requirements nor AG opinions, etc. I also ask, as a government state chartered corporation, (Dillion State) if these laws if any apply to cities, counties and other governments (such as the Regional Transportation Commission, School Boards, Authorities, etc)

Research shows that The Chamber- not the Chamber PAC- supported and lobbied for the RTC 5 tax, the WC1 tax and other political issues. Its own website and bylaws acknowledge this lobbying. (see below).



Records show that Trey Abney of The Chamber is a Nevada paid lobbyist. A few good examples from the Chamber website include:

"The Chamber supports ... candidates and public officials who support YOU..." and ...  
"Legislative reform of requirements like prevailing wage, collective bargaining (NRS 288.150) and supervisory unions ..."

From a logical standpoint, it would seem an affront to our election system that government taxpayer dollars are used for political purposes. We certainly don't want the Russians influencing us but why should the City of Reno, for example, be allowed to do so? Aside from the legal aspect, it seems:

Based on the 2014 Edition of the Chamber's member directory, I find over 200 government organizations or officials that belong(ed) to the Chamber.

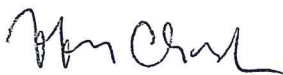
Amazingly this includes 13 separate City of Reno offices. Seven from Washoe County. Again amazingly, that includes the Office of the City Attorney and Washoe District attorney that may be charged with investigating or supplying a legal opinion on my claims. It gets worse! 2014 Records show the Nevada Supreme Court belongs to "The Chamber". Courts that may rule on Chamber related suits.

A certain presumption is that these memberships are paid for with taxpayer dollars and at least lend to some perception of endorsement by the public officers.

As a non-attorney, I find Nevada case law scarce but do offer the below case law as guidance. The well-reasoned Texas Supreme Court case is spot on in prohibiting government membership in The Chamber of Commerce. I also ask if the various Chamber members ever approved in a noticed meeting per Nevada OML?

In conclusion, governments are not a business and should not morally and ethically be part of any lobbying/ political advocacy organization such as a business advocacy group. Secondly I ask you to ask your legal counsel or the Nevada Attorney General (also a Chamber member) for an opinion.

Sincerely,  
Jeffrey Church  
Citizen/ Licensed Nevada Business  
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"Kordus v. City of Garland, the court held that a taxpayer could enjoin a city's illegal donation of public funds to a chamber of commerce. The Texas constitution is quite similar to Nevada's

"The Legislature shall have no power to authorize any county, city, town or other political corporation or subdivision of the State to lend its credit or to grant public money or thing of value in aid of, or to any individual, association or corporation whatsoever, or to become a stockholder in such corporation, association or company;...."

The Texas Supreme Court held: "Consequently, we hold that the portion of plaintiffs' petition seeking to enjoin the City from making donations or paying membership dues to the Chamber of Commerce clearly shows that the plaintiffs had a justifiable interest sufficient to give them standing to sue for injunctive relief.

[1] And see Tex.Att'y Gen. Op. No. H-397 (1974), which holds that a county may not become a dues-paying member of an incorporated chamber of commerce.

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**Reno-Sparks-Washoe area Tax Watchdog**