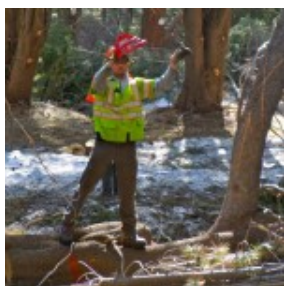


NVFSC plan for fixing financial mess due to USFS

By Anne Knowles

In the next two weeks, the beleaguered Nevada Fire Safe Council is scheduled to deliver to the U.S. Forest Service an action plan for cleaning up its books for good.

The NVFSC was told by the USFS on June 22 that it had 30 days to produce a roadmap for untangling its financial mess and instituting controls to ensure it properly handles its money going forward.



NVFSC still owes payment for work like this fuels reduction project done at Lake Christopher in April 2011. Photo/LTN file

The plan could be the first step in getting long-overdue restitution for private contractors, fire departments and homeowners in the Lake Tahoe Basin, who have been waiting for more than \$360,000 NVFSC owes them for fuels reduction work going back several years.

The action plan comes a full year after *Lake Tahoe News* first reported NVFSC was undergoing an internal audit triggered by a complaint from a private contractor. That same complaint led to an investigation by the U.S. Department of Agriculture's Office of Inspector General, which in February sent a report to the USFS recommending it recoup \$2.7 million in funds and withhold any remaining grant money from NVFSC until the group produced federally-mandated audits and fixed problems found by the OIG investigation.

The OIG found that NVFSC violated several federal regulations, including commingling federal grant money with other funds, allowing one person to be in charge of all aspects of managing the grant money and not conducting annual audits. The OIG also said it had no evidence of criminality, but didn't rule it out.

In the five months since then, NVFSC has been working with the USFS and the Bureau of Land Management, the two agencies that provided the bulk of its grant money, to try to untangle the bookkeeping thicket.

"When you deal with federal entities, especially under a cloud of suspicion, they double check everything," said Larry Burton, an NVFSC board member and former volunteer fire chief of Ruby Valley in Nevada, who has become a de facto spokesperson for the group. "We are doing the best we can."

Burton said the group will meet its deadline and hopes the USFS and BLM soon release grant funds they have frozen so NVFSC can send checks to everyone. He said those funds will cover what NVFSC owes.

"I get calls from disgruntled homeowners every day," said Burton, whose personal cell phone is now the contact number for NVFSC after the group closed its doors in Carson City in April when it could no longer pay the rent. The group's eight-member board is still intact, but they meet via phone and

email now, and one or two employees still do work out of their homes on a volunteer basis, said Burton.

“We realize it’s been a year. We’re trying to pay them. And we’re doing everything we can not to declare bankruptcy because no one would get paid then,” he said.



Andrew List,
former
executive
director, left
NVFSC soon
after problems
were found.
Photo/LTN file

Burton maintains that the cause of the problems was mismanagement and not embezzlement.

“It was the commingling Andrew did,” said Burton, referring to Andrew List, the group’s former executive director who left NVFSC soon after the troubles first came to light.

“The BLM very pointedly looked and found that nobody took anything home,” said Burton. “No one can find any misappropriation. The rub came when all the money went into one bank account. You can’t do that.”

The USFS said it found in its audit that funds were combined in one pool and that the forest service was incorrectly billed by NVFSC. The USFS is billing the NVFSC for \$1.7 million, according to Lisa Herron, a spokeswoman in the USFS Lake Tahoe

Basin Management Unit.

The NVFSC has requested \$1 million in grant funds, a request the USFS will review once it is satisfied with the NVFSC action plan.

Meanwhile, NVSFC's creditors keep waiting.

Susan Swift, for example, is owed \$1,700 for tree removal to create defensible space on two properties she owns in South Lake Tahoe. She completed the paperwork to get reimbursed and was told in October 2011 she would receive a check within eight weeks.

When the check never arrived, NVFSC gave Swift different excuses on several different occasions, until she read about the OIG report.

"I told (NVFSC) I had read about their commingling problems in *Lake Tahoe News*, and I told him I just wished they had been honest with me about this from the beginning," said Swift.