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Nevada's Initiative and Referendum Petitions

Reported by Paul Enos

On March 2, 2004, the Nevada State Education Association (NSEA) filed an initiative petition (a copy of which is included in this newsletter on page 3) to raise the per pupil spending in Nevada from \$5,760 to the national average, which is \$6,911. If passed, this measure would require approximately \$1 billion of additional funds to be spent on education. These funds would have to come from either spending cuts in other state departments or increased taxes.

This initiative is only one of a number of initiatives and referendums being circulated around the state. The issues that are addressed in these measures would have major impacts and long-term ramifications on the business environment in Nevada; therefore, it is important not only to understand the issues, but the process of how initiatives and referendums affect the law.

Process

An initiative changes state statute or amends the Nevada Constitution. For an initiative to qualify for the 2004 ballot, it requires that 51,251 signatures be collected by June 15, 2004, in $\frac{3}{4}$ of Nevada's 17 counties.

A referendum differs from an initiative by asking voters if they approve or disapprove of a particular

law or statute. Circulators of a referendum have until May 18, 2004, to gather 51,251 signatures, which can be gathered anywhere in the state. Once on the ballot, if the statute is not approved, then the law will be void. If the statute is approved, the Legislature would be unable to change any of the language in the statute, and that law could only be changed through the referendum process.

Tax Repeal Referendums

There were three referendums circulating to repeal the tax increases that were passed in S.B. 8 of the 20th Special Session. George Harris is working with a group named Nevadans for Sound Government that is circulating a referendum that would repeal all of the tax increases passed in S.B. 8. Dan Burdish, who heads a group called Nevadans for Tax Restraint, was circulating two referendums. The first would have repealed the 0.7% payroll tax on businesses, and the second would have repealed the 2% payroll tax on financial institutions. Burdish is no longer circulating these petitions. If the Harris referendum gets the needed signatures, then the statutes will appear on the 2004 ballot for approval or disapproval.

Nevada Petitions continued on page 3

Seen & Noted

Holiday Sales for Nevada Posted

Nevada retailers posted good numbers for holiday sales in 2003. Nevada merchants sold \$3.56 billion in goods in December, a 9.7 percent increase over the same holiday season in 2002. Thirteen of the state's 17 counties posted gains in December. Eureka, Humboldt, Lander and Lyon counties had declining sales figures for the same period.

A report from the state gaming regulators showed casinos winning \$767.3 million in December, a 1 percent decrease from December 2002. Statewide, bars and restaurants had an 8.5 percent gain; auto and fuel sales were up 21 percent; building material sales were up 22.4 percent; clothing store sales were up 16.2 percent; food store sales were up 10.4 percent; general merchandise store sales were up 6.2 percent and wholesale trade-durable goods sales were up 15.5 percent.

Flu Season Officially Over

If you haven't yet had an attack of this year's variety of flu, you're probably safe until next season. Dr. Keiji Fukuda, an influenza expert at the Centers for Disease Control and Prevention (CDC), says, "The influenza season has wound down very dramatically, declining to levels lower than we often expect at this time of year."

According to CDC, this was a moderate to moderately severe season for flu. In an average season, about 36,000 Americans die of influenza. Although final figures won't be out for two years, Dr. Fukuda says the CDC can make an educated guess from data received from its 122-cities surveillance system and determine that this season will be an average year.



TMCC Offers Online Business Courses

Truckee Meadows Community College (TMCC) now offers over 3000 business courses online. These courses allow managers and their staff to schedule training requirements such as supervisory skills over the Internet.

Course offerings include everything from work skills such as listening, research and teamwork to English as a second language and management and leadership.

TMCC also offers computerized testing and assessment programs in business and industry disciplines.

Good Business Reads

Looking for a good read? According to Strategy 7 Business, the best business books of 2003 are:

The Innovator's Solution: Creating and Sustaining Successful Growth, by Clayton M. Christensen and Michael E. Raynor

Open Innovation: The New Imperative for Creating and Profiting from Technology, by Henry Chesbrough

One World: The Ethics of Globalization, by Peter Singer

The Support Economy: Why Corporations are Failing Individuals and the Next Episode of Capitalism, by Shoshana Zuboff and James Maxmin

Wheels for the World: Henry Ford, His Company, and a Century of Progress, 1903 - 2003, by Douglas Brinkley

Beyond Budgeting: How Managers Can Break Free from the Annual Performance Trap, by Jeremy Hope and Robin Fraser

The Smartest Guys in the Room: The Amazing Rise and Scandalous Fall of Enron, by Bethany McLean and Peter Elkind

Who Says Elephants Can't Dance? Inside IBM's Historic Turnaround, by Louis V. Gerstner, Jr.

Moneyball: The Art of Winning an Unfair Game, by Michael Lewis

Source: "Quick Bites," by Sam Geist. 800-567-1861. <http://www.samgeist.com>.

Initiative Petition

State of Nevada

IMPROVE NEVADA PUBLIC SCHOOL FUNDING TO THE NATIONAL AVERAGE

Explanation: Matter in boldface italics is new matter between brackets [deducted material] is material to be deleted.

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS:

Section 1. Section 2 of Article 11 of the Constitution of the State of Nevada is hereby amended to read as follows:

[Section 2] Sec.2. 1. The legislature shall provide for a uniform system of common schools, by which a school shall be established and maintained in each school district at least six months in every year, and any school district which shall allow instruction of a sectarian character therein may be deprived of its proportion of the interest of the public school fund during such neglect or infraction, and the legislature may pass such laws as will rent to secure a general attendance of the children in each school district upon said public schools.

2. *The legislature shall support and maintain a system of public education which helps ensure that every child becomes a productive and responsible adult. In performing this obligation, the legislature shall provide sufficiently for the financial support and maintenance of the public elementary and secondary schools. Commencing with the fiscal year beginning on July 1, 2012, and appropriations made by the legislature for this purpose, when combined with the projected revenue from all other federal, state and local sources, must be in such amounts as the legislature determines are sufficient to ensure in each fiscal year that the annual per-pupil expenditure of Nevada equals or exceeds the national*

average.

3. *In complying with the requirements of subsection 2, the legislature shall, as nearly as practicable in view of available information about projected revenue and enrollment, calculate per pupil expenditure of Nevada in the same manner as the National Center for Education Statistics calculates current expenditures per pupil in fall enrollment for each state.*

4. *Nothing in this section shall be deemed to require the legislature to make a supplemental appropriation in the interim between sessions.*

5. *As used in this section.*

(a.) *“Annual per-pupil expenditure of Nevada means for any fiscal year, current expenditures per pupil in fall enrollment for public elementary and secondary schools in Nevada, calculated in the manner provided in subsection 3.*

(b.) *“National average” means current expenditures per pupil in fall enrollment for public elementary and secondary schools in the United States, as most recently determined by the National Center for Education Statistics and adjusted for inflation, in the manner prescribed by the legislature, to the year of the appropriation.*

(c.) *“National Center for Education Statistics” means the National Center for Education Statistics of the United States Department of Education or its successor agency.*

Nevada Petitions

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Education First

As a response to the decision by the Nevada Supreme Court to nullify the constitutional 2/3 vote of the Legislature to pass a tax increase, Congressman Jim Gibbons has started circulating an initiative that would reaffirm the 2/3rds rule and require that the Legislature fund education before anything else. The initiative has drawn widespread support from the business community and has even garnered the support of Democratic U.S. Senator Harry Reid.

The text of the NSEA petition is included on this page. If you have any question, please call the RAN office at 775-882-1700.

Legislative Interim Committees

While the regular sessions of the Nevada Legislature only occur for four months every two years, the Legislature remains active during the interim. Below is a list of the Interim Committees that RAN follows. Meeting times change frequently, so for more information either call our office at 775-882-1700 or log on to www.leg.state.nv.us/72nd/Interim/.

- Legislative Committee for Local Government Taxes and Finance
- Legislative Committee on Education
- Legislative Committee on Health Care
- Legislative Committee on Health Care Subcommittee to Study Health Insurance Expansion Options
- Legislative Committee on Health Care Subcommittee to Study Medical and Societal Costs and Impacts of Obesity
- Legislative Committee on Taxation, Public Revenue and Tax Policy
- Task Force for the Fund for a Healthy Nevada
- Interim Study on Nevada’s Industrial Insurance Program

Pharmacy Board Changes ID Regulation

Reported by Liz MacMenamin

The State Board of Pharmacy voted to support a regulation that requires pharmacists to obtain positive identification for all Class II narcotics prescriptions. The decision was made at its Proposed Regulation Workshop and Public Hearing held on Feb. 26, 2004.

Representatives of the Retail Association of Nevada (RAN) and three Pharmacy Board members spoke against the regulation, saying the industry would prefer that such a decision be left to the professional judgment of the pharmacist. The Board listened to our concerns, but the regulation passed after the president voted in its favor to break a tie vote.

Please Note: There is an “or” in the regulation that allows the pharmacist some latitude. A pharmacist may choose to either make a note of the type of identification and its number in the file and initial that, or take a copy of the ID and place the copy in the patient’s file.

The board also discussed regulating consumer access to drive-through windows. After a lengthy discussion, they decided that Keith MacDonald, executive secretary of the Pharmacy Board, should look at the language that is being proposed. It’s my understanding that he would take into consideration some of the board members’ proposals on the language. The board did agree to grandfather in all existing locations with the regulation impacting only future building plans. There are members of the board who really want to see the patient face-to-face and not rely on audiovisual equipment. I hope that the board will take into consideration any future technology.

Keith Macdonald expressed

great interest in working with the industry on the Controlled Substance Monitoring Rule. There are some concerns regarding the fields that the board may put into the reporting language. The board was not aware that Nevada would be the only state demanding these fields.

The next board meeting will be held on April 14 – 15, 2004, in Las Vegas. If you need copies of the proposed regulations, please call RAN, 775-882-1700, and we will fax you a copy.

Nevada Pharmacy and Therapeutics Committee

The Nevada Pharmacy and Therapeutics Committee (NPTC) held its first meeting on Feb. 26, 2004. This hearing was beneficial in setting the tone for future hearings. From my perspective, this committee appears to really understand the importance of keeping its focus on a clinical level

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New Washoe County Business Licensee Fees

By Paul Enos

In November of 2003, the Washoe County Commission heard a proposal to adopt business license fees that would have increased fees from 27% to 600% across the various tiers. The Retail Association of Nevada (RAN) testified against that proposal and expressed a willingness to work with Washoe County to implement a reasonable fee schedule.

RAN worked with representatives from the Reno-Sparks Chamber of Commerce, the Petroleum Marketers Association, AGC

Nevada Chapter and the Nevada Taxpayers Association, and staff from the Washoe County Community Development Department, and endorsed the fee schedule below, adopted on Feb. 24, 2004.

Washoe County also adopted a resolution to grant a period of amnesty, waiving interest and penalties for those businesses operating in unincorporated Washoe County that do not have a business license.

The amnesty period will end on May 31, 2004.

Fee Category	Business License Fee	Percent Increase
\$25,000 or less	\$50.00 to \$55.00	10.0% (\$5 increase)
\$25,001 to \$50,000	\$60.00 to \$65.00	8.3% (\$5 increase)
\$50,001 to \$100,000	\$105.00 to \$115.00	9.5% (\$10 increase)
\$100,001 to \$300,000	\$130.00 to \$140.00	7.7% (\$10 increase)
\$300,001 to \$500,000	\$215.00 to \$235.00	9.3% (\$20 increase)
\$500,001 to \$1,000,000	\$315.00 to \$345.00	9.5% (\$30 increase)
\$1,000,001 to \$2,500,000	\$550.00 to \$600.00	9.1% (\$50 increase)
\$2,500,001 to \$5,000,000	\$575.00 to \$630.00	9.6% (\$55 increase)
\$5,000,001 or more	\$600.00 to \$655.00	9.2% (\$55 increase)

Pharmacy Board

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as opposed to making it a marketing meeting.

The NPTC approved and accepted its bylaws with no discussion. In a discussion about future meetings, a member from southern Nevada suggested that the meeting locations alternate between the south and the north; however, the group decided to teleconference with the northern members assembling in Carson City and the southern members assembling at the Grant Sawyer Building in Las Vegas.

Jeff Monaghan, clinical manager of First Health Services Corporation, presented an overview of the operation of the committee. He answered committee members' questions regarding the process, and among the many points he clarified was that this committee would not get into the cost of drugs. The Drug Utilization Review (DUR) Board will handle this.

The NPTC discussed drug class reviews of ACEI's and combinations, ARB's and combinations, PPI's and H2RAs. They also discussed diabetic therapy protocol and determined that as long as the patient is doing well, the protocol will stay the same. It was determined that these classes of drugs are interchangeable.

The committee was also asked to carve out children from the ARB's, but it was determined that this would not be necessary. There was also discussion on Bisphosphonates with the same determination, with the exception of the exclusion of cimetidine.

Legislative Committee Focuses on Health Insurance and Obesity

Reported by Liz MacMenamin

Legislative Committee on Health Care

This Legislative Committee on Health Care is meeting during the interim to ascertain ways the state can provide health insurance for the uninsured of Nevada.

It's not been decided how to obtain this insurance. The committee will be determining how to provide this coverage for each employee.

The Retail Association of Nevada will be closely monitoring this committee's findings.

Obesity Workgroup

On March 1, 2004, the Nevada Alliance for Chronic Disease Prevention's Obesity Workgroup held a conference call to discuss ways the Alliance could work with others to combat obesity in Nevada. Representatives from the Nevada State Health Division, Clark County Health District, Washoe County District Health Department and organizations such as the Diabetes Foundation participated in the call.

A member of the group stated that the Obesity Workgroup was necessary because of the growing concerns with overweight Nevadans. According to a participant of the group, obesity is the top concern of the Alliance. The committee will make recommendations at its final meeting on March 22, 2004.

The Alliance plans to take the Obesity Workgroup's recommendations and possibly use them to move forward with an obesity plan for the 2005 legislative session.

This Alliance is also following meetings of the other subcommittees that are concerned with health staffing and the uninsured. The Alliance was encouraged to look at community action plans for diabetes and obesity as opposed to taking this to the regulatory process.

The Alliance will be sending out a survey on ideas for their next meeting date. That will be some time after the final meeting of the Subcommittee to Study Medical and Societal Costs and Impacts of Obesity. That final meeting is scheduled for March 22, 2004.

If you have any questions about this information, please call me at the RAN office, 775-882-1700.

U.S. Government Agencies Launch War on Fat

The U. S. Department of Health and Human Services is taking aim at obesity with a public education campaign.

The Healthy Lifestyles and Disease Prevention Campaign, aimed at overweight and obese Americans, promotes physical activity and healthier eating.

The Food and Drug Administration is also tackling overweight Americans with its Obesity Working Group. The working group must develop new and innovative ways to help consumers lead healthier lives through better nutrition, and its first report is on the fast track, to be released within a few months.

Teaching Massage Therapy –

Baum Healing Arts Center

It's the end of a hard day, week or month at work and you can't seem to separate your ears from your shoulders. Maybe the time has come for you to visit a massage therapist, someone who can loosen your muscles and put those shoulders back in place.

F. Douglas Koenig, ACMT, DHYP, a licensed massage therapist and instructor at the Baum Healing Arts Center, says that more and more people are discovering the health benefits of massage therapy for everything from relieving tension by getting their twisted muscles to relax to helping rid the pain of osteoarthritis. The Baum Center, with schools in Carson City and Reno, is dedicated to turning out professional massage therapists who are trained and ready to take licensing tests.

Koenig says that licensing and regulation help assure the public that the person who is working on them not only has trained in correct methods of working the body, but also in body sciences so they know what to do and what not to do. In fact, if you're looking for a massage therapist, Koenig suggests you start by asking if the person is licensed. (Reno, Sparks, Carson City, and Douglas and Washoe Counties all require a massage therapist to be licensed).

Koenig also suggests that a client ask if the massage therapist is insured. He says although they don't need to be insured, there is certain criteria necessary to get insurance. Finally, he says that you should also find someone you're comfortable with because there is a certain amount of personal intimacy involved. "It's a big trust industry," he says.

All students of the Baum Center

must take the basic course, which includes anatomy and physiology, kinesiology, law and ethics, business practices, hygiene, first aid and CPR. In other words, students have to know more than the "thigh bone's connected to the knee bone." Rest assured that after 150 hours of classroom anatomy and physiology and 210 hours of learning technique—demonstration and hands-on—along with the testing and evaluation, the Baum student is ready to perform well on your only real asset, your body.

The basic course prepares students to take the local licensing tests and to take the National Certification Board Test (NCBT). The NCBT test is a nationally accredited test for massage therapists.

The basic course also requires students to choose from a number of elective courses including acupressure, sports massage, oriental therapy, reflexology, and alternative healing techniques and from a variety of therapeutic massage classes such as deep tissue techniques, strain counterstrain and soft tissue release.

The school also offers an advanced curriculum for licensed massage therapists. Here is where they can gain additional expertise and training in areas such as medical massage, pain management, sports massage and more.

Would you like to take part in helping a student gain certification? Then the Baum school would like to talk to you. Because students are required to get real-life experience, the Center offers low-cost massage. Just as in any massage therapy establishment, private rooms and a number of techniques are offered, including Swedish massage, deep



Koenig says a good school and licensing ensures that students know how the body works. (Photo taken in classroom at Reno campus.)

tissue, hot rock, acupressure, sports massage and Tui Na (Chinese meridian massage). Koenig says the students who work on the public are at least a third of the way through the program and some are near graduation, so you get a legitimate massage. Besides the low cost, clients are asked to evaluate the practitioner.

If you participate in any number of events in the area, you may have met a student of the Baum Center. Students and instructors are there at the Death Ride and the marathon at Bowers Mansion every year. You'll see them giving chair massages at a number of special events in the area and they've just signed up with the Carson Tahoe Hospital to do all their health fairs. If your group has a fundraising event, you may want to give them a call. Businesses often call on them to be

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Baum Center

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at award banquets and different holiday events. The Center recently hosted a business After Hours for the Carson City Area Chamber of Commerce.

Koenig says the center is proactive in seeing that their students are out meeting the public, learning how to deal with people in the real world, and getting practical experience in massage. Students have the opportunity to meet with a number of different people to learn how to evaluate the needs of each individual.

Owner Vinnie Baum, ICBT, opened the Baum Healing Arts Center in Carson City in 1997, and the Reno campus in 2001. Baum is a licensed therapist with a private practice in massage in Carson City, has been an instructor at the Ralston School of Massage at Washoe Medical Center and has a Master's degree in Sport Physiology. Baum Center is licensed by the Nevada Commission on Postsecondary Education.

All Baum Center instructors are either massage therapists and/or chiropractors and have private practices in the Reno/Sparks and Carson City areas. Contact the Reno campus at 775-329-1535 and the Carson City campus at 775-884-1145.

FMI Launches Exciting New Format at the 2004 FMI Show in Chicago

The Food Marketing Institute (FMI) is going to give you the "Solutions for Growth with All the Right Ingredients" at its 2004 FMI Show, May 2 - 4, in Chicago at the McCormick Place.

This is an industry event, according to FMI, and they may just be right.

New to this year's show is the inclusion of four other food industry events. The Organic Trade Show's All Things Organic Conference and Show comes to McCormick Place along with The Fancy Food Show, U.S. Food Export Showcase and The United Produce Expo and Conference.

This is a one-stop chance to see the latest products and trends in the food industry through many different venues. One badge gives attendees entrance to the entire show. See what's happening and new with organics, specialty stores and grocery. There will be more products, people and information than ever before.

New features at this year's show include the Healthy Living Pavilion, focusing on nutrition and obesity and how it affects the food industry; a bigger and better new product showcase with more product categories; education with a focus on solutions for growth and how your company can stay competitive and relative to tomorrow's consumer; and the EPC Showcase with demonstrations and education to get your company EPC ready.

The FMI Show has special meeting rooms for groups of 30 or more. Meet there with the experts of your choice.

Learning labs and close-ups will improve your company's success through focused interactive, strategy-based education sessions designed to serve specialists within your company.

Contact the Food Marketing Institute now. Reach them at 202-220-0907 or find information at www.fmi.org.

• Seminars •

April – 2004

IMRA Loss Prevention, Auditing & Safety Conference

April 13 - 16, 2004

Dallas, TX

Contact: rasher@imra.org

NACS Category Management

April 28 - 29, 2004

Chicago, IL

Contact: 703-684-3600

May – 2004

NRF CRMretail: Customer Relationship Management Conference

May 11 - 12, 2004

Orlando, FL

Contact: 800-MRF-HOW2

FMI Financial Executive Conference

May 23 - 26, 2004

Orlando, FL

Contact: pshinko@fmi.org or call 202-220-0705

NRF Washington Leadership Conference

May 26 - 27, 2004

Washington, DC

Contact: 800-NRF-HOW2

June – 2004

NACDS Marketplace Conference

June 4 - 7, 2004

New Orleans, LA

Contact: 703-549-3001 or www.nacds.org

August – 2004

NACS Leadership Executive Program

August 8 - 12, 2004

Ithaca, NY

Contact: 703-684-3600

Abbreviations

FMI • Food Marketing Institute

IMRA • International Mass Retail Assn.

NACDS • Nat'l Assn. of Chain Drug Stores

NACS • Nat'l Assn. of Convenience Stores

NRF • National Retail Federation

Spammers Aren't Canning Spam

Since the Can-Spam Act went into effect on January 1, there's been little relief. Email recipients are still trashing at least half of their inbox because it's spam. Anti-spam software maker Brightmail says it hasn't seen a change, and at least 60 percent of all email is spam.

The new anti-spam law makes it illegal to disguise the originating Internet address of spam, to use misleading subject lines and to electronically copy email addresses from other websites. It also requires that email marketers provide a legitimate way for consumers to request to get off an email list. Spam-fighters and Internet providers say that so far, though, spammers aren't complying with any part of the law. And spammers seem to be upping the ante by creating even more confusing subject lines, garbling characters to try to evade spam filters.

Now the Federal Trade Commission (FTC) is hard at work to fulfill one of the orders of Can-Spam—to create a universally recognizable “mark” that will notify consumers that their inbox contains a pornographic email. Take note, if your subject line says SEXUALLY-EXPLICIT-CONTENT, that means the email is pornography.

Will a subject line warning do any good? So far, Brightmail, AOL, Postini, Inc. and other spam-fighters say that spammers are just getting more clever.

The FTC's porn-proposal still has hoops to jump. When this proposal is approved, though, the FTC can move on to one of the other seven rules that the Can-Spam Act requires. The hard work will start when the FTC tackles how to create a do-not-spam plan for the Internet.

Operation Cyber Sweep Nabs Internet Scammers

What do the United States, Ghana, Nigeria and Romania have in common? They've come together to fight crimes committed over the Internet.

Last October, the Department of Justice (DOJ) launched Operation Cyber Sweep to try to stem the onslaught of economic crimes conducted over the Internet. A month later, the Department announced it had arrests or convictions of more than 125 individuals in the coordinated nationwide crime crackdown.

Operation Cyber Sweep is a coordinated effort of the DOJ, 34 U.S. Attorneys' offices nationwide, the FBI, the Postal Inspection Service, the Federal Trade Commission, the U.S. Secret Service and the Bureau of Immigration and Customs enforcement, together with a variety of state, local and foreign law enforcement agencies.

The cyber-crime fighters are responding to significant increases in online fraud and the fraudsters' perception that they are untouchable. One hundred investigations resulted in over 70 indictments, which uncovered 125,000 victims who had lost more than \$100,000. Criminals were nabbed across the U.S., in Ghana, Nigeria and Romania.

Some of the indictments that are being pursued include:

Investment Crime

A 21-year-old, K.C. Smith, pleaded guilty to two felony charges of securities fraud. Smith used the Internet in 2002 to promote a fraudulent scheme that promised investors high returns on their “international tax-free” investments in the “Maryland Investment Club,” a fictitious enterprise. In Tennessee,

Smith lured the gullible and greedy through spamming.

Phishing

Helen Carr, in the Eastern District of Virginia, plead guilty to conspiracy to possess unauthorized access devices. She engaged in “phishing” by sending fake email messages to America Online customers, advising them that they must update their credit card/ personal information on file with AOL to maintain their accounts.

(Phishing, also called spoofing, is when a person pretends to be someone else's email or website. They direct email recipients to log on to a fake website that closely resembles the one being scammed in both appearance and content.)

Hacking

Allan E. Carlson was indicted on charges of hacking into computers across the country to launch spam email attacks criticizing the Philadelphia Phillies baseball team. Carlson, a disgruntled Phillies fan, was also charged with identity theft for illegally using the email address of reporters at Philadelphia newspapers.

“By coordinating our law enforcement efforts with other federal, state and local law enforcers, we leverage our efforts and maximize our impact,” says Timothy J. Muris, chairman of the FTC. “We intend to send a strong message to those who use the Internet to break the law.”

Victims of online crime should file a complaint online with the Internet Fraud Complaint Center, which is a joint venture of the FBI and the National White Collar Crime Center. Go to www.ifccfbi.gov or <http://www.ftc.gov> to find fraud complaint forms.

BAT Tax for Out-of-State Companies

The National Retail Federation (NRF) is seeking a "bright line" test for whether a state can impose business activity taxes (BAT) on out-of-state companies.

Following extensive consultation with member companies, NRF this month adopted a policy statement saying that Congress should provide a standard that is fair to both government and businesses and also clear and simple for government to administer and businesses to comply.

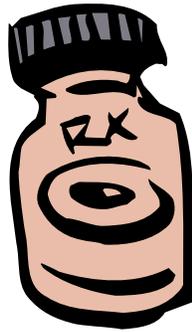
The statement says that the standard for whether a company meets the bright line test is whether it has a "greater than de minimus" physical presence in a given state. The BAT position does not change NRF's support for collection of sales tax by remote sellers.

With a growing number of states seeking ways to solve revenue shortages, many are looking at establishing BAT taxes or expanding existing BAT taxes. Congress is expected to address the issue sometime this year.

BAT taxes include a wide range of levies imposed on businesses, including corporate income taxes, franchise taxes, gross receipts taxes, capital stock taxes, net worth taxes, single business taxes and business and occupation taxes. States have tried to impose one or more of the taxes on companies that don't have an office or store in their state but ship products into a state, solicit orders or otherwise have a business activity.

A 1959 federal law prohibits states from placing an income tax on out-of-state businesses, but doesn't address other taxes and applies only to companies selling tangible goods, not services.

Source: National Retail Federation, February 27, 2004



Medicare Discount Cards Prompt Scams

Door-to-door salesmen are pretty much a thing of the past, so if you get a knock on your door and

the person standing on the porch tries to tell you he or she is gathering information for the Medicare-approved discount card, shut the door and lock it. The Medicare drug discount card won't even be taking signups until May 2004. The fraudsters have gotten the jump on this one.

A spokesperson from the federal Centers for Medicare and Medicaid Services says, "Someone is fraudulently impersonating or misrepresenting Medicare by telephone and by door-to-door visits to beneficiaries' homes to discuss the

Medicare discount drug program and to obtain personal identifying information from beneficiaries."

Medicare representatives are not going door-to-door, nor are they calling anyone regarding the discount drug card. The Center is warning people not to give out any information to anyone proclaiming to represent the card. The marketing for the program hasn't even begun, let alone the formal signup period.

The discount card is a temporary relief program that may help save seniors 10 to 25 percent off the retail price of some of their medicines. Low-income elderly will be eligible for a \$600 credit on their cards. The program starts in June of this year, after the signup period in May.

Water Study for Southern Nevada

A growth task force is being formed to study growth and water issues in southern Nevada. Recommendations for members are:

Citizens/General Public

Sue Allen, Southwest Area Network; Gabriel Lither, Summerlin Residents for Responsible Growth; Ann Zorn, Retired, Paradise area.

Environmental

Jane Feldman, Sierra Club; Alan O'Neill, Outside LV Foundation

Developer Community

Jay Bingham, Juliet Development; John Kilduff, American Nevada Corp.; Daniel Van Epp, Howard Hughes/The Rouse Co.

Business/Gaming

Bill Bible, Nevada Resort Association; Steve Hill, Silver State Materials/LV Chamber of Commerce

Health/Social Services

Merlinda Gallegos, Chung Ting Tang Foundation; Frank Richo, Catholic Charities

Labor

Danny Thompson, AFL/CIO

Analysis/Academic

Guy Hobbs, Hobbs, Ong & Associates, Inc.; Ngai Pindell, Law Professor, UNLV Law School; Hal Rothman, UNLV History Professor and Department Chair

Chair

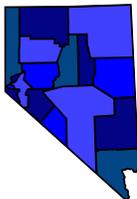
Leonard E. (Pat) Goodall, Retired UNLV President

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• Membership in RAN Required •

Important information for SIG members

The NRS governing self insured groups requires notifying members of all new members to the Group. New members for NRNSIG, from February 1 to March 15, 2004, are listed below. For a complete member list, please call RAN at 775-882-1700. Please Note: Due to the many new members added each month to NRNSIG, we are unable to list all members on this page.

NRNSIG

- | | |
|---|-------------------------------|
| Affordable Tradeshow Service, Inc. | Green Valley Ponds, Inc. |
| Alamo Medical Clinic | Hot Bodies Spa |
| Alpen Glow | La Ferme LLC |
| AMTI Sunbelt LLP | Little People Portraits |
| Area West | Mack Design Group Corp. |
| Big O Tires 28852 | Matties |
| Big O Tires Centennial 28856 | Ming's Restaurant, Inc. |
| Cardiovascular Surgery of Southern Nevada | Mountain View Homes |
| Cassidy Classic Cleaning | Pine Lodge LLC |
| Comfort Keepers | Prism CPR |
| Crescent Development Company | ServiceMaster 1st Response |
| Crescent Management Services, Inc. | Sierra Nevada Eye Center Ltd. |
| Gobinder S. Chopra, MD, Chtd | Spinetti's |
| Goodi's Fresh Squeezed Lemonade | Technowledge Networks, Inc. |

NRNSIG members who wish to register a negative vote on a new group member, please write NRNSIG at 810 E. Fifth Street, Suite A, Carson City, NV 89701, indicating which member and the reason(s) for the negative vote.

Membership Information

Find out more about RAN's self insured group.
Call Willie Kerschner, 775-720-8125 or the RAN office at 775-882-1700
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The Fine Point of Cohesion

Researcher Explores the Link Between Close-Knit Work Groups and Performance

By James Larsen, PhD

Researchers studying the performance of work groups have examined numerous qualities of group composition and functioning over the years. They've been looking for factors that will explain why some groups are very productive, while others are not. One popular target for their study has been group cohesion.

Group cohesion is a term researchers invented to describe a condition of work groups that helps members feel close to each other. It has three components: 1) interpersonal attraction (people in a group feeling attracted to each other for friendship), 2) group pride, and 3) shared commitment to the work of the group. Common sense suggests that groups that possess these qualities will work well together and achieve more than groups that do not. However, researchers are cautious about common sense. They like to test it if they can, but cohesion has proven to be a slippery subject to study.

Daniel Beal, from Purdue University, is interested in the performance of work groups, and he was surprised recently when he read the conclusions of a review article prepared by a colleague. The colleague had reviewed studies that explored the connection between group cohesion and performance and had concluded that group cohesion did not affect performance. This conclusion seemed impossible to Beal, so he conducted a careful review himself. He corrected mistakes he felt his colleague had made, and he included several, more recent studies in his analysis.

Beal did obtain findings that contradicted the earlier review. His findings support the value of cohesion,

but he also learned fine distinctions about cohesion that managers and supervisors can use in managing their work groups, and here's the best of it.

Beal found that group cohesion matters most when efficiency is important. Members communicate clearly, quickly, and they coordinate their actions with an ease and elegance that resembles ballroom dancing. When such group efficiency occurs in an environment that rewards it, groups possessing the elements of cohesion gain a competitive advantage.

For example, in a retail setting, efficient restocking may or may not be important depending upon the volume of merchandise that needs to be set out, the number of people available to do the work, and the time they have to accomplish it. Stores with cohesive restocking crews, limited time and people, and large volumes of merchandise will make more money than similar stores whose restocking crews lack cohesion. There will be more merchandise on the shelves available for customers to buy.

Group cohesion also matters when the flow of work in a group requires joint actions to complete it. For example, piano movers can't work alone. They must work together to move a piano.

Group cohesion also matters when the workflow requires many handoffs or exchanges. These occur when a work in progress is passed between group members and each completes an operation and then passes the work on to another person. The more these exchanges occur, the more important group cohesion becomes in providing groups with a competitive advantage.

Of the three components of



group cohesion, Beal found that the most important was commitment to the work of the group. Next in importance was group pride, and then came interpersonal attraction. This is a reverse order of what one would expect based on the definition of group cohesion as a feeling of closeness with one's co-workers resulting in improved functioning as a group, and this is good news for managers and supervisors.

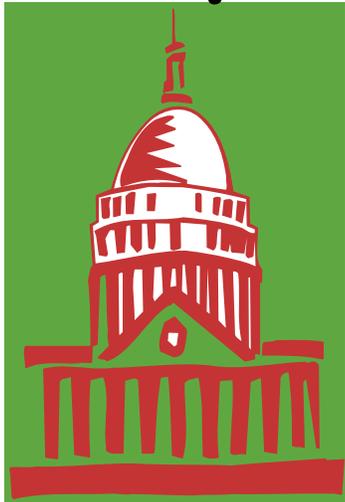
The best way to influence an employee's commitment to the work of the group is for the supervisor to care about the work him/herself, and to make these feelings clear to employees. This leadership creates a shared motivation among group members to do well on a task. It's also easy to do.

The best way to influence group pride is to emphasize the difficulty of becoming a member of the group and to speak of the distinction that follows for individuals who are selected. Adding another interview to the selection process accomplishes this goal. Such actions and comments enhance the status that comes with group membership.

Finally, Beal recommends directing performance feedback to the entire group and matching incentives to the measurement of this performance. He further recommends concentrating this feedback on exchanges of work between group members with a goal of creating a smoother workflow.

*Reference: Beal, Daniel, Robin Cohen, Michael Burke, and Christy McLendon (2003) "Cohesion and Performance in Groups: A Meta-Analytic Clarification of Construct Relations." **Journal of Applied Psychology**, 88 (6), 989-1004. © 2004 Management Resources*

Washington Watch



Do We Need Cool?—A new report by the U.S. Department of Agriculture (USDA) questions whether there is any serious consumer demand for mandatory country of origin labeling. A report by USDA's Economic Research Service argues that if demand for COOL existed, supermarkets would already provide the information in order to remain competitive.

The absence of these labels in the highly competitive retail market suggests that demand is simply not great enough to cover the additional costs that would result from labeling, says a report from the Food Marketing Institute (FMI). The report also argues that mandating COOL in light of this absence actually harms commodities covered by the law.

The original deadline for

mandatory COOL labeling for meat, produce and peanuts (but not seafood) is September 30, 2004, but there is a bill that has placed a two-year delay on the mandatory labeling. U.S. farmers and ranchers favor the country of origin labeling. The appearance of Mad Cow disease in the U.S. has made the issue more visible to the general public. Many feel that such labeling creates more trust in food that is marketed in the U.S. The Food Marketing Institute has asked the agency to finish the process. If there are to be mandatory regulations, retailers need to have the time to comply with the law, which still has outstanding and unclear issues attached to it. To read FMI's comments, go to www.fmi.org/gr/comments/index.cfm.

Source: FMI, March 2, 2004

Retail Association of Nevada

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