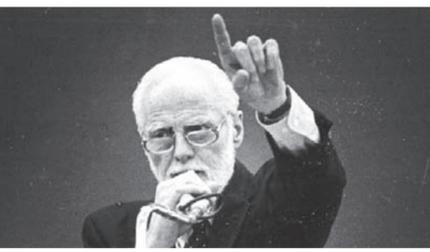


# LAS VEGAS SUN



**PARTY STALWART:**  
POLITICAL LEADER  
CHARLIE WATERMAN  
FOUGHT FOR BELIEFS  
TILL THE END, PAGE 5



**POOLSIDE PLAY:**  
RESORTS HAVE TURNED  
SWIMMING AREAS INTO  
PARTY CENTRAL FOR THE  
BEAUTIFUL SET, PAGE 7

## INFLUENCED, OSHA BENDS

## Unsung politician tying up budget cuts

After involvement of Gibbons appointee, violations, fines in case of Orleans workers' deaths were reduced

By ALEXANDRA BERZON, Las Vegas Sun

State safety officials sharply reduced violations and fines against the Orleans for its role in two worker fatalities last year after one of Gov. Jim Gibbons' top political appointees became involved in the investigation, the Sun has learned.

The reduction removed a tough but rare finding of willful disregard for safety that would have permanently marred the record of the owner of the Orleans, Boyd Gaming Corp., and could have exposed the company to costly lawsuits or fines in the future.

To reduce the citations, the Nevada Occupational Safety and Health Administration negotiated a series of maneuvers that broke significantly from normal department procedures. Boyd is a major contributor to Gibbons election campaigns.

The case so angered Boyd's safety manager, Don Barker, and OSHA inspector John Olaechea, who investigated the accident, that both men quit their jobs.

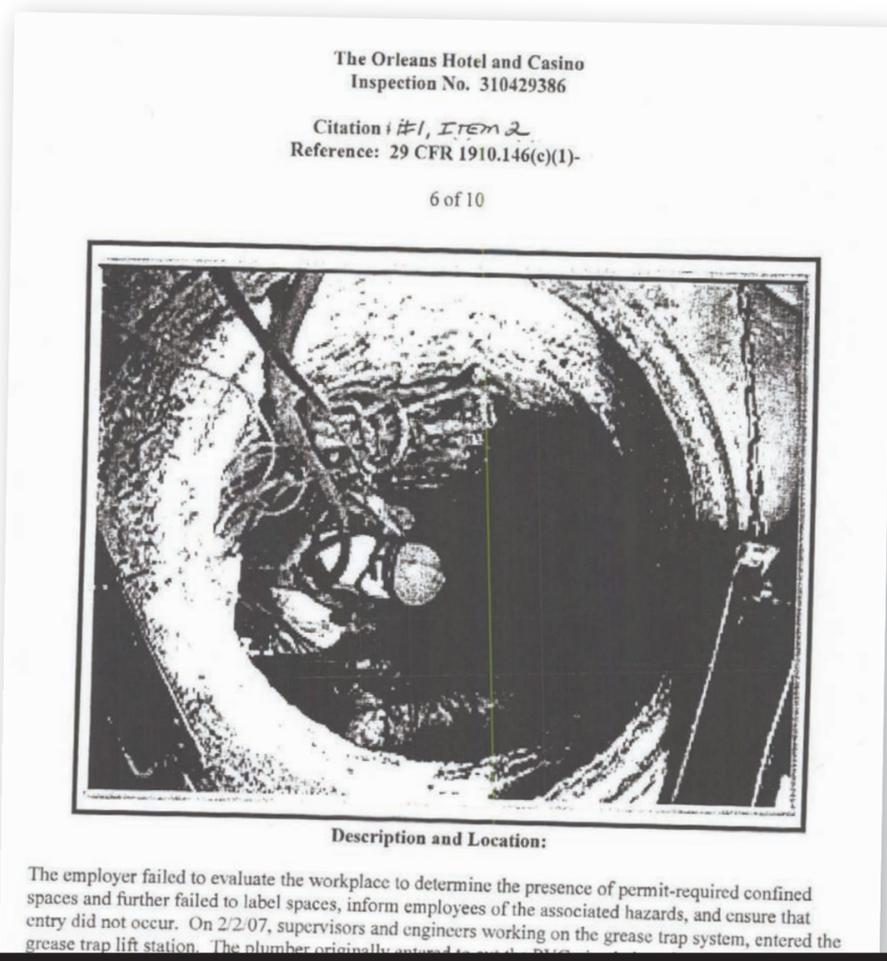
The head of Nevada OSHA, Tom Czehowski, said this week that never in his seven years at the agency has he seen other state officials insert themselves into an OSHA case.

An OSHA spokeswoman confirmed Thursday that Boyd had asked one of Gibbons' appointees to become involved. She is Mendy Elliott, director of the Business and Industry Department, which includes OSHA.

Elliott, in turn, reached out to a top official in Gibbons' office, Dianne Cornwall, his chief operating officer. A third state official, Roger Bremner, the administrator for the Industrial Relations Division, which directly oversees OSHA, was also uncharacteristically involved in the case.

Boyd representatives and the state officials involved told the Sun this week they had done nothing remotely improper, and said the case was a victory for the state because

[See Orleans, Page 2]



### THE INVESTIGATION, FROM THE DOCUMENTS

I believe that willful citations are appropriate in response to the fatalities that occurred at the Orleans on 2/2/07. As you know, a willful citation can be issued for an intentional violation or plain indifference. Per the NOM, the following cases can be made to show plain indifference:

1. A higher management official was aware of an OSHA standard or law applicable to the company's business but made little or no effort to communicate the requirement to lower level supervisors and employees.
2. A company official was aware of a continuing compliance problem but made little or no effort to correct it.

1 Memo from OSHA inspector John Olaechea recommending why this case warrants a "willful citation," which means the employer knew about the safety problem and did not fix it.

CLOSING CONFERENCE NOTE: Assistant General Counsel (Special Counsel), Salvatore Gugino and Mendy Elliott (Director- DBI) attended for OSHA. A closing conference was conducted serious, other than serious, and regulatory classifications with Thomas Tawmme (VP and Assistant Director) repeat citations were discussed in further detail. Posting any including willful, repeat, serious, other than serious, and regulatory classifications would be issued. At the respect of the Orleans, the willful and repeat citations were discussed in further detail. Posting and abatement requirements were explained. The Orleans was informed of the right to an informal conference and/or contest. OSHA discussed the need for follow-up inspections due to the nature of the willful and repeat violations. SCATS information was presented and an employer survey was issued.

2 From the report, explaining who was present at the closing conference, where they presented the willful citations to the company.

OSHA Chief Administrative Officer comment: During a negotiated settlement meeting that occurred after the closing conference, the willful and repeat serious citations were reclassified as serious citations. The recordkeeping citation was withdrawn.

OTHER PERSONS CONTACTED:  
Deceased Identified in Report:

3 An OSHA comment explains the renegotiated settlement after the conference, but before citations were issued. The willful citations were reclassified.

Controller says Gibbons missed step, so agencies get more money, for now

By DAVID McGRATH SCHWARTZ  
Las Vegas Sun

Here's how life in Carson City has historically gone when the economy tanks: The governor makes budget cuts. The Legislature sits on its hands.

But a little-noticed elected official could force legislators to take up this year's budget reductions.

State Controller Kim Wallin has refused to recognize two rounds of budget cuts ordered by Gov. Jim Gibbons because he did not get those cuts approved by an interim legislative panel.

That means state agencies are effectively getting checks for more money than the governor has said they may spend, which in turn could cause careless — or rogue — state bureaucrats to spend money Gibbons ordered them to set aside.

"It's a concern we have," said Josh Hicks, Gibbons' general counsel.

When asked whether any state agency has spent money it shouldn't have, he said, "Not that we know of."

Wallin, a Democrat, said this is not about politics or even a disagreement with a Republican governor over the cuts. She said she is merely following the law's requirement that program cuts larger than \$50,000 be approved by the Interim Finance Committee, which includes legislators from the state Senate and Assembly.

"I have to make sure laws and regulations are carried out," said Wallin, a certified public accountant and certified management accountant. "I know what my laws and regulations are."

Wallin said an opinion from the attorney general's office backs up her interpretation of the law. Saying that opinion is confidential, Wallin would not share it with the Sun.

She also dismissed concerns about state agencies spending more money than they should.

"We have competent state employees who can add and subtract," she said.

The law that requires legislative approval of budget cuts was passed after a particularly contentious round of reductions in 1979. It appears, though, that the law has never been enforced.

Hicks pointed out that the administration is following other governors' precedent.

[See Budget, Page 2]

## Reid seeks \$26 million for hepatitis scare

Emergency request, a boost in war spending bill, likely to face stiff GOP opposition

By LISA MASCARO  
Sun Washington Bureau

WASHINGTON — Senate Majority Leader Harry Reid is seeking \$26 million in emergency funds from Congress to help deal with the hepatitis C crisis in Southern Nevada, but the request will likely run into political resistance from President Bush and congressional Republicans who oppose tacking any extra spending onto a bill for the Iraq

war. Even Nevada's other senator, Republican John Ensign, is against it.

The money Reid is requesting would go toward ensuring the estimated 40,000 patients who have been potentially exposed to hepatitis C, hepatitis B and HIV during routine procedures at a private Las Vegas clinic can be tested — even if they have no insurance or ability to pay for the screenings.

Money would also go to the Centers for Disease Control and Prevention to prevent the procedures that caused the outbreak in Nevada from happening elsewhere. The CDC's director has feared the practice at the Endoscopy Center of Southern Nevada, where medical staff reused syringes and dipped multiple times into single-dose medicine

vials, could be the "tip of the iceberg" of poor practices nationwide. Several other states in recent years have had similar crises.

Michael Walsh, director of administration for the Southern Nevada Health District, which would receive \$5.25 million, said if the money comes through, "we could be sure the vast majority of people could get tested."

Although notices have been sent to 40,000 patients of the Endoscopy Center, the district says the number of patients potentially exposed to the virus at that site could be as high as 60,000. Of those, an estimated 15,000 have no insurance or ability to pay for the screening, which costs \$200 on average. Some labs are offering free screenings.

[See Reid, Page 3]



SUSAN WALSH / ASSOCIATED PRESS

Senate Majority Leader Harry Reid of Nevada addresses reporters last week on Capitol Hill. He wants federal money for Nevada's hepatitis scare to pay for, among other things, testing for clinic patients who can't afford it.