

Jim Gibbons

Jim Gibbons (R-NV) was elected governor of Nevada in 2006 and is running for reelection this year.

Gov. Gibbons:

- Violated campaign finance law by accepting illegal corporate donations
- Allegedly assaulted a waitress
- Overlooked ethical lapses of his appointee
- Misused state resources in pursuit of an extra-marital affair
- Endangered his state's economy by threatening to reject federal stimulus funds
- Has been involved with various investigations stemming from his time in congress

CHARGE ONE: ACCEPTING ILLEGAL CORPORATE DONATIONS

In 2006, while campaigning for governor, then-Rep. Gibbons' Democratic opponent, state Sen. Dina Titus, filed a complaint with the Federal Election Commission (FEC) and the Nevada Secretary of State alleging that Rep. Gibbons' federal political action committee (PAC) had improperly accepted corporate donations dating from his time as a member of the U.S House of Representatives.¹ The complaint alleged that Rep. Gibbons had accepted illegal campaign contributions from corporate donors at least four times, and questioned whether a fifth donation might have also violated the law.² The Titus campaign said Gov. Gibbons had a long history of campaign contribution violations, citing as evidence his return of multiple donations that exceeded state limits.³ In 2007, the FEC "admonished" Gov. Gibbons for accepting one corporate contribution, and ordered him to pay a \$2,000 fine.⁴ The FEC "exercised its prosecutorial discretion" by addressing only one of the five counts lodged by the Titus campaign and dismissing the other four.⁵

CHARGE TWO: ALLEGATIONS OF ASSAULT

In October 2006, casino cocktail waitress, Chrissy Mazzeo, claimed a drunken Rep. Gibbons had assaulted her outside a Las Vegas restaurant.⁶ Ms. Mazzeo claimed that Rep. Gibbons made unwanted advances while they were in the restaurant, and then, as he walked her to her car, grabbed her arms and pushed her against the wall.⁷ Rep. Gibbons later admitted to grabbing Ms. Mazzeo, but said he was keeping her from falling.⁸ Both said they had been drinking, but Rep. Gibbons asserted that he was not intoxicated.⁹

¹ Ray Hagar, FEC Complaint Filed over Gibbons Donations, *Reno Gazette-Journal*, September 22, 2006.

² Tony Batt, Gibbons' PAC Must Pay \$2,000 Fine, *Las Vegas Review-Journal*, August 23, 2007.

³ Hager, *Reno Gazette-Journal*, September 22, 2006.

⁴ Batt, *Las Vegas Review-Journal*, August 23, 2007.

⁵ Id.

⁶ Molly Ball, Accuser Alleges Cover-Up Attempt, *Las Vegas Review-Journal*, October 26, 2006.

⁷ Id.

⁸ Molly Ball and David Kihara, Gibbons Cleared by Police, *Las Vegas Review-Journal*, October 15, 2006.

⁹ Id.

The day after she lodged the formal complaint, Ms. Mazzeo signed a statement saying she did not want to pursue the matter and explained it was “because of who he is”¹⁰ and the police promptly ended their investigation.¹¹ The brief inquiry was handled by detectives in the Clark County Sheriff’s Office, which was headed by Bill Young, a Republican who had endorsed Rep. Gibbons’s gubernatorial campaign.¹²

Two weeks after the incident, the company that owned the parking lot where the alleged assault took place released security camera footage to the police,¹³ but the tapes were inconclusive.¹⁴ After Gov. Gibbons’s election, local prosecutors, citing insufficient evidence, closed the case.¹⁵ Ms. Mazzeo said that Gov. Gibbons’s allies had threatened her and offered to buy her silence, but those claims were never substantiated.¹⁶ In 2008, Ms. Mazzeo filed a civil suit against the governor, which is still pending.¹⁷ In March 2010, lawyers for the governor filed a motion to dismiss the case.¹⁸

CHARGE THREE: QUESTIONABLE APPOINTMENT

In 2007, Gov. Gibbons appointed Joe Waltuch—the former top lobbyist for the nation’s second largest subprime mortgage lender, New Century Financial Corp.—to serve as commissioner of the Nevada Division of Mortgage Lending.¹⁹ New Century had recently declared bankruptcy and was under federal criminal investigation for securities and accounting violations.²⁰ While Mr. Waltuch was not accused of any wrongdoing, the appointment of the chief lobbyist for a disgraced mortgage company to oversee the state’s mortgage lending division sparked harsh criticism from the Nevada Legislature.²¹

CHARGE FOUR: MISUSE OF STATE RESOURCES TO PURSUE AN AFFAIR

In the course of divorce proceedings, Nevada First Lady Dawn Gibbons revealed her suspicions that Gov. Gibbons was carrying on an affair with the wife of a Reno doctor.²² In June 2008, *The Reno Gazette-Journal* found documents that showed Gov. Gibbons had text-messaged his alleged mistress, Kathy Karrasch, 867 times over six weeks in 2007, racking up nearly \$130 in charges on his state-owned cell phone.²³ The marathon texting sessions included 91 texts sent between midnight and 2 a.m. one morning.²⁴ The governor was forced to reimburse the state for

¹⁰ Ball, *Las Vegas Review-Journal*, October 26, 2006.

¹¹ Ball and Kihara, *Las Vegas Review-Journal*, October 15, 2006.

¹² Id.

¹³ Editorial, What Will The Tapes Show?, *Las Vegas Sun*, November 2, 2006.

¹⁴ Justin Rood, In Nevada, Tapes Reveal No People – Only More Chaos, *TPM Muckraker (Talking Points Memo blog)*, November 3, 2006.

¹⁵ Kathleen Hennessey, DA Won’t Prosecute Nevada Governor-Elect, *The Associated Press*, December 28, 2006.

¹⁶ Ball, *Las Vegas Review-Journal*, October 26, 2006.

¹⁷ David Kihara, Governor Fights to Keep Records Away from Accuser, *Las Vegas Review-Journal*, June 25, 2009.

¹⁸ Carrie Geer Thevenot, Gibbons Seeks Dismissal of Mazzeo Lawsuit, *Las Vegas Review-Journal*, March 5, 2010.

¹⁹ John G. Edwards, Former Lobbyist Granted State Job, *Las Vegas Review-Journal*, September 5, 2007.

²⁰ Id.

²¹ Id.

²² Steve Friess, Divorce Turns Ugly for Nevada’s Governor, *The New York Times (blog)*, May 30, 2008.

²³ Anjeanette Damon, Gibbons Texted Woman 867 Times in 6 Weeks, *Reno Gazette-Journal*, June 11, 2008.

²⁴ Id.

the charges.²⁵ He also made 42 calls on the state-issued phone to his alleged mistress, including “two lengthy phone calls” during business hours.²⁶ Gov. Gibbons denied having an inappropriate relationship with Ms. Karrasch.²⁷

In February 2010, Gov. Gibbons claimed Ms. Karrasch had not accompanied him to Washington, D.C. for a conference, even though video evidence and a local news team showed the pair returning to the Reno airport together and leaving in the same car.²⁸ When asked by a reporter, Gov. Gibbons claimed that he was giving Ms. Karrasch a ride home because they lived near each other, and not because she was returning from Washington, D.C. with him.²⁹ The next day, the governor admitted that Ms. Karrasch had accompanied him but said she had paid her own way.³⁰

CHARGE FIVE: REJECTING FEDERAL STIMULUS FUNDS

In March 2009, Gov. Gibbons, along with a handful of other Republican governors, threatened not to accept federal stimulus funds.³¹ The governor threatened to refuse the funds designed to help the state provide unemployment benefits; at the time Nevada had one of the highest jobless and foreclosure rates in the nation.³² After angering members of his own party with his stance, Gov. Gibbons relented and accepted the money.³³

ESTABLISHING LEGAL DEFENSE FUND

In May 2007, Gov. Gibbons established a legal defense fund to defray the costs of various investigations into his conduct, some of which stemmed from his years in congress.³⁴ The ongoing investigations or claims related to:

- His relationship with Warren Trepp and eTreppid Technologies;
- Litigation involving eTreppid Technologies;
- The employment of Gov. Gibbons’s wife as a consultant with Sierra Nevada Corp. around the time the company received a no-bid federal contract;
- The investigation of the alleged assault of Chrissy Mazzeo; and
- Allegations that Gov. Gibbons employed an illegal immigrant as a nanny.³⁵

²⁵ Id.

²⁶ Id.

²⁷ Damon, *Reno Gazette-Journal*, June 11, 2008.

²⁸ Jonathon Humbert, Gov. Gibbons Responds to I-Team Investigation and Apologizes, *LasVegasNow.com*, February 23, 2010.

²⁹ Id.

³⁰ Id.

³¹ Jennifer Steinhauer, A Governor Says No to Money and Reaps Boos, *The New York Times*, March 21, 2009.

³² Id.

³³ Id.; Lawmakers, the Governor and a Stimulus Czar, *Las Vegas Review-Journal*, August 16, 2009.

³⁴ Governor James A. Gibbons, Legal Defense Fund Statement of Formation, May 14, 2007.

³⁵ Id.

In November 2008, Gov. Gibbons was cleared of criminal conduct following allegations he had accepted gifts from eTreppid Technologies' president, including a Caribbean cruise, in return for help procuring defense contracts.³⁶

In 2004, while serving on the U.S. House Armed Services and Intelligence committees, then-Rep. Gibbons allegedly helped secure a no-bid federal defense contract for a company that hired his wife through her consulting firm.³⁷ Rep. Gibbons pushed through a \$2 million research and development contract to Sierra Nevada Corp., which then hired Dawn Gibbons to conduct surveys and carry out demonstrations of a hand-held emergency communications device.³⁸ Ms. Gibbons's firm was paid \$35,000 for the work.³⁹

The investigation concerning Gov. Gibbons's alleged employment of an illegal immigrant arose after Martha Patricia Sandoval said the governor and his wife hired her as a nanny and housekeeper despite her illegal status.⁴⁰ The status of the investigation is unknown.

³⁶ Matt Apuzzo, Attorney: Gibbons Cleared in FBI Probe, *Las Vegas Sun*, November 2, 2008.

³⁷ Report: Nevada Governor Helped Company that Hired Wife, *The Associated Press*, March 30, 2007.

³⁸ Id.

³⁹ Id.

⁴⁰ Brendan Riley, Nevada Governor Told Defense Fund Not Illegal, *The Associated Press*, March 20, 2007.