The Block's ex-owner still owes Tahoe cash as he starts airline

By Tim O'Reiley, Las Vegas Review-Journal

Even as he promotes his vision for a high-flying airline called LV Air, Eneliko Smith continues to be dogged on the ground by what he terms "my stupid-ass mistakes in the past."

When he first announced the plan in February, Smith laid out a vision for luxury air service flying four daily round trips between Sin City and New York starting in 2011.

The Block in South Lake Tahoe has been fenced off for years. Photo/LTN

"Soon you will be able to fly LV Air to Las Vegas," the LV Air website promises. "Experience the luxury, the service, and the brands that illustrate the world of Las Vegas when you board your aircraft — everything afterwards is fantasy."

The *Associated Press, Bloomberg Television, CNN Travel* and *Huffington Post* have featured stories about Smith and his audacious airline, which touts plush seats that fold out as

beds, complimentary Ipads, limo service and meals fit for "sheiks and moguls."

In mid-April, Smith upped the ante by announcing that 16 destinations were now under consideration.

But in El Dorado County, officials are still waiting for Smith to pay restitution for a previous failed venture, the Block Hotel in South Lake Tahoe, where he was the managing partner.

After months of not paying room taxes collected at the boutique hotel that catered to hard-partying snowboarders, Smith was arrested in September 2008 in Las Vegas and extradited to California.

"I paid my employees instead of my bed taxes, and I paid the price for it," Smith wrote in an email. "I never took one penny out of malfeasance and never will."

A year ago, Smith pleaded no contest to a felony count of grand theft by embezzlement. As part of the plea deal, the felony is to be dropped to a misdemeanor if he pays more than $120,000 in back taxes, said El Dorado County Assistant District Attorney Hans Uthe.

But Smith has paid nothing, Uthe said.

"We are less than pleased with his progress. He's in trouble."

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