States outsourcing regulation of casinos to private firms

By Hannah Dreier, AP

When Springfield, Mass., needed to choose who would build its first casino, the city hired an outside adviser to help with the process.

The consulting firm Shefsky & Froelich recommended the deal go to MGM Resorts International. At the same time, the consulting firm also was working as a registered lobbyist in Illinois for MGM Resorts.

The arrangement highlights an often-overlooked trend as more cities and states embrace legalized gambling around the country: Private companies are being hired to write regulations and vet casinos, even as the same firms work the other side of the fence, helping casinos enter new markets and sometimes lobbying for their interests.

States hoping to make money quickly from legalizing gambling have few options as speedy as outside contractors, which allow them to get casinos up and running without having to hire and train a cadre of staff regulators.

But letting consulting companies with deep ties to the gambling industry decide how casinos are run — and who runs them — is a significant departure from how more established gambling states, including Nevada and New Jersey, go about their business.

Regulators in states that maintain control over their own rules say the move toward privatization is unnerving.

“How do you vet your consultants? If a lot of these consultants at one time or another have worked for the people that you’re in charge of regulating, at some point, you’re going to have issues with the purity of the investigation,” said Illinois Gaming Board spokesman Gene O’Shea.

At least 16 states now rely on private companies for major portions of casino oversight, according to interviews with regulators around the country.

The companies advise states about whether to legalize casino gambling, and then draft gambling rules, set up oversight commissions and institute regulations, deciding which casinos and executives are suitable for licensing. The companies sometimes hire lobbyists to get to know lawmakers before gambling is even legalized.

One of the largest of this new breed of consulting companies is Spectrum Gaming, which started in 1996 in a New Jersey basement and has twice been named among the fastest-growing private companies in the United States by *Inc.* magazine.

Spectrum got the call in summer 2007 when West Virginia was writing regulations for table games and in 2010 when the New Hampshire Legislature was considering legalizing gambling. It recently completed a study for Florida, which is considering expanding legalized gambling, and continues to vet casino workers for Ohio and Massachusetts.

At the same time, Spectrum has worked with casino companies including Caesars Entertainment, Las Vegas Sands, Wynn Resorts and Pinnacle Entertainment, and many Indian-run gambling operations.

Managing director Michael Pollock said his company would never work for competing interests simultaneously.

“You cannot be in this business if you’re willing to entertain conflicts of interest or even an appearance of a conflict,” he said.

State officials tend to rely on consultants to self-police, and ethics codes address only simultaneous conflicts. So while Massachusetts wouldn't want Spectrum working for Wynn while also vetting the company for a license, the state doesn't mind that Spectrum worked for Wynn in 2011.

This kind of coziness is common. For example, Ohio hired Spectrum and the consultant Moelis & Co. in 2009 to help establish gambling regulations and determine which casinos would be licensed. The companies turned in reports on the state's two casino operators, Penn National and Rock Ohio Caesars, even though Spectrum has worked for Caesars in the past, and Moelis & Co. has worked for Penn National Gaming.

MGM CEO Jim Murren says these issues come down to the clubby nature of the mainstream gambling world.

"This is not a huge industry, and gaming law is highly specialized," he said. "There are only maybe four or five firms that are experts in gaming law, and we know them all, and we've probably used them all."

But MGM has also been on the other side of the issue.

The company complained when it emerged in 2008 that New Jersey regulators had been freelancing for Spectrum. MGM denounced the arrangement after New Jersey regulators issued a blistering report questioning the suitability of MGM's new business partner in China.

Five years earlier, Spectrum had written a study raising questions about the partnership for MGM competitor Las Vegas Sands. The study was circulated anonymously, apparently to damage MGM.

Pollock says Spectrum would never take on a client who expected a predetermined result, whether it was Las Vegas Sands or a struggling state government.

"We make it clear from the outset that we are not necessarily going to tell you what you want to hear, we're going to tell you what you need to know. And we will not entertain an engagement in which a client seeks a particular outcome," he said.

Casino opponents are skeptical. John Sowinski, spokesman for the Florida nonprofit No Casinos, says that Spectrum often paints an overly rosy picture of the boon casinos might provide, overshooting tax revenue estimates in studies conducted for Ohio, and calling New Jersey's Revel project "just the tonic that Atlantic City needs." (The state-subsidized casino filed for bankruptcy 10 months after opening.)

Sowinski believes states in need of consultants should hire experts and firms with no connection to the casino industry

"The gambling industry is the one industry that seems to get away with this conflict of interest carte blanche," he said.

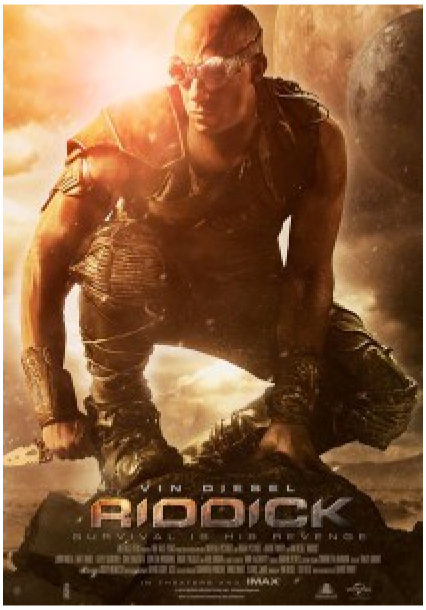
Latest 'Riddick' movie a complete disaster

By Jeremy Miller

Well here’s the newest installment in the “Riddick” franchise. At the helm of course we have Vin Diesel sided by Katee Sackhoff, Jordi Molla, Matt Nable, and Karl Urban.

After being deserted by his newly adopted Necromonger pals Riddick gets back to his roots and rediscovers his more savage side in order to survive a whole new set of local beasts. After his betrayal, Riddick quickly discovers that the planet he now calls home has threats to be taken a little more seriously than he’s used to.

For about half an hour of the film he gets very Bear Grylls on us as he adapts to his new turf and plans his escape. He eventually discovers a small abandoned out-post and with the help of his personally trained dog-type creature he heads out through a gauntlet of your typical sci-fi terribleness. Once he arrives, he fires up an emergency beacon, which essentially puts him on blast to anyone watching.



Before you know it two ships descend upon him. One of them is full of a more modern breed of bloodthirsty mercenaries, and the other carries a crew with an interest that stems beyond monetary gains. From there it’s the typical cat and mouse that Riddick plays, taking names along the way in pretty inventive ways. He lures the mercs into his trap, as he typically does, and starts his rampage. His only intention is getting off this rock and heading home to Furya. Obviously the mercs have different plans.

Now, I was a huge fan of “Pitch Black” and “Chronicles of Riddick” wasn’t terrible. I didn’t see whatever it was that came in between. Either way, this one had promise. I was entertained for about an hour. As it fumbled toward an ending, I snapped out of my “Riddick is so badass” trance and realized

I was watching a bunch of no name actors trying to make it tolerable for us to watch them. It got pretty rough.

No one on screen had anything to offer except for Vin, and even he struggled with delivery.

Now, here’s the deal. In science fiction movies I expect a certain level of cheesiness in the script. I even settle for B-list actors who haven’t really figured out how to act yet so long as the story is solid and I am entertained visually. This flick tried to hang on to the legacy but came up way short. As the plot developed, every passing minute I lost a little more interest. The last 20 minutes of the flick had me wishing I had a brand spankin’ new set of Williams-Sonoma pots and pans I could use to bash my head in with.

The writers completely emasculated Riddick, not just through touchy feely dialogue, but his fight scenes and just overall demeanor. They made him soft as butter. They took a page from Bryan Singer’s “Superman Returns” and decided to take one of the all-time badasses of my generation and give him the ole snip-snip and call it quits.

If you’re a fan of the first two, and you want your image of Riddick to remain the same, don’t waste your time. It’s extremely unfortunate that the last 20 minutes of a film could ruin it this much for me, but it did, and that’s on them. Writer-director David Twohy must just be going senile, I don’t know where his vision went, but evidently, it’s gone.

South Lake Tahoe resident Jeremy Miller has more movie reviews online.

Internal BLM memo shows mustang woes

By Scott Sonner, AP

RENO – The head of the government's $70 million wild-horse management program warned last summer that it is headed for financial collapse unless "drastic changes" are made in the decades-old roundup policy she said could be setting U.S. rangeland-improvement goals back 20 years.

In a strongly worded internal memo to an assistant director of the U.S. Bureau of Land Management, Wild Horse and Burro Division Chief Joan Guilfoyle recommended suspending all roundups until thousands of mustangs currently in federal corrals are sold or adopted.

Horses stand behind a fence at the Bureau of Land Management's Palomino Valley holding facility in Palomino Valley, Nev. Photo/Scott Sonner/AP file

Guilfoyle also said sterilization should be considered, and she recommended for the first time euthanizing wild horses on the range "as an act of mercy if animals decline to near-death condition as a result of declining water and forage resources."

Those are among the few realistic alternatives given a crippling combination of congressional budget cuts, spiraling costs, lingering drought, a record 49,000 mustangs in long- and short-term holding, and an on-range population that doubles every four years and is expected to surpass 60,000 in 2015, Guilfoyle said.

It's "nearing the point of financial insolvency due to undesirable trends in every aspect of the program," she said in the August memo to Greg Shoop, assistant director for renewable resources and planning.

"Drastic changes in course are mandatory to remain financially solvent and reverse trends" undermining the Bureau of Land Management's goals, she wrote. "Considering the circumstances, on-range management goals may not be achieved for another 20 years."

Labeled "Internal Working Document," the Texas-based Wild Horse Freedom Federation obtained the memo under the Freedom of Information Act and first posted it on its website Wednesday. The Associated Press also independently obtained a copy Wednesday but couldn't confirm its authenticity until Friday.

Bureau of Land Management spokesman Tom Gorey said it was a "preliminary discussion document" produced in "recognition of the tight fiscal climate" and based on projections Congress would cut more from the agency's budget than it ended up doing last fall.

"It explores a range of interim measures that could be implemented until more sustainable actions are available, such as the development of longer-acting, effective contraceptives and the reduction of holding costs," Gorey said in an email to the AP.

The three-page memo offers a candid look at the political and public pressure fueling the controversy that has raged for decades but intensified since the number of animals in holding first exceeded those on the range two years ago. Last fiscal year, holding costs topped $46 million — 61 percent of the horse program's overall budget.

Guilfoyle noted "heightened and increasing interest" in policy changes among conservationists, ranchers, horse activists and Congress. She said things "we can't do" include "remove animals," "new research" and "reduce or curb on-range population growth."

"Funding and space prohibit the removal of any animals in the near future. Euthanasia of near-death animals is the only responsible alternative," she said.

While Guilfoyle's assessment was unusually frank, it echoes the General Accounting Office's conclusion in a 2008 report to Congress that there was no end in sight to rising holding costs. A year later, then-Interior Secretary Ken Salazar warned "the current path of the wild horse and burro program is not sustainable."

Last June, Arizona Rep. Raul Grijalva, the ranking Democrat on a public lands subcommittee, and 29 colleagues including Rep. Dina Titus, D-Nev., told Interior Secretary Sally Jewell the program's soaring costs had created an "untenable situation" for both the mustangs and taxpayers.

The Bureau of Land Management suspended roundups shortly after Guilfoyle's memo and has not formally scheduled any this year. But it awarded two helicopter contracts in January that could be used for gathers.

The Nevada Farm Bureau Federation and Nevada Association Counties argue roundups are necessary to cull overpopulated herds competing with livestock for forage. They filed a lawsuit in December trying to force the Bureau of Land

Management to sell some older horses deemed unadoptable without the usual prohibition on resale for slaughter — an idea the agency has opposed.

Ginger Kathrens, executive director of the Colorado-based Cloud Foundation, said euthanizing or sterilizing mustangs would violate the 1971 Wild Free-Roaming Horses and Burros Act. The foundation is dedicated to the preservation of wild horses on public lands.

“It would be unconscionable to even consider use of these strategies,” she said.

El Dorado County’s former mental health chief dies

By Robert D. Dávila, Sacramento Bee

Tom Sullivan, a dedicated public servant who advocated for treatment services as mental health director for El Dorado and Sacramento counties, died Feb. 7 after a recent stroke, his family said. He was 71.

Mr. Sullivan was a widely recognized expert on mental health policy in California. He began his career at Napa State Hospital in the 1960s and worked with the Legislature on the landmark Lanterman-Petris-Short Act, which shifted responsibility for mental health care from state institutions to local agencies. He was a past president of the California Mental Health Directors Association.

He worked in Sacramento before moving to Placerville as El Dorado County mental health director from 1974 to 1979. A lifelong political activist, he was elected to the Placerville City Council in 1978 and served six years helping prepare the town for growth with a new downtown parking garage and other civic other projects.

Read the whole story

Drought worries Calif. brew masters

By Alastair Bland, NPR

Brewers around the country boast that their “pure” local water is the key to their beers’ unique flavor. Coors credits the trout streams of the Rockies. Olympia Beer’s slogan is, “It’s the water.” Cold Spring Brewing Co., in Minnesota, is named for a nearby natural spring.

In Sonoma County, Lagunitas Brewing Company, founded in 1993, has grown into one of the largest craft breweries in the nation. Like several other smaller local breweries, Lagunitas makes its beer with water from the Russian River, a 110-mile waterway that provides drinking water for more than half a million people.

But in the wake of 2013, the driest year ever recorded in California, Lagunitas’ owners say they’re nervous about shortages that could mean a switch from the river water to not-as-tasty well water.

Read the whole story

Then and now: Office space once was motel-apartments

Today's building.

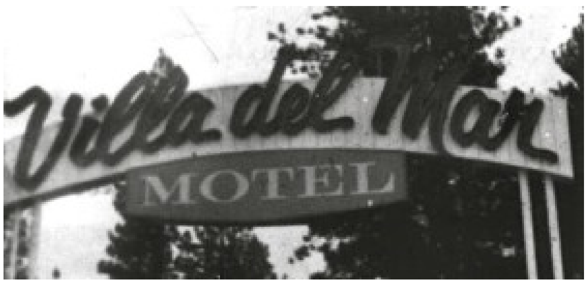
The Lake Front Building today.

The four-story Villa Del Mar Motel & Apartments from the 1960s was perched on the beach at 3351 Lake Tahoe Blvd., directly across from the Bank of America in South Lake Tahoe.

The former motel investors purchased the

Fire destroys the building.

property in 1973 and renovated it as the Lakefront Professional Building.



The old motel.

In 1999, however, a late night fire gutted all floors, and the entire site had to be cleared.

Today’s replacement Lakefront building features several modern architectural improvements over its predecessor, including an elevator.

(Photo credits: The Villa Del Mar sign is from a "Congrats to Class of '69" ad in the 1969 South Tahoe High School yearbook. It is courtesy of Bob Rockwell. All other photos by Bill Kingman.)

– *Bill Kingman*

Calstar provides fast transport in an emergency

By Kathryn Reed

In many ways it's an emergency room or intensive care unit that flies.

Calstar – or California Shock Trauma Air Rescue – has a base at Lake Tahoe Airport that makes runs down to Mammoth, far into Nevada, up to Quincy and over to Georgetown. But much of the work the pilots and flight nurses do starts on the South Shore.

The air ambulance often finds people who are lost in the wilderness, whisks them from the backcountry and delivers them to the appropriate hospital to get further treatment. Two critical care certified nurses are on each flight. Some of the care patients receive is equivalent to what a doctor would do in the ER.

Calstar can land in many locations — including the middle of Highway 50. Photo/LTN file

Many trips are made between Barton Memorial Hospital and facilities that have specialties the South Shore care center doesn’t have.

This time of year the helicopter is busy with getting injured skiers from the slopes to the appropriate medical facility.

Night vision goggles, like what the military uses, help find people on the ground. With most everyone having a cell phone, the pilot will ask the lost person to turn their phone around and wave it. That is the easiest way for a pilot to see someone on the ground at night.

Bryan Pond, one of the two original members who opened the South Lake Tahoe operations in October 2001, spoke at the Soroptimist International Tahoe Sierra meeting last week about Calstar.

Last week was Critical Care Transport Nurses Day.

“On Feb. 18, 1943, the first class of flight nurses marched from the base chapel after graduating from their specialized course of medical training at Bowman Field in Louisville, Ky. On this day, the new field of transport nursing emerged as a specialty as both the Army and Navy instituted flight nurse programs,” Pond, who is a flight nurse, told *Lake Tahoe News*.

"These nurses were trained to care for wounded soldiers during transport on converted cargo planes and on the field of battle. Since that time, nurses have expanded their role in this field to include the civilian sector, responding to care for patients in ambulances, helicopters and airplanes."

Not all trips are of a life and death nature. Sometimes it's a simple broken ankle. The problem could be the injured person is miles from his or her vehicle and can't walk out or be carried out by friends. Calstar can get to most any location.

The California Highway Patrol helicopter crewmen work with Calstar on rescues at Lovers Leap because they can hoist people down. Then they bring the rock climber to Calstar, which is waiting in a meadow.

CareFlight is another partner agency. They have helicopters in Gardnerville, Reno and Auburn.

There are times when so much is going that multiple medical helicopters are circling about.

The Calstar helicopter can take two patients at once depending on their weight.

It's run as a nonprofit that includes membership. Members may use the service for free after their insurance is billed. For more info, go online.

Opinion: Plenty of time for

Meyers to be involved

By Norma Santiago

In the early ’90s, the Meyers community established a committee whose primary task was to create a community plan that was reflective of the Meyers community’s vision. The plan concept, as stated in the Meyers Community Plan, “is to enhance the identity and image of Meyers as a community center and a gateway to Lake Tahoe.” During the course of the plan’s development 20 years ago, concerns were expressed that the community plan would allow for large development or create policy that could impact the scenic character of Meyers.


Norma Santiago

As was then, today we are having the same expressions of concern, and today we are allowing a very public discussion of the new Meyers Area Plan.

Unfortunately, the misconceptions are being labeled as fact, creating fear within the community, that a large development called a “catalyst project” is waiting in the wings ready to be developed as soon as the new plan is adopted.

There is no catalyst project. There is no large development.

What can be built in Meyers is up to the community of Meyers. This two-year public process allows for input and discussion of what the Meyers Community wants to create for itself. And, that discussion continues as we approach another community meeting on Feb. 26. From more than 30 meetings, a new vision was created; something that reflects the community's unique character. That vision states:

> *"Meyers is an ideally situated, spacious, historic, and walkable mountain community that values sustainability, health, wellbeing and the natural environment. Uniquely concentrated with year-round outdoor sport and recreational opportunities, the Meyers mountain culture is the hallmark of our thriving local-based economy boasting a diverse commercial and retail environment, welcoming visitors and providing residents with an extraordinary place to live, work and play."*

This effort, like the visioning workshops 20 years ago, helps to guide the community toward its future, created the vision by which a plan can be drafted, and proposes reasonable expectations within the plan.

Like the Meyers Roundtable 20 years ago, the Meyers Community Advisory Council (MCAC) was created to represent a broad spectrum of interest. Council members are Meyers' residents and neighbors, business owners and recreation enthusiasts, who have volunteered their time to represent the community and this unique mountain town they call home. An enormous amount of input from all interests, business, recreation, education, and community members came in after numerous public meetings, with first hand access to county and TRPA supplying detailed responses.

The TRPA's recent Regional Plan update provided a much-needed update to the rules for our communities, but there is a tremendous amount of misunderstanding as to how those rules are applied in individual town centers like Meyers. TRPA moved away from a "one-size-fits-all" approach, limiting things like height and density, to give each community specific input and help define or maintain a community's unique character. Meyers now has the opportunity to choose what it wants to be in the future.

What has been expressed to the MCAC and the county by the community is protection of Meyers’ rural character and the surrounding sensitive lands along the Upper Truckee River, safer ways for all of us to get across Highway 50, connectivity of bike trails, a welcome sign, and simplified processes for smaller projects, to name a few. The draft plan proposes height and density limits similar to those that have been in place for years, and sets those limits significantly lower than what could have been pursued under the new Regional Plan. These elements of the plan are not final. The MCAC and the county are always accepting input.

On Feb. 26 at 6pm, a public workshop will be held at the California Conservation Corps dining hall to specifically compare the existing 1993 Meyers Community Plan with the current draft of the Meyers Area Plan. The draft plan is on the El Dorado County website.

Comments, questions, and suggested revisions to the draft Meyers Area Plan can be submitted to MeyersAreaPlan@edcgov.us.

In the coming months, there will be a formal comment period, an additional community workshop, and several public meetings at the El Dorado County Board of Supervisors and Planning Commission meetings, as well as, the TRPA Governing Board and Advisory Planning Commission meetings.

I am proud to be a part of this dynamic, public process to help mold the future of Meyers. It’s an incredibly exciting time for the Meyers community and I invite everyone to take part in this great purpose.

Norma Santiago represents Meyers on the El Dorado County Board of Supervisors.

Snippets about Lake Tahoe

• Placer County has redesigned its website.

• *USA Today* is calling the fireplace at the Ritz-Carlton, Lake Tahoe one of best fireplaces to curl up by.

• The Bureau of Land Management is going to hire the first full-time manager for Burning Man.

• Barton Health is celebrating patient Safety Awareness Week on March 5 from 1-2pm in the Snowflake Lobby at the hospital.

• The notice of preparation for Squaw Valley has been released. Public comment ends March 14. They may be emailed to cdraecs@placer.ca.gov. Notice of Preparation for your review. The document can also be found at the following links on Placer County's website.

Retirement tips for volatile

stock market

By Haitham “Hutch” Ashoo and Chris Snyder

More and more Americans – 28 percent in 2013 – say they’re not at all confident they’ll have a comfortable retirement, according to an annual survey by the Employee Benefit Research Institute.

Even the wealthiest among us have concerns; 38 percent of U.S. multi-millionaires are not “very confident” about their retirement income, a 2013 U.S. Trust survey found.

A “comfortable” retirement means different things to different people.

The first thing you need to determine is what “comfortable” means to you to ensure you have what you most desire in retirement.

Most retirees and pre-retirees will depend on income from their investments to maintain their desired lifestyle. Any dramatic negative market volatility that’s not fully understood can be devastating to their mindset and planning.

As wealth management advisers, we anticipate – based on historical patterns – an average 5 percent drop in the market about three times a year. Advisers should be planning for that. We tell our clients, “Don’t focus so much on the drop – we’ve planned and accounted for these predictable, recurring negative events. Instead, we should evaluate whether it will prevent you from reaching your life goals.”

We offer these tips for those worried about the volatility in today’s market:

1. Have a deep understanding of your retirement life goals.

If you don’t have clear life goals, neither you nor a financial adviser can create a map to get you there.

Think about what kind of cars you wish to drive; whether you’d like one or more vacation homes; where in the world you’d like to play golf; whether you want to budget $10,000 a year for travel or $250,000. You also need to think about your beneficiaries and/or charitable causes that are near and dear to your heart. What sort of financial legacy do you desire for them?

2. Do you or your financial adviser have a reliable process for evaluating your progress toward your life goals?

You need to know whether a drop or correction in the market is going to affect your ability to meet your life goals, so you can adjust for that. Simply measuring investment performance is not a reliable means of determining whether a person is on track to meet their life goals.

We create a wealth management analysis that stress tests their retirement life goals through a simulation of stock, bond and cash activity from 1925 through 2013. That includes recessions, depressions, catastrophes, bull and bear markets, and high and low inflation. We do this on a quarterly basis, since the market is constantly changing.

The analysis produces a score that reflects the level of confidence their clients can have that they will meet their goals. If the score is not between 75 and 90 percent, the advisers consider “what if” scenarios with their clients.

3. Avoid destructive investor behavior.

Human nature is counter-intuitive when it comes to investing, and that can lead to bad decision-making.

Even the smartest, biggest institutional investors make the mistake of allowing their emotions to guide their judgment. When the stock market goes up, people’s enthusiasm goes up and they rush to buy, which increases their risk. Then a correction occurs and they find themselves overweight in equities and they wonder what happened.

This destructive behavior can have a devastating impact on their plans in retirement.

It is not worth assuming more risk if you have an analysis that shows you are able to achieve your retirement goals with less risk.

4. Once you’ve accomplished 1, 2 and 3, let your financial professionals do the work.

It may be hard to turn a deaf ear when friends or family insist you should act or react because of something they’ve read or heard in the news, or because of an experience they’ve had. Let your professionals guide you.

We’re paid to provide our clients with peace of mind, and to allow them to enjoy everything that is near and dear to their hearts.

Life’s too short to waste time and sleep worrying every time something happens in the world that could affect your investments. Since we have a process for ensuring our clients are making progress toward their goals with a high degree of confidence, we want them to take it easy and have fun. They deserve to enjoy their lives today.

Haitham “Hutch” Ashoo and Chris Snyder are co-founders of Pillar Wealth Management of Walnut Creek.