Memorandum

Date: August 26, 2020

To: The Honorable Chairman and Members
    Pima County Board of Supervisors

From: C.H. Huckelberry
    County Administrator

Re: Misinformation and Disparagement Campaign Against World View by Supervisor Ally Miller, Loretta Hunnicutt, the Arizona Daily Independent, the Goldwater Institute as well as the Campaign for US Senate in Arizona

Misinformation and false statements about World View continue to be disseminated by District 1 Supervisor Ally Miller, the Arizona Daily Independent (ADI) website, an attorney with the Goldwater Institute and now the McSally Campaign for US Senate. World View, as the Board is aware, has their company headquarters located in a Pima County facility as part of an economic development agreement.

This seemingly coordinated campaign to diminish a private sector science and manufacturing company and cast World View in a false light is not new and false statements have been corrected on numerous occasions in the past. Most recently, the false or misleading information has sought to portray World View as being closed, in direct competition with its former CEO and/or relocating World View to Florida. This is all untrue.

The misinformation campaign is particularly troublesome, as it has been perpetrated at a time when World View, like many other manufacturing and research companies in Pima County, is struggling to adapt to the business disruption of the COVID-19 pandemic and the related economic shock that is unprecedented in our lifetime.

For a startup company such as World View, this false and misleading information has the potential effect of damaging the company’s reputation, reducing its revenue, and curtailing venture capital investment. World View is currently in a venture capital raising mode, venture capital firms are conducting due diligence for potential investment in World View and the misinformation is damaging to the company.

World View’s current leadership has communicated to me its concern about the most recent misleading information and ongoing disparagement of the company. Equally concerning is the fact that Raytheon, the Tucson Airport Authority, industrial real estate brokers, and other companies and individuals quickly inquired with the Pima County Economic Development Office asking if World View is closed and/or relocating to Florida.
World View remains in operation, albeit with its production limited and its staffing reduced and telecommuting due to the pandemic, and the company remains in compliance with its lease agreement with Pima County.

The company continues to launchmissions from Spaceport Tucson and is expanding its client base to several foreign nations. Jane Poynter, co-founder of World View, has not been the CEO of World View for approximately 18 months. As was widely publicized, she was replaced by current CEO Ryan Hartman who was appointed in February 2019. Ms. Poynter and World View co-founder Taber MacCallum recently announced the development of a company known as Space Perspectives, which has leased an office in Florida but has not identified a manufacturing location. Space Perspectives is focused on near-space tourism utilizing balloon technology, an early focus of World View when Ms. Poynter was CEO.

World View is currently focused on a sustainable business model involving imagery and analytics for its governmental, research and commercial customer base. This information has been conveyed to the Board in memoranda from me and annual reports from World View.

Supervisor Miller, Loretta Hunnicutt and the ADI

During the budget hearing portion of the June 23, 2020 Pima County Board of Supervisors meeting, Supervisor Miller publicly stated:

“...now, if everyone remembers the $15 million investment in World View and we’re reading about Jane Poynter and Taber MacCallum opening a new business down in Florida after they fled Pima County after blowing the place up - that will directly compete with World View. The taxpayers are now stuck with that $17 million bill and we own a launch pad, we own a building – and that business appears to be closed and that is just wrong.”

Prior to the June 23, 2020 Board meeting, Supervisor Miller used her personal/campaign Twitter account to post on June 21, 2020 at 9:42 p.m. a tweet linked to an online article from WMFE 90.7 radio of Orlando, Florida (Attachment 1) about the establishment of an office for Space Perspectives in Florida. Supervisor Miller wrote in her tweet:

“Read the second to the last paragraph...looking for a manufacturing facility?!? What about one Pima taxpayers built for you that got damaged in hydrogen explosion?”

On June 22, 2020 Supervisor Miller tweeted at 3:12 a.m. from her non-Pima County Twitter account the following that was also linked to a June 21, 2020 article titled “Co-Founders of
Space Balloon Company Move Enterprise from Pima County to Florida” (Attachment 2) that was published by the ADI:

“Pima County Taxpayers $17 million debacle. Balloon Tourism Company Move from Pima County/Arizona Daily Independent ‘Co-founders of Space Balloon Company Move Enterprise from Pima County to Florida’”

The June 21, 2020 ADI article was preceded by a cartoon published on the ADI website June 20, 2020. The cartoon (Attachment 3) features images of Pima County Supervisors Sharon Bronson, Ramon Valadez and Steve Christy as a balloon departs an image of World View’s Pima County facility. The cartoon is headlined “Buh-Bye Pima County”. Text published by the ADI with the cartoon includes “So long, Pima County suckers…” and notes “Supervisor Ally Miller was the only member of the Board of Supervisors to consistently vote against the controversial company. Check back tomorrow for the juicy details.”

It should be noted that the ADI website was operated by Loretta “Lori” Hunnicutt who is currently employed as a staff member by Supervisor Miller in the Pima County District 1 office. Ms. Hunnicutt retweeted on June 22, 2020 the same misleading ADI article concerning World View and her Twitter profile is her name and the “American Daily Independent News Network” as well as the website address for the Arizona Daily Independent (Attachment 4).

Misinformation Regarding World View in the Campaign for US Senate

The consistent and intentional misinformation about World View has now become political fodder in the campaign for US Senate due to Democratic candidate Mark Kelly’s former role as an advisor and board member of World View. A story in the ADI on July 21, 2020 carried the ludicrous headline of “Senate Candidate Kelly’s Spying Company Bank Rolled by Chinese Government” and an August 2, 2020 “TikTok Ban Draws Attention to Chinese World View Investment” (Attachment 5).

The National Republican Senatorial Committee (NRSC) is reportedly spending $5.7 million to assist Republican Senator Martha McSally’s campaign against Mark Kelly. This outside money is in addition to money Senator McSally’s campaign is spending to further this misinformation about World View. This has resulted in a statewide advertising blitz that has bombarded the airwaves with false and misleading commercials that feature World View and mischaracterize the company’s investment from a Chinese venture capital firm.

Some of the NRSC television commercials would lead uninformed viewers to believe that Pima County somehow gave Mark Kelly $15 million – which is patently false. In fact, Mark Kelly had absolutely no role in the lease negotiations between Pima County and World View.
Chinese venture capital is not-uncommon in US startups and World View is no different. It should be noted that World View has received contracts from NASA and various arms of the US Department of Defense that have expressed no concerns about the comparatively small amount of investment from a Chinese venture capital firm.

The television commercials also attempt to paint World View as not reaching the employment benchmarks contained in the Pima County lease agreement. This is also false. The commercial also claims World View laid off employees leaving one with the impression no one works at World View – also false. World View did lay off 10 employees in a restructuring, but quickly rehired more employees exceeding their employment target of 100 by employing 120 individuals prior to the COVID-19 pandemic.

The most recent article from the political blog *The Arizona Daily Independent* dated August 20, 2020 (Attachment 6) titled, “Mark Kelly’s Spying Firm Breaks County Contract to Take Stimulus Cash” is not only highly inaccurate but simply more of the same misleading and false statements designed to smear a candidate for the U.S. Senate. The so-called $2 million contract is a $400,000 contract to purchase isolation gowns. 120,000 have been ordered at $3.25 per gown, 88,000 have been delivered. Isolation gowns have been purchased from multiple sources. At this point in time, our supply of isolation gowns is sufficient and we do not anticipate additional purchases at this time.

The fact that World View made isolation gowns for multiple sources is not new. It was announced in a County press release on May 11, 2020. The fact that a company pivoted to producing PPE is also not new. It is similar to the auto industry making ventilators during the pandemic. Several companies in Pima County and thousands of other companies nationwide have produced this type of life-saving protective equipment in the face of a massive shortfall. These companies should be commended.

As the Board recalls, there was a significant shortage of PPE early on in the COVID-19 pandemic. The County had been attempting to procure isolation gowns with limited success. On April 24, 2020, the County was approached by World View to determine our desire to purchase isolation gowns since they were beginning to produce them for other clients in California. Given our difficulty in procuring PPE, we requested a priority supply and procured them through our standard emergency procurement process under the emergency declaration. A contract was issued effective May 11, 2020.

It should be noted that these gowns are for a one-time use and must meet strict medical standards, which World View was able to provide.
The price for the gowns from World View is $3.25 per gown and is at their cost with no markup, overhead or profit. This price is for materials and labor only. World View was able to reemploy 19 furloughed employees by producing isolation gowns for a number of clients.

Recently, World View has returned to flight operations and expects to increase employment to pre-COVID-19 levels shortly. (See my August 21, 2020 memorandum, “Return to Flight by World View”)

I fully expect the political advertising that dishonestly distorts World View’s performance and funding to increase after the August 4, 2020 primary election. I will continue to correct the misinformation as needed.

To try and provide the facts transparently about Pima County and World View, I have posted all Pima County correspondence and related materials since 2016 on my County webpage under the tab labeled “World View.” This will allow any interested parties to learn the facts about World View.

Goldwater Institute, attorney Timothy Sandefur and Supervisor Miller

As the Board is aware, Pima County has been involved in a protracted and meritless lawsuit filed by the Goldwater Institute over the economic development incentive provided to World View and which is legally authorized under Arizona statutes. Pima County has continued to prevail in Arizona Trial, Appeals and Supreme Courts (Attachment 7) in a case where Goldwater Institute attorney Timothy Sandefur’s trial arguments have often closely matched many of the false allegations directed against Pima County and World View by Supervisor Miller, Ms. Hunnicutt and the ADI. The Tucson Sentinel reported on July 27, 2016 (“Ex-staffers say ‘Paranoid’ Miller lies about personal email use”) that documents it had obtained from former District 1 staff members indicated Supervisor Miller “discussed working with the Goldwater Institute to sue Pima County over the World View Deal” (Attachment 8). Prior to the article, I had informed the Board in a April 4, 2016 memorandum that Supervisor Miller appeared to be working with the Goldwater Institute and identified the Goldwater Institute’s statements as designed to influence the outcome of an election (Attachment 9).

On June 22, 2020, Goldwater Institute attorney Timothy Sandefur tweeted the following:

“In the midst of an historic economic downturn, the taxpayers of @pimaarizona have been forced to watch the county tie $15 million of their money to a balloon and let it just float away.”
The Honorable Chairman and Members, Pima County Board of Supervisors  
Re: Misinformation and Disparagement Campaign Against World View by Supervisor Ally Miller, Loretta Hunnicutt, the Arizona Daily Independent, the Goldwater Institute as well as the Campaign for US Senate In Arizona  
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The tweet by Mr. Sandefur linked to the Goldwater Institute’s “In Defense of Liberty” blog, and specifically, a June 22, 2020 post written by Mr. Sandefur titled “The Balloondoggle Runs Out of Gas” (Attachment 10).

Mr. Sandefur’s post begins:

“Taped on the door of a multimillion-dollar facility in Tucson is a simple, misspelled paper sign that announces simply “closed until further noted.” It’s a sad and all too predictable end to one of the silliest and most wasteful examples of politicians trying to gamble on the market with other people’s money. More than five years ago Pima County’s board of supervisors tied $15 million in taxpayer money to a balloon – and now, as the nation enters one of the worst economic crises in its history, that money is floating away to Florida…”

It should be noted that in the post, “closed until further noted” is a hyperlink to the ADI’s June 21, 2020 article “Co-Founders of Space Balloon Company Move Enterprise from Pima County to Florida”.

The blog post is clearly and falsely attempting to paint World View as a shuttered and failed business. Elsewhere in the blog post, Mr. Sandefur mischaracterizes a balloon rupture that occurred, the investigation that followed the incident, the company’s employment numbers and Pima County’s establishment of the lease agreement.

Mr. Sandefur is the principal attorney for the Goldwater Institute’s baseless, and thus far unsuccessful, litigation against Pima County over the provision of an economic development incentive to World View. He has repeatedly and unprofessionally promoted unfair and untrue statements about Pima County and Worldview outside of the courtroom.

Goldwater Institute Subsidized by Government Handout

Ironically, while the Goldwater Institute is doing everything it can do destroy a private startup business it has eagerly sought and accepted a government handout. They recently took advantage of the Federal PPP by soliciting and accepting $447,000 in federal bailout funds, according to their most recent financial statements.

This bailout occurred for an organization with approximately 47 employees. At first their President and CEO, Victor Riches tried to explain away their position as “Just like a tax cut, the PPP loan was made available to everyone”. Except it was not. Hundreds of small businesses in Pima County never received the federal money that was eagerly and hypocritically accepted by Goldwater Institute.
The Honorable Chairman and Members, Pima County Board of Supervisors  
Re: Misinformation and Disparagement Campaign Against World View by Supervisor Ally Miller, Loretta Hunnicutt, the Arizona Daily Independent, the Goldwater Institute as well as the Campaign for US Senate In Arizona  
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The Goldwater Institute then changed their story and claimed their Paycheck Protection Program (PPP) funding was just like a business getting back taxes they pay to the federal government, except they forgot they are a non-profit and do not pay business taxes.

Finally, in one of their blog posts they criticized my salary as being excessive and listed it at $326,000 per year. My salary is actually $301,000. Their most recently available federal 990 disclosure forms show the compensation for their President and CEO Victor Riches as $236,506, Director of National Litigation Jonathan Riches as $138,880, Executive Vice President Christina Sandefur as $145,780 and Vice President of Litigation Timothy Sandefur as $206,545. I manage a budget of $1.3 billion and over 7,000 employees. Victor Riches manages a budget with $9.3 million in total assets and 47 employees. Pretty hypocritical, and if their staff were employed by the County they would be potentially violating nepotism rules.

Conclusion

The misinformation campaign against World View by Supervisor Miller, Ms. Hunnicutt, the ADI, the Goldwater Institute and Mr. Sandefur is driven by politics. However, in their campaign to discredit Pima County, they seem intent in ensuring the failure of a well-respected and well-run private sector business in Pima County. This is being done at a time of business disruption and economic uncertainty caused by the COVID-19 pandemic.

This memorandum seeks to clarify only the most recent misinformation that has occurred and I will continue to correct the record as misinformation arises. I have provided as Attachment 11 World View’s affidavits certifying the company’s quarterly employment numbers as required by the County’s agreement with World View. I will provide the Board World View’s next quarterly employment report and its 2019 annual report when they become available.

CHH/dr

Attachments
Read the second to last paragraph...looking for a manufacturing facility?!? What about one Pima taxpayers built for you that got damaged in hydrogen explosion? Space Tourism Company Coming To Florida, Promising Balloon Flights To Edge Of Space | 90.7 WMFE
A private company plans to launch tourists to the edge of space from Florida using a hydrogen-filled balloon. The company is aiming to launch test flights as early as next year.

Space Perspective plans to launch a capsule with eight passengers and one pilot to the edge of space — about 100,000 feet — where it will spend about two hours cruising through the stratosphere. It will splash down in either the Atlantic Ocean or Gulf of Mexico after the flight and get picked up by a boat.

“We wanted to really simplify everything and make this as smooth and gentle ride as possible,” said co-CEO Jane Poynter. “The whole vehicle now goes up on the balloon comes down on the balloon to there’s no dynamic change in the flight. It’s just this whole long, beautiful, smooth, gentle ride the whole way.”

Space Perspective said the total trip will take about 6 hours — so they’ve placed a bar and a toilet in the capsule for the so-called “explorers” on board. The company promises communication with the ground so they can share their experience on social media.
A ticket will cost around $125,000, although Poynter said that cost could change. The vehicle will launch from facilities at the Kennedy Space Center or the Cecil Spaceport in Jacksonville.

“We already have a space act agreement with NASA for technical launch support, and we’ve leased facilities at the Shuttle Landing Facility to begin our operations at Kennedy,” said co-CEO Tober MacCallum. “Kennedy is an amazing facility with the shuttle landing strip there, it’s a great place to launch with great weather, as is Cecil. Florida’s is blessed with a couple of really great places to do these kinds of edge of space flights.”

Space Perspective has signed a lease agreement with Space Florida to locate its first Operations Center at the Midline Building at the Launch and Landing Facility, formerly known as the Shuttle Landing Facility.

“Its presence here in Florida creates not just job and supply chain opportunities, but opportunities for civilian astronauts to experience this planet Earth from the Edge of Space, a privilege previously available to only a few,” said Space Florida President and CEO Frank DiBello.

The company hasn’t picked a location to manufacture the capsule, although there’s consideration to build a manufacturing facility on or near Kennedy Space Center.

Along with passengers, Space Perspective said it will also fly science payloads to the edge of space.
Pima County Taxpayers $17 mil debacle. Balloon Tourism Company Move From Pima County | Arizona Daily Independent

Co-Founders Of Space Balloon Company Move Enterprise From Pima County To Florida
arizonadailyindependent.com

3:12 AM · Jun 22, 2020 · Twitter for iPhone
Co-Founders Of Space Balloon Company Move Enterprise From Pima County To Florida

Pima County Board of Supervisor Sharon Bronson, Supervisor Ramón Valadez and County Administrator Chuck Huckelberry presented a ceremonial key to World View founders and principals Jane Poynter and Taber MacCallum to commemorate the completion of construction in 2016. [Photo via Pima County Facebook]

In 2016, Pima County officials approved a $15 million taxpayer-funded investment to benefit a company that promised to generate 400 employees by the end of 2021 and design a capsule tethered to a balloon that would allow people to pay to travel to the stratosphere.

But now a note on the door of World View's state-of-the-art headquarters south of the Tucson International Airport says the business is closed “until further noted” due to COVID-19. It's unclear when the notice was posted or whether business operations are being conducted remotely, as calls to two of the phone numbers listed went unanswered.

In addition, the company's website doesn't even list its business address, let alone a phone number or staff emails.

That, however, isn't what has many county officials and aerospace business leaders concerned.
Last week World View's CEO Jane Poynter and co-founder Taber MacCallum announced they have started a new company in Florida where they intend to pursue their dream of sending paying customers 18 miles above Earth via a balloon.

MacCallum and Poynter are co-chief executives of Space Perspective, which was incorporated in February with a business address in Cocoa Beach, Florida. The company's website notes it plans to create a pressurized pod -called Spaceship Neptune- and launch it from NASA's Kennedy Space Station in Florida.

The pod, which could seat eight passengers and one pilot, will be tethered to the bottom of a space balloon. After a two hour ride up, the craft would hover for two hours before descending back to Earth where it would land on water.

Test flights –without humans- could begin next year, with hopes that paid flights can start in 2024, according to Poynter.

If those plans sound familiar to Pima County taxpayers, it should.

World View garnered national attention in 2016 when it secured a $15 million commitment from Pima County to build a 120,000-square-foot headquarters and launch pad christened Spaceport Tucson near the Tucson International Airport. In return, World View is leasing the county-owned building for 20 years and agreed to employ 400 people by 2021.

At the center of the attention was World View's much-hyped eight-person “capsule” that was to be lifted by the company's proprietary Stratollite balloon to the stratosphere where it would disengaged to guide back to Earth with the help of a parawing, a type of large parachute.

Touchdown was to happen on land, according to the company, with test flights expected to happen by the end of 2017.

But World View ran into some problems in December 2017 when one of its balloons exploded at Spaceport Tucson, causing nearly $500,00 in damage to the county-owned building.

And in the excitement to secure those 400 jobs, some county officials seemed willing to disregard the determination by the Federal Aviation Administration's Office of Commercial Space
Transportation in 2013 that World View's plans would require FAA licenses for commercial launches and any manned flights.

Now, MacCallum and Poynter say Florida is the place to be for any stratospheric manned flights. One reason provided for the change in locale is the need for various water options if a landing has to change course due to winds. And water landings aren't feasible in Arizona.

It's not clear if World View has formally dropped the stratospheric manned flight idea, or whether company officers relayed the news to Pima County officials or investors. But the company's website makes no mention of future manned flight offerings.

In fact, the home page only addresses the “data and analytics” features of non-crewed Stratollite flight which has the capability to carry government and commercial payloads to the stratosphere and provide high resolution aerial data and analytics during high-altitude flights without the limitations of satellite orbit paths.

A Stratollite can operate at lower altitude than a satellite and can move slowly over large areas of interest while navigating at different altitudes. It capable of ongoing observation of areas of interest for days, weeks, even months at a time, and has radar and night vision capability.

Poynter went to great pains last week to reassure investors and the aerospace industry that Space Perspective will not be competing with World View.

“As World View founders and shareholders, we are World View's wildest cheerleaders, but this is a completely separate company,” she said. “On a customer basis, we're entirely different.”

MacCallum and Poynter are already talking about possible expansion of Space Perspective to a former U.S. Navy facility in Jacksonville, Florida, as well as conducting takeoffs from Alaska.

However, there are those in Pima County who point out the pair convinced officials to spend millions of dollars of taxpayer money on the basis for a balloon capsule idea that never made it off the ground, and could leave Pima County with an empty building.

“I never bought the bill of goods sold to the other members of the Pima County Board of Supervisors by Jane Poynter and Taber MacCallum,” Supervisor Ally Miller told Arizona Daily Independent. “It was a poor concept in a location that wasn't feasible. I only hope the investors in Florida fair far better than the Pima County taxpayers, who are now on the hook for more than $17 million for the cost of the facility and the launch pad.”
Buh-Bye Pima County: Sunday’s Comic

So long, Pima County suckers...

Space Perspective founder and co-CEO Taber MacCallum... remember him? And co-CEO Jane Poynter, remember her? said extensive market research showed untapped interest in... hydrogen-filled balloons... filled with space tourists... That is what they are selling out of their new headquarters in ... no, not Pima County... FLORIDA!

Supervisor Ally Miller was the only member of the Board of Supervisors to consistently vote against the highly controversial company.

Check back tomorrow for the juicy details....

RELATED ARTICLES:

Pima County Supervisors Vote To Defer Rent, Utility Costs For Bank Of America, World View, And UofA

FAA Grants Certificate Of Waiver For World View Inaugural Launch

Balloon Leak Grounds World View KFC Publicity Stunt
Pima County Leaders Went To Great Lengths To Send KFC Into Stratosphere With World View

Pima County Taxpayers Spent Over $800,000 On World View Equipment, Furnishings

Pima County World View Spending Balloons Despite Court Ruling
New Job, Same Boss? ADI Honcho Lori Hunnicutt Going To Work for Pima County Supe Ally Miller

POSTED BY JIM NINTZEL ON FRI, JUL 6, 2018 AT 11:03 AM

County sources tell The Weekly that Lori Hunnicutt, the woman behind the online Arizona Daily Independent, is going to work for Pima County Supervisor Ally Miller.

Hunnicutt, who regularly publishes glowing articles about Miller and attacks on Miller’s political enemies, filled out paperwork this week for the new job.

Hunnicutt did not respond to an email asking if she would continue in her role as an editor and publisher of ADI (which has been called the "Ally Defense Initiative" around county offices for some time) while drawing a county paycheck.

A collection of emails from former staffers unearthed by the Tucson Sentinel showed that Hunnicutt would run stories by Miller’s office before publishing them.

Miller has employed dozens of staffers in her six years in office, as her management style often drives away workers. As one of them told us after leaving the office: “She’s a horrible manager. She doesn’t know how to ask people to do things in a professional manner. It’s just kind of bark, bark, bark.”
It is unfortunate that we have a governor @dougducey that cannot communicate effectively so as not to cause a panic. Alas, @JamesTHarris Little Lord Ducey fails again...
Loretta Hunnicutt Retweeted

Arizona Daily Independent  ·  Jun 22
Co-Founders Of Space Balloon Company Move Enterprise From Pima County To Florida:

Co-Founders Of Space Balloon Company Move Enterprise From Pima ... arizonadailyindependent.com

Arizona Daily Independent  ·  Jun 22
McSally Calls Plan To Remove Roosevelt Statue "Freakin' Stupid And Scary":
As awareness grows about the Chinese government’s invasion into American lives through technology, questions are being raised as to the role of government officials in protecting us from it.

The case of Tencent and its funding of World View Enterprises, raises questions about the responsibility of not only government officials, but that of the business community in ensuring our nation’s security.

President Donald Trump said on Friday that he plans to ban the popular app, TikTok from use in the United States. TikTok, which is owned by a Chinese company, has been accused of data-gathering and spying on Americans for the Chinese government.

From CNN:
India is banning dozens more apps and reportedly reviewing hundreds of others from well-known Chinese companies, as tensions between the world’s most populous countries continue to rise.
The Indian government banned an additional 47 apps, all clones or variations of 59 other apps India blocked last month on national security grounds, an official at India’s Ministry of Electronics and Information Technology told CNN Business on Tuesday.

Caught up in the initial ban were several prominent Chinese apps, including the wildly popular video sharing app TikTok. App clones or variants would likely include lighter versions designed for entry-level smartphones with limited memory.

Trump’s decision, say supporters, is an example of what government officials should be doing when confronted with evidence of China’s invasive actions.

**RELATED ARTICLES:**

*Senate Candidate Kelly’s Spying Company Bankrolled By Chinese Government*

*World View, beneficiary of $15 million in Arizona taxpayer funds, lays off workers*

Just last week, U.S. Senator Martha McSally, R-AZ, introduced legislation that would require online retailers like Amazon to disclose the origin of products made in China.

“China works every day to subvert American interests and supplant the United States as the world’s dominant power,” McSally said in a press release. “American consumers deserve to know if a product they purchase online is made in China before they buy it, particularly now as we continue to suffer from the fallout of a pandemic that Beijing unleashed on the world. My bill requires transparency from online retailers like Amazon, so that consumers are not misled about the origin of any products made in China.”

McSally’s bill stipulates that online retailers legibly state on a noticeable place on the webpage if a product or a major component of that product originated in China, or if the product was manufactured or assembled in China.

*World View’s disclosure was not clear*

In January 2016, the Pima County Board of Supervisors approved the funding for the headquarters of World View Enterprises.

As previously reported, the World View facility was to be built on land that was purchased in 2012 by the county as part of a buffer zone for Raytheon, a defense contractor which is the largest private employer in Tucson, with about 13,000 employees. Missiles were stored on the property.

Prior to approval of the deal by the Board, only Supervisor Ally Miller inquired as to the financial health of the company. She requested financial documents as part of her responsibility to perform due diligence. Miller, a former executive in the aerospace industry, is familiar with the intricacies of government defense contracts.

Miller’s requests were rebuffed and instead, County bureaucrats, claiming World View’s financial information was “proprietary” provided only a vague study commissioned by the County which made obviously baseless claims as to World View’s potential.
Miller argued at the time that taxpayer dollars could not, and should not, be used for risky or less-than-viable companies. She argued that the residents of the fifth poorest metropolitan area in the country were not in a position to fund what was purportedly a multi-million-dollar enterprise while their own businesses struggled to stay afloat.

In response to Miller’s very public complaints, Supervisor Ramon Valadez asked co-founder of World View Enterprises, Jayne Poynter, to discuss World View’s impressive investors.

As seen in the video below, Poynter boasted of European and institutional investors and quickly mentioned the company’s largest investor, Tencent. Tencent is a wealthy Internet conglomerate closely associated with the Communist Chinese government. Poynter did not disclose that Tencent is a Chinese company.

What should they know?

From Captain Mark Kelly, a retired astronaut, co-founder of World View, and current senatorial candidate, to members of the Pima County Economic Development staff, to the elected members of the Pima County Board of Supervisors, no one raised alarms bells about Tencent.

In fairness, only now are Americans becoming aware of the Chinese threat. As a result, no one could blame civilians for not grasping the potential danger of a Tencent investment.

The fact that Kelly, a retired U.S. Navy captain, was willing to take money from a Chinese company for the purposes of creating spy equipment is disturbing on many levels. World View as recently announced that it has changed its mission to creating balloons for surveillance from the stratosphere.

*The company had initially told the Country Board its mission was to take tourists into the stratosphere at a rate of $75,000 apiece. However, after it received $15 million in assets from the County it transported no tourists into space.*
The fact that Assistant County Administrator/Director of Aerospace and Defense Initiatives, John Vorhees, a retired fighter pilot, who served as Chief of Exercises at Davis Monthan Air Force base failed to alert County officials on Tencent’s investment is seen as a breach of the public trust.

**Private Investment with public funds**

It is often said that the only thing public about too many public/private partnerships is the money that ends up in private pockets. In the case of World View and Tencent, the public may have given up more than money. They may have put at risk national security when their elected officials agreed to fund the building of World View within line eyesight of one of the nation’s premier defense contractors.
TUCSON – Democratic U.S. Senatorial Candidate Mark Kelly has recently come under attack because of Chinese investment in World View Enterprises, the Tucson-based aerospace company where he was formerly employed.

News of investments by Tencent, a wealthy Internet conglomerate closely associated with the Communist Chinese government, was revealed in May by RealClearPolitics, a conservative new site.

The amount of funding by Tencent Holding Limited, whose CEO is the richest man in China, has not been released to the public.

Arizona Daily Independent has learned that Kelly, a former NASA astronaut, was working for World View at the time that the company’s CEO went to Beijing to obtain funding for the company.

Kelly was named “director of flight crew operations” in December 2013, according to a July 2014 Wired magazine article. That article said that the company planned to “bring tourists on a balloon ride to the middle of the stratosphere by 2016.”
World View’s founding CEO, Jane Poynter, was a “personal friend” of Kelly’s at the time of his hiring, the Wired story said.

The Xinhua News Agency, the news service of the People’s Republic of China, published a story in November 2014, in which it was revealed that Tencent was funding World View.

“Jane Poynter, co-founder and chief executive officer of Tucson, Arizona-based World View Enterprises Inc., said in Beijing on Nov. 7 that her company has received another round of investment, including from Chinese Internet giant Tencent Holdings Ltd.,” the XNA story said.

It was later revealed that this round of investment was for $7.1 million.

In the Chinese news agency’s story, Poynter is quoted as saying that David Wallerstein, chairman of Tencent USA, “has already met with one of World View’s pilots and exchanged ideas on technology.”

In April 2016, World View announced it raised $15 million, in a second round of investments, which included Tencent and three venture capital firms, said an article by techcrunch.com.

It is not clear how much of the total of $22.1 million was invested by Tencent.

Kelly’s U.S. Senate campaign has received $5,000 from Wallerstein, who is “responsible for (Tencent’s) operations outside mainland China and overseeing business initiatives with multinational partners,” said the RealClearPolitics article.

World View has also received millions of dollars of assistance from Pima County, including a building constructed for the company in 2016.

Kelly left the firm in February 2019, when he began his campaign for the seat now held by Sen. Martha McSally. He holds a stock investment in the firm of about $200,000, according to his Senate campaign financial disclosure statement.

Poynter and her co-founder and husband, Taber MacCallum, left their former company, Paragon Space Development Corp., at about the same time Poynter was obtaining funding from Tencent in Beijing.

Poynter and MacCallum left their posts at Paragon “to pursue a space tourism business that will lift paying guests into the stratosphere with an enormous helium-filled balloon,” said an Arizona Star story with a Nov. 9, 2014 dateline.

The story said that Paragon had announced the departure of two of its founders — Poynter, the Paragon president, and MacCallum, its CEO — the previous week.

When Poynter later appeared at a Pima County Board meeting — to obtain a $14.5 million investment package from the county — Supervisor Ally Miller inquired about their investors and their business plan.
But they did not reveal anything about any financial information – which is unheard of at a public meeting at which a huge amount of taxpayer money is on the agenda.

“You said you have these institutional investors from Europe and the United States and they expect a very high rate of return,” Miller told Poynter and MacCallum, referring to Poynter’s earlier statements. “I’d like to look at your business plans on behalf of the taxpayers and we did not get it.”

Miller said she was frustrated because a contract had already been signed with the county the previous month — which was done without her knowledge during a process that lasted six to nine months — and there was no information on their investors or financial data on their web site.

“If you have a business plan, I would love to look at it, even right now,” Miller said to Poynter and MacCallum, as they stood facing the board, in front of a gallery packed with area residents. “Do you have it with you?”

“We don’t have it with us,” Poynter replied. “We would be happy to set up a meeting with you.” No meeting ever occurred.

Miller did not know at that time that a company closely connected to the Chinese Communist government had invested in World View.

Miller said she did not know anything about the Chinese investments in World View until she read recent news reports.

“It wasn’t until those recent articles came out in May, that’s when I found out they had Chinese investment,” Miller said. “None of the other supervisors were aware of that, as far as I know.”

Tencent reports to communist government
Tencent, which is known as a surveillance arm of the Chinese government, operates WeChat social media app, with more than one billion users. WeChat, which is used by many people in the United States, monitors foreign users, in order to censor and control Chinese citizens, said a recent Wall Street Journal story.

Tencent Holding’s CEO, Ma Huateng – also known as Pony Ma — is the wealthiest man in China, with a fortune of $62.2 billion.

FBI Director Christopher Wray delivered a scathing rebuke to the Chinese government on June 24, in which he called it the biggest threat to the United States, while revealing there were 2,000 active espionage investigations involving that regime.

“There’s no country that presents a broader and more comprehensive threat to America’s innovation, to our economic security and to our democratic ideas,” Wray said during an interview on Fox News.

Wray said China’s economic espionage campaign relied on businessmen, advanced scientists and senior-level academics to steal confidential information and innovation to take back to China.

The former head of Harvard University’s Chemistry and Chemical Biology Department, Charles Lieber, was indicted June 9 on two counts of making false statements, said a Department of Justice news release. Lieber allegedly lied about his involvement as a “strategic scientist” for China, which brought him $50,000 per month, living expenses of about $150,000, and more than $1.5 million to establish a laboratory in Wuhan, China. He had never disclosed the investments the Chinese government had made in him.

A new business plan of spying from above

World View, which has been under new leadership since 2019, has moved on from its stratospheric tourist business phase to a new phase — which would tend to ring alarm bells on national security concerns regarding any firm that has received investment capital from China.

The company is no longer selling tickets to fly into the stratosphere in balloons.

Instead it is offering services to surveil the Earth. World View is now advertising unique opportunities to observe places on the Earth from high above its surface.

“World View is in the process of effecting a transition of our business from a purely flight services model to providing data and information services from our unique, lighter than air, stratospheric platforms,” World View’s web site says.

The web site’s ensuing paragraph, which purports to explain World View’s “vision” is as crystal clear as an Alaska blizzard at midnight.

“This transition ensures that we achieve our vision of leading the emerging stratospheric economy through the provision of imagery and data analytics services that provide new knowledge and enable better decision making. Our full, flight services portfolio, including the very unique experience we call Voyager, will continue to be a part of the future planning within World View while we focus our near-term attention on our unmanned, stratospheric data and information services. This new vision for World View is best expressed in our “Why” statement, which defines the purpose and focus of our organization.”

In plain English, World View plans to make a ton of money from spying from above.
And why will their stratospheric balloons bring in enormous paydays? Because World View claims that its balloons can remain in one place for lengthy periods of time, unlike satellites. Therefore its customers can spy on anyone their paying customers choose for lengthy periods of time.

“Our next generation offering provides longer persistent loitering times, enhanced payload capabilities, and an ultra-powerful, high band-width downlink,” the web site says, referring to their “Stratollite” balloons, which have not been “released” yet. The company claims that its balloons have achieved an altitude of almost 29 miles. The starting line of outer space is defined at 62 miles above sea level. (emphasis added)

“Our Stratollites enable unique perspectives for commercial and government customers to perceive, interpret, and act on critical sensor data to gain deeper strategic insights,” the web site says. (emphasis added)

So why would a company such as Tencent, which is known to spy on Americans and others through its WeChat app, be interested in a company that is dedicated to spying from the sky? And whose idea was it to make the transition from a failed stratospheric tourist agency to launch a spy-in-the-sky business?

**Kelly in China**

China has a special place in Kelly’s heart.

That was where the former astronaut met Gabby Giffords, then a 33-year-old single Arizona state senator.

Kelly, then a 39-year-old married man with two daughters, was on a 2003 trip to China at the invitation of the National Committee on United States-China relations, a group founded in 1966 to improve relations between the two nations.

They became closer friends during a 2004 reunion of Americans and Chinese nationals in Arizona, which Giffords had planned. Kelly’s divorce had just been finalized two days earlier than the reunions, according to their book, “Gabby, A story of courage and hope.” This book, which lists Giffords and Kelly as co-authors, was written after the tragic 2011 Tucson incident in which Giffords was severely injured and six people were killed.

In 2005 Kelly and Giffords returned to China together. There is a color photograph of the couple, taken at the Great Wall of China, during that return trip. Giffords was still serving in the Arizona Senate. Later that year she would resign from that position to run for Congress. Kelly and Giffords were married on Nov. 10, 2007, one year after she won her first term in Congress. She was representing the state’s 8th Congressional District during her second term when she was gunned down.

Although Kelly’s involvement with World View Enterprises apparently ended when he began to campaign for the U.S. Senate seat, his involvement with the company needs to be understood in terms of his competence to hold office.

World View never lived up to its promise to send tourists high above the Earth, although it did collect deposits on those flights. It is not clear if refunds were issued for those non-existent flights.

World View became the laughingstock of Arizona in December 2017, when a hydrogen-filled balloon exploded, on its launch pad just south of Tucson International Airport. The explosion rocked nearby buildings – causing hearing damage to some employees and terrifying others who ran out of buildings, because they thought a bomb had exploded. Ceiling tiles fell in the nearby Raytheon facility.
More than $475,000 worth of damage was done to the World View headquarters building. That county-owned building was constructed for World View, which holds a 20-year lease. The company’s insurance company covered the cost of repairs.

The World View facility was built on land that was purchased in 2012 by the county as part of a buffer zone for Raytheon, a defense contractor which is the largest private employer in Tucson, with about 13,000 employees. Missiles were stored on the property. The 382-acre buffer zone – just over half a square mile – was designed to boost Raytheon’s economic activity in Tucson.

As part of an economic development agreement Pima County made with Raytheon in November 2016, the research park where Raytheon and World View were housed would not contain any buildings “40 feet above ground level or have any elevated activities with extended lines of sight into the Raytheon Facility.”

Also prohibited from this research park by this agreement — built on property originally intended to protect Raytheon from any security breaches or safety hazards — was any business or corporation that was owned by a foreign, non-NATO country.

As of this writing, it is not clear who holds majority ownership of World View. The People’s Republic of China is not a member of NATO.
World View Enterprises — the firm where U.S. Senate candidate Mark Kelly was recently employed — was offered a rent deferral of more than $350,000 by Pima County as a result of the Covid-19 epidemic.

A condition of this deferral was that the Tucson-based firm, which leases a facility built for it with $15 million in county taxpayer funds, would not receive federal Paycheck Protection Program funds.

“Should tenant receive federal PPP funds subsequent to the signing of this letter, all outstanding payments become due and payable immediately,” says the repayment agreement letter from Pima County to the company, signed on June 26.

World View has received one of the largest federal PPP loans in Pima County — in the range of $1-2 million — according to the U.S. Small Business Association web site.

The company, which recently landed a $2 million deal with Pima County to produce a large quantity of surgical gowns, is behind in its rental payments, for using the facility that the county built for it.
“World View has not paid rent since April when the Pima County Board of Supervisors voted to defer its rent,” said Ally Miller, the lone supervisor to vote against the rental deferment measure. “To date they have deferred $295,833.35.”

Other tenants also received rental deferral agreements from the county, including the University of Arizona, Bank of America and Accelerate Diagnostics.

World View — which has received funding from Tencent Holding Unlimited, a firm connected to the Communist Chinese government — recently announced that its primary focus is spying from balloons floating in the stratosphere for governments and private clients.

Mark Kelly, former director of World View flight crew operations, was one of the first employees of the firm. A former NASA astronaut, Kelly was working for World View when its CEO, Jane Poynter, went to Beijing in November 2014 to obtain funding for the firm.

Kelly resigned from his position with World View in February 2019, when he announced his candidacy for the Democratic Party nomination for the U.S. Senate seat formerly held by the late Sen. John McCain. Kelly, husband of former U.S. Rep. Gabby Giffords, retains a World View stock investment of about $200,000, according to his campaign financial disclosure statement.

The firm’s leaders did not disclose its funding by the Chinese tech company when it went before the Pima County Board in 2016 to request assistance to set up shop in Tucson. World View obtained a facility in the Aerospace, Defense, Technology and Research park near Tucson International Airport.

World View was placed near Raytheon Missile Systems, Inc., a key U.S. defense contractor. That placement was made despite the fact that Raytheon had an agreement with the county to exclude “foreign-owned/Non-NATO country-based businesses” from its buffer zone.

World View, which received $22.1 million in investments from 2014 to 2016, did not disclose how much of that was from Tencent, whose CEO is listed as the wealthiest Chinese citizen.

When Pima County subsequently built a $15 million facility for World View, the firm's leaders said they intended to transport tourists to the edge of space. However, no stratospheric tourists ever took those rides — although some individuals paid deposits on the $75,000 tickets.

Despite the failure of the company to produce the results it had promised, it has managed to maintain a positive relationship with county officials.

County officials signed a $2 million agreement in May with World View to produce surgical gowns “to aid in the protection during the pandemic outbreak of COVID-19.”

According to the “Master Agreement,” signed on May 8 by the county procurement officer, the unit price for each surgical gown to be made for the county is $3.25. The first year of the contract — which includes four more annual renewal options — is for $400,000.

Miller, who has served two terms as a county supervisor, said the gown contract never came up before the Board.

“I’m appalled that (County Administrator) Chuck Huckelberry executed this contract without any notification to the Board of Supervisors,” Miller said.
She said she believed the contract was given to World View to help the company, at the expense of the taxpayers. Miller said she did not know why the county would need more than 100,000 gowns.

“It's really a way to keep them afloat,” Miller said. “There was no competitive bidding on the contract. Huckelberry didn't bring it before the Board of Supervisors.”

The county administrator followed up on this purchase with the added expense of a building to house the gowns.

“Huckelberry just bought a building for $3.4 million to store the personal protection equipment,” Miller said. “Why would you need to store it if there was a demand for it? The use of $2 million of taxpayer money for this is very questionable.”

The county board was informed of the purchase of the building, at 350 East Toole Ave., on Monday.

The World View contact person listed on the Pima County Master Agreement for surgical gowns is Jane Poynter, the former company CEO. A phone call to the accompanying number — which responded with a voice mail as a World View number — was not immediately returned.

In order for the initial phase of the contract to be fulfilled by May 10, 2021, the company will have to produce 123,077 new surgical gowns.

“When you figure the number of gowns that will illustrate the absurdity of the contract,” Miller said. “I intend to visit that building shortly. I want to tour the facility to see how the gowns are being made. I intend to later see what a stockpile of 123,000 gowns looks like.”
MEMORANDUM

Date: April 29, 2020

To: The Honorable Chairman and Members
   Pima County Board of Supervisors

From: C.H. Huckelberry
   County Administrator

Re: World View Challenge by the Goldwater Institute - Three Main Arguments of the Goldwater Institute’s Litigation against Pima County for Entering into an Economic Development Agreement with World View

The first element was whether the County was required to follow the statutory public bidding process normally applicable to the County’s land and building leases even though it entered into the lease agreement with World View under a separate economic-development statute. The Trial Court ruled that it was. The County appealed and won a favorable ruling from the Arizona Court of Appeals. The Goldwater Institute then requested review by the Supreme Court, which denied review.

The second component was regarding the process used by the County to select the architect and contractor. The Trial Court agreed with the County that its direct selection of the firms was appropriate. The Goldwater Institute appealed and the Court of Appeals once again ruled in favor of Pima County. The Goldwater Institute again requested review by the Supreme Court. Yesterday, April 28, 2020, the Supreme Court denied the Goldwater Institute’s petition for review.

The last area of contention is with the Gift Clause. This portion of Goldwater’s case against Pima County is still in the Superior Court.

In summary, the County continues to prevail in this protracted and lengthy litigation.

As you will see, Justice Bolick voted to grant review. As you may recall, he is the former Vice President of Litigation at the Goldwater Institute.

CHH/mp

Attachment

C: Andrew Flagg, Chief Civil Deputy County Attorney
   Regina Nassen, Deputy County Attorney
April 29, 2020

RE: RICHARD RODGERS et al v CHARLES HUCKELBERRY et al
Arizona Supreme Court No. CV-19-0285-PR
Court of Appeals, Division Two No. 2 CA-CV 18-0161
Pima County Superior Court No. C20161761

GREETINGS:

The following action was taken by the Supreme Court of the State of Arizona on April 28, 2020, in regard to the above-referenced cause:

ORDERED: Petition for Review of Opinion of Court of Appeals = DENIED.

FURTHER ORDERED: Cross-Petition for Review = DENIED.

Justice Bolick voted to grant review on the petition for review, issue 1.

Janet Johnson, Clerk

TO:
Timothy Sandefur
Veronica Thorson
Regina L Nassen
Andrew L Flagg
Jeffrey P Handler
pm
Exclusive: Ex-staffers say 'paranoid' Miller lies about personal email use

Supervisor scripts radio appearances; Worked with Goldwater before World View suit

Posted Jul 27, 2016, 12:10 pm

Dylan Smith TucsonSentinel.com

Pima County Supervisor Ally Miller, subject of a probe into her cover-up of public records, warned staffers to whisper because of "listening devices in the walls" of her county office, and has not told the truth about her use of private emails and Facebook to carry out her duties, former staffers Timothy DesJarlais and Jeannie Davis said.

Records independently provided by the two show that Miller's falsehoods have extended beyond claiming to not use personal accounts for public business. In exchanges with DesJarlais, Miller discussed working with the Goldwater Institute to sue Pima County over the World View deal. The supervisor publicly claimed to have not been in contact with the rightwing think-tank.

Despite proof otherwise, Miller has repeatedly denied using personal emails to do public business, and refused to release records requested by the press. That has led to a referral of her case to the Criminal Division of the Arizona Attorney General's Office.

In response to public records requests made directly to them, two of Miller's former staffers recently turned over even more documentation that demonstrates the embattled District 1 Republican has directed her employees to use personal accounts to perform their work. Davis and DesJarlais each said they had provided copies of the records to county officials, as well as turning them over to TucsonSentinel.com.

The hundreds of documents provided, along with those previously released by former staff, show that:

- Miller has continued her longstanding practice of routinely using personal emails, Facebook and text messages to direct her staff.
- Miller has directed her employees to avoid using county email accounts or computers to carry out many of their duties.
- Miller scripts her radio appearances, working with a host to plot out precise language for questions and answers.
- Miller's staffers have reviewed drafts of purportedly "independent" blog posts prior to their being published.
- Miller worked with the Goldwater Institute to prompt a lawsuit over the county's World View deal, despite publicly denying doing so.

**False claims about private emails**

Because "Miller seems to continue to falsely claim that we never used private emails for county business and is apparently refusing to cooperate," DesJarlais said he provided TucsonSentinel.com with all of the public records contained in emails, text messages and Facebook messages between him, Miller, and the rest of her staff.

DesJarlais, who left Miller's office in early June as TucsonSentinel.com and other news outlets looked into the sham news website he set up while working for the supervisor, provided 75 emails sent to and from his own personal Gmail account and the personal accounts of Miller and other staffers.

DesJarlais also provided more than 40 pages of text messages exchanged with Miller, along with other texts sent between him and Miller staffers Sherry Potter and Ryan Cunningham. He also turned over more than 20 pages with dozens of Facebook messages between him and Miller.

DesJarlais, who quit on June 3, said that Miller had not ever contacted him about turning over the records since TucsonSentinel.com first asked for records from her office on May 18.

"She has been using not only personal email for county business but also used Facebook messaging and personal calls to our cellphones as a primary form of communication," DesJarlais said. "I'd also like to add my voice to that of her other staffers" about her record-handling practices, he said.

DesJarlais was reluctant to speak in detail about issues related to Miller's office, stating that she "had me sign a non-disclosure agreement as a result of the conduct of her past employees, so I doubt I can contribute anything without being put in legal jeopardy beyond providing you emails or records. However, that agreement of course has no control over public records." DesJarlais said that he did not have a copy of the NDA. No such agreement was included when a copy of his personnel file was released in early June.

Employment law experts said that such an agreement, which is not a standard part of the county's personnel practices, could likely not be enforced against a current or former government employee.

"I personally now have nothing hide and what beats me is that Supervisor Miller is still dragging her feet to comply when she could've avoided this drawn-out situation by providing her emails from the start," he said.

Miller did not respond to a request for comment on this report.
'Spyware' & 'listening devices'

DesJarlais, who was a part-time communications aide for Miller, said that during his February-June employment, "I became well aware of her paranoid concern that our computers 'were bugged and had spyware on them.' She even made me sometimes speak in whisper while in her office because she told me, 'Chuck (Huckelberry) had listening devices in the walls.'"

DesJarlais, who masqueraded as a reporter and created a fake news website, the "Arizona Daily Herald," himself lied for weeks in May and June as he denied any connection with the site. He and Miller pointed the finger at a local Republican activist, filing FBI reports naming him, with Miller claiming that someone was "interfering with a government office" and "attempting to influence an election." DesJarlais then pretended to purchase the website from an unknown person (who in reality did not exist), relaunching it in a further attempt to muddy the waters connecting him with it. That scheme unraveled when TucsonSentinel.com pointed out that the same P.O. box was used in connection with both versions of the site.

DesJarlais, who had already resigned, sent Miller a "confession" the next day.

Following his usual pattern, he used his personal email to send his mea culpa to her personal email address. Miller, as she did with stacks of records released from her office, blacked-out her Yahoo email address when she provided a copy after a public records request.

DesJarlais has declined to elaborate on what his intentions were with the Herald site, and what, if anything, Miller knew about it before its creation or after questions were asked about it.

Messages he exchanged with Miller show that he was also working on her re-election effort, but he said he excluded "campaign-related material" from the records that were turned over. While under state law records related to taxpayer-funded government work are public records, political campaign documents are not required to be released.

While most of the records provided deal with the routine business of running an elected office, Miller has denied their very existence. Many of them point to her attempts to cover up her work:

On March 30, she texted DesJarlais to instruct him about organizing the Gmail account used for Miller's Constant Contact email newsletter. Miller has provided no records from that pimainfo 2013@gmail.com address. Miller sent many other messages to DesJarlais about her newsletter.
On April 13, discussing a newsletter, Miller told her aide that, "I wrote a piece about damaging the brand...."

"This is all very confidential," she texted DesJarlais.

"Yes i know. I'm very careful. Anything sensitive i do on my personal email or at home (sic)," he replied.

"Don't mention this to Ryan ... Thanks I appreciate your discretion," Miller replied, in an apparent reference to staffer Ryan Cunningham.
On March 21, Miller told DesJarlais in a Facebook chat that she would work on a newsletter item about Pima County facing an unexpected property-tax bill.

"I will do this at home," the supervisor wrote. "It was obvious they all read sherry's write up for an agenda item related to parental leave at the last meeting. I have asked everyone to please password protect docs (sic)."

On April 8, Miller instructed DesJarlais to not email her personal address from work. "Only use my work email from there," she told him via Facebook.

On April 28, the 19-year-old DesJarlais expressed concerns about accessing Miller's government Facebook page. "I am going to change my password right now. I don't know if I should be accessing Facebook from our office computer anymore," he told her. He then cautioned her about discussing campaign matters on her county supervisor page.

"Also be careful about messaging people through your supervisor page because off of that is public record since it is communication between a public official and a constituent. I saw you talking about getting someone campaign signs," DesJarlais told Miller via a Facebook message.

Miller released heavily redacted copies of a small set of messages sent to and from her office page on June 30, weeks after they were first requested. While Miller blacked-out the names and photographs of those who messaged her account, the records show that she replied to messages regarding her campaign. It's illegal for elected officials to use their government-sponsored accounts to communicate about their political efforts. Miller did not engage extensively on Facebook in the records provided, generally asking for contact information to follow up.

Among those messages: on May 31, Miller replied to a query from someone who said they were "continuing to walk the neighborhoods in District 1."

"What's the best number to call you on? I'll give you a call and we can arrange to get togethor (sic)," Miller replied.

A May 11 message asking "How do we donate to your campaign?" went without a reply.
Miller responded to DesJarlais concerns by telling him "the reason it is legal for me... I am not on the clock."

**Miller worked with Goldwater on World View suit**

Although Miller repeatedly denied any connection to the [suit filed by the Goldwater Institute](https://www.goldwaterinstitute.org) over the county's backing of high-altitude tech firm World View, her exchanges with DesJarlais show otherwise.

In an April 4 memo to the Board of Supervisors, County Administrator Chuck Huckelberry said that "it is clear... that the [Goldwater Institute has joined forces with Supervisor Miller](https://www.goldwaterinstitute.org) in her effort to defeat incumbent County Supervisors."

Goldwater's letter to the county demanding a reversal of the January move to support the aerospace company was "filled with politically charged rhetoric that has no basis in fact ... it appears designed to influence the outcome of an election," Huckelberry wrote.

Miller told the Arizona Daily Star that the administrator's allegation was "[ridiculous](https://www.azcentral.com)," and that she had no contact with Goldwater lawyers.

But on February 25, Miller told her staffer that "I'm still working on Goldwater with the balloon thing."
On March 29, Miller sent a Facebook message to DesJarlais:

Miller: "read the goldwater letter just posted."

DesJarlais: "I saw it. Made my day. I'd pay anything to see Chuck & Sharon's faces when they see it.

Miller: "they got it yesterday. response date April 8
It has taken 2 months but worth the wait
alot of work"

***

DesJarlais: "Can't wait to see what Chuck's memo says

Miller: "Chuck acts as if he is GOD....I got them via Goldwater once this will do it again"

**The record on records**

While the documents provided by DesJarlais show that Miller has continued to extensively use private channels of communication and password-protected files to cover up the work of her office, one of her former top staffers released a trove of records that shows the practice has been ongoing for years.

Jeannie Davis, who served as Miller's chief of staff from April 2014 until being fired just after Christmas 2015, said that she has a file of 18,000 Facebook messages she exchanged with Miller. Facebook "was the best way to get her info and communicate with her since she rarely came into office," Davis said.
Davis, who had previously provided a number of emails that showed Miller's use of private emails, turned over more records after TucsonSentinel.com sent her a request.

Saying that she was holding back messages that were personal or political, Davis released 158 emails sent between her personal Gmail account and Miller's personal account. She also released 72 pages containing hundreds of Facebook messages traded between the two. In those messages, Miller is identified as "Facebook User," because Davis "blocked Ally the second she let me go."

"I believe she thought the county administrator was watching everything she did on email and on our office computers," Davis said. "She also thought they listened to our phone calls. I'm not sure if they did or not, but that is why she mainly used her own personal computer and a few different personal email addresses."

In an October 2014 email Miller sent from her Yahoo account to Davis's Gmail address, the supervisor told her staffer to work on a spreadsheet of county employees.

"Don't send in to office please," Miller told Davis.

In another private email sent that month, Miller said that "I won't respond from my personal email."

Miller created yet another Gmail address outside the county system, which was "set up so prying eyes couldn't see what individuals were saying. Trying to prevent trouble for them."

Miller has not provided any emails from that address, which was still being managed by government employees while DesJarlais was in her office.
Pressing issues

Miller's disdain for local news media, while frequently publicly expressed, comes through clearly in her behind-the-scenes emails. She repeatedly refers to the Arizona Daily Star as the "red star" (generally eschewing capitalization), and frequently blasts Jim Nintzel of the Tucson Weekly. Instead of being interviewed by reporters, she turns to staged media to bolster her image.

The supervisor carefully coordinates her appearances on local radio, and has staffers participate in editing supposedly independent blog posts about her.

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James T. Harris: July 8, 2014

Background Information

OPEN MEETING LAW VIOLATION against ELECTION INTEGRITY COMMISSION

JAMES:

Ally—why would Chuck Huckelberry go to the effort to file an open meeting law complaint against the all-volunteer election integrity commission? What the HELL is that about?

ALLY:

Yeah, that complaint actually made me laugh because he said they take open meeting law violation VERY seriously and if you have ever watched a BOS meeting you know that certainly isn’t the truth as you can see the other Supervisors whispering to each other DURING the meetings. The way they conduct business during the meetings is also interesting and there are all sorts of videos on my website (allymillerdistrict1.com) where you can watch these clips and see what the other Supervisors are doing during the meetings. I don’t think his complaint will hold any water and it only makes you question the intent as to why he would go to the length to submit a formal complaint. Especially because the basis of his complaint was due to the inquiry by the head of the Sunnyside School board Recall Committee who was openly vocal against certain Supervisors on the Board and their lack of respect and willingness to listen to concerned citizens.

JAMES:

Do you think this was done in a way to intimidate the commission volunteers?

ALLY:

You know James, I don’t know anymore. I know we have plenty of other Pima County commissions that Chuck could report violations on but he chose the Election commission for a reason. In fact, the Fair Horse Racing commission of Pima County for years was out of compliance in regards to holding meetings, keeping meeting notes, agenda’s, etc. and no one even questioned their operation so why the focus on this non-partisan election group?

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Background Material

State & local Governments have primary responsibility for controlling the spread of diseases within state borders and many Doctors are questioning if we are on the verge of a major health crisis. Dr. Jane Orient, here in Tucson and the Executive Director of the Association of American Physicians & Surgeons brought up some very valid concerns in a recent interview with Breitbart news. Her concerns have been
Included in the records released by Davis are several scripts crafted for the supervisor's "Miller Time" appearances on the radio talk show hosted by J.T. Harris.

In them, Harris and Miller had detailed questions and answers laid out beforehand — rather than Harris acting as a reporter and making queries based on what the public should know, he and Miller have worked to broadcast pre-crafted promotional spots in the guise of journalism.

Similarly, emails shared by both DesJarlais and Davis show Miller's staff has been in close contact with the mostly anonymously published "Arizona Daily Independent" blog — a site that some in the county building jokingly refer to as the "Ally Defense Initiative" due to its cheerleading for the District 1 supervisor.

Copies of a factually unfounded ADI post about the FBI reports filed by Miller and DesJarlais were emailed from the editor of that site to the staffer prior to publication, with the question, "is this accurate?" DesJarlais did not provide a copy of any response he may have made.

Davis, while working for Miller, edited ADI material before it was made public, using her personal email to suggest changes in posts.
Case referred to Attorney General

Declaring a conflict of interest, the Pima County Attorney's Office referred the case of Miller's apparent attempts to evade public records laws to the state Attorney General's Office last week.

"We have referred that matter to the Arizona Attorney General's Office," she said.

Documents disclosed a week prior showed that Miller instructed staffers to use private emails and encrypted drives to avoid "prying eyes." Those papers show a longstanding practice of handling files that may lead to a criminal probe against her for evading state public records laws. Huckelberry confirmed last Thursday that he had turned over copies of the emails to the Pima County Attorney's Office. He declined to comment further.

Because PCAO attorney's are the legal counsel for the Board, they are unable to probe the matter without having a conflict of interest. Potential investigations of county supervisors are normally handed over to state officials.

The case was handed off to the Criminal Division of the AG's Tucson office, Cramer said.

More than two months after a set of public records was requested, Miller has doubled and tripled down on demonstrably false claims that she does not use her personal email for public business. Denying their existence, Miller has stonewalled turning over documents — putting herself, her staff and county taxpayers at risk of a lawsuit, and now a government investigation.

Despite widespread knowledge and documented evidence that Miller commonly uses her personal email to direct the government employees in her office, the District 1 Republican has repeatedly claimed that she does not. In written responses to official inquiries and during meetings of the Board of Supervisors, Miller has denied she uses her personal email to carry out her elected duties. She has instead dodged releasing records requested by TucsonSentinel.com, the Arizona Daily Star and other news outlets.

'We have to be more secretive'

In documents provided two weeks ago by another former staffer, Miller instructed her employees to use private email addresses and "encrypted jump drives" rather than saving files on county computers. One of the first staffers she hired on taking office after the 2012 election said she was "paranoid about stuff."

"We have to be more secretive," Miller wrote in 2013.

Miller has attempted to use the records issue to fundraise for her reelection bid, saying in June 26 email that "the board majority and Chuck Huckelberry have enlisted the corrupt media in a full out smear campaign against me" and asking for donations "if you believe in me and want more transparency and accountability for Pima County."

Miller's attempts to conceal her activities date back to her first year in office.
Emails disclosed by a former employee, who shared the documents while requesting that they not be named, show Miller suspected other officials of spying on her. The emails show Miller's evident intent to hide the activities of her office.

"I am positive they are reading our emails," Miller wrote in July 2013. She also said that "they could very easily (and legally) use a keystroke recorder to get the password" to email accounts. "They can use that to record anything you type and see what the password is."

"I believe IT is watching us closely so we need to do this," she wrote the month before, saying that she password-protected a draft of a statement "so you can send in to office and edit without prying eyes seeing it before we send it out."
In December 2013, Miller sent emails instructing staffers to use "encrypted jump drives" to save files.

The month before, she told a staffer that Supervisor Ray Carroll "is stealing our fundraising idea."

"He is the scum of the earth," she said.

"We also can't save things on computer at work (sic) or they will be ahead of us," she wrote. "We have to be more secretive."

Miller said in that email that she would handle her Constant Contact newsletter list outside the office.

"But I will need the updates emailed to me... preferably from a private email address," she told her staffer. "We have to figure this out. They are hearing our every word down there."
Huckelberry said that he had not used keyloggers nor bugged Miller's office, and said that he has never asked the county IT Department to provide copies of emails from any supervisor.

Beyond those records Miller has refused to turn over, hundreds of others she has ham-handedly and improperly redacted before releasing, including using a black marker over her own email address and those of her staffers. She even blacked out the name of a Star journalist who emailed to introduce himself as the new county reporter. Miller covered up evidence that she in fact does use her personal email for public business, redacting her address and those of staffers before turning over emails.

Other copies of those documents, provided directly to TucsonSentinel.com in electronic form after the Board ordered their release, clearly show that Miller and several of her current staffers have continued the practice of using their personal emails to discuss county business.

In fact, an email from May 17, the day before records were first requested and the same day we began investigating DesJarlais' involvement in the so-called "Arizona Daily Herald," evidences that Miller, DesJarlais, and staffers JoAnn DiFilippo and Sherry Potter used their personal emails to craft a press release to post on Miller's taxpayer-funded website. That email was one that Miller attempted to cover up, blacking out all of the personal addresses.

A month later, after the other supervisors voted to order county staffers to directly release documents to the press, TucsonSentinel.com obtained a copy of that email thread, showing that nearly all of Miller's staffers were using their personal addresses to carry out their public duties.
Former Miller staffers have said that she almost exclusively used her personal email to carry out government business, including directing her employees.

Davis, Miller's former chief of staff, said the supervisor gave her instructions and "regularly communicated via her personal email and her personal Facebook messenger regarding county business." She said Miller also used text messages for county business.

"Often, Supervisor Miller didn't want the county to know what her plans were so she used personal email and her personal devices to keep (them) hidden," Davis said. "It's disappointing she would lie about using her personal email address for county business and in the process put her current and former staff in this unfortunate position."

Mark Brazier, a Miller campaign advisor who was among her initial staffers until he was fired after less than two months in her office in 2013, said the supervisor "was kind of paranoid about stuff."

"She made us close the door to the office, because she was so paranoid that someone would hear something," he said.
Brazier said he was ready to quit after just weeks in his post because he was concerned about how Miller ran her office.

"I thought we were going to look at data and make determinations based on facts and figures," he said last week. "Instead, she was worried about which group was 'against her.'"

Brazier and Davis are among a long list of staffers who have quit or been fired from Miller's office, including Joe Cuffari, Josh Brown, Jennifer Coyle, Sergio Mendez, Lynne St. Angelo, Naomi Oku-Alonzo and Roxanne Ziegler, as well as DesJarlais, who quit as TucsonSentinel.com and other outlets looked into his masquerading as a reporter, seemingly in support of Miller's campaign.

Even the "confession" email in which DesJarlais finally admitted to many of the lies about the "Arizona Daily Herald" that sparked the investigation was sent to Miller's personal address. She blacked that out when she provided paper copies of the email to reporters.
Despite being repeatedly informed that there was ample evidence, Miller has continued to refuse to disclose the remaining requested records. Earlier, she spent weeks illegally demanding thousands of dollars in fees to provide access to documents, even as attorneys for the county repeatedly told her there was no justification for doing so. It wasn't until the issue was placed on the agenda of a Board of Supervisors meeting that Miller released any documents at all, turning over batches of heavily redacted emails from government email accounts.

On June 20, more than a month after we first asked for documents that might shed light on the connections between her office and the bizarre sham news website surreptitiously launched by her then-aide Timothy DesJarlais, Miller said "I don't conduct county business on my personal
email account" in an email to Robin Brigode, the clerk of the Board, as she responded to a records request.

That was Miller's first acknowledgment of the requests for documents that are kept in her private email accounts, as well as those of her employees. Those staffers also, with some prodding from Brigode, made statements that they do not use their personal emails or phones for government work.

The next day, responding to questions from other supervisors during a June 21 meeting, Miller has said, "any records related to county business whatsoever will be provided. Anything I have on my personal devices will be turned over."

Miller equivocated about holding her staff accountable. "I can't speak for other people in my office; I can't control their personal devices," she said.

**Illegal to mishandle public records**

Under Arizona law, public record must be promptly released upon request. And all documents connected to duties of government employees are public records, even if they came from or were sent to a personal email or Facebook account. It is a class 4 felony for an elected official who "without lawful authority destroys, mutilates, defaces, alters, falsifies, removes or secretes" a public record. For government employees who do so, it is a class 6 felony.

It's not illegal in Arizona to use private communications for public business. It is a clear violation of the law to not release those public records on request. It is also against the law for a record to be "destroyed or improperly maintained," with "potential criminal sanctions," Chief Civil Deputy Pima County Attorney Thomas Weaver told the supervisors last month.

The Board voted 4-0 during that meeting — with Miller absent after she quickly left as she was queried about the documents — for county staff to "immediately" respond to the unfulfilled requests for records.

The supervisors also voted that any individual not complying with the expedited full release of public documents would be "acting in their own private capacity" — which would mean that the deep pockets of the county may not back their legal defense.

Despite her statement during that June 21 meeting, Miller did not comply with the law and release the records.

In fact, she again claimed that she does not use her personal email for her official duties.

In a June 30 response to a followup records request sent three days prior, one of her staffers wrote that "Supervisor Miller and her staff also informed you as part of those previous responses that she and her staff do not have county-owned phones, that they do not conduct county business using personal devices and that no county records are maintained on personal devices, whether in email or text form. Supervisor Miller further informed you that all county records are maintained on county servers and have been provided."
The Board of Supervisors again took up the records issue during a meeting, addressing it on July 5.

Miller, vacationing in Idaho, phoned in to the meeting, taking part in several votes. But when the agenda item on the records requests came up, she was not on the phone, with her staff saying there was a "power outage."

When Carroll, a Republican with whom Miller has frequently clashed, said he was concerned that the county was "incurring liability for taxpayers so long as this is delayed" but that they supervisors should "hear the item while she's here in the room" and should perhaps delay discussion to another meeting, Miller called in again.

"We have responded to all public records requests effective as of June 30," Miller claimed.

Carroll was "presenting a biased point of view" and the discussion was part of a "coordinated attempt to influence the outcome of an election," she said. "I will state clearly and unequivocally that we have fully complied with all public records requests."

Supervisor Richard Elias specifically asked me and Star reporter Joe Ferguson for our assessment of whether Miller had complied. We each stated that we had reasons to believe that she had not.

"We are facing some serious problems here," Elias said. "The truth is, is that our taxpayers are on the hook for this, and Pima County's reputation is on the hook for this."

"As is my reputation, Supervisor Elias," Miller interjected.

"I understand that, Ally," he responded, "but there are larger considerations, frankly."

At that point, the documents showing Miller’s intent to use private emails and encrypted drives to work in secret had not yet been provided by her former staffer.

Ten weeks after documents were first requested, Miller and her current staffers have yet to turn over public records from their private emails, as well as providing no public data from her personal Facebook chat sessions, nor from text messages.

Losing a lawsuit filed by the press could leave Miller, and each of her staffers, on the hook for attorney's fees and court costs, along with damages of up to $5,000 each.

If she finds herself the target of a criminal prosecution for evading records laws, Miller could face steeper penalties: the presumptive sentence for a class 4 felony is 2.5 years in prison.
MEMORANDUM

Date: April 4, 2016

To: The Honorable Chair and Members
   Pima County Board of Supervisors

From: C.H. Huckleberry
       County Administrator

Re: March 28, 2016 Goldwater Institute Letter Regarding World View Enterprises

The County Attorney has scheduled an April 5, 2016 Executive Session of the Board of Supervisors to discuss this matter. The County Attorney will seek direction from the Board as to how to respond to the letter, if any response is necessary.

After 1) reviewing the letter and its inconsistent, inaccurate statements; 2) receiving the financial results of our sale of Certificates of Participation (COPs) related to this project at sales on March 29 and 30, 2016; and 3) reviewing very similar, if not identical, economic development incentive packages in Maricopa County, I believe it is appropriate to provide the Board additional information that may be helpful in considering a response to the Goldwater letter, in addition to the advice the County Attorney will provide in the Executive Session.

Inconsistent and Inaccurate Statements Designed to Influence the Outcome of an Election

Citing of a few examples in the letter is in order. The first paragraph of the letter completely omits any of the requirements for payment of rent by World View Enterprises in exchange for its use of the facility, something that is critical to the definition of a gift in Turken v. Gorden.

Goldwater's claim in the second paragraph that issuing COPs for the project "...extends repayment of existing COPs..." demonstrates a complete misunderstanding of the County's financing. The financing does not extend the payment of any previously-issued COPs. Some outstanding previously-issued COPs, which were issued to finance the County's purchase of the Bank of America Building in 2007, are being refinanced at the same time the new COPs are being issued to lower the interest rates on those existing COPs. That refinancing has nothing to do with the financing of the County's construction of County-owned facilities on County-owned land to be leased to World View; and the repayment of those existing COPs is not being extended. The ultimate maturity of the existing COPs remains the same; the County will simply pay a lower interest rate for the remaining term.

In the third paragraph of the Goldwater Institute letter, they indicate "the government must receive fair compensation in return." Our fair compensation is that World View will make
lease payments in the amount of $23,625,000 over the term of the lease. The County will receive nearly $4.2 million in excess of the principal and interest paid by the County to retire the debt issued by the County to build the facility _that it will continue to own_ until such time as World View has made all required payments. Contrary to statements made by Goldwater and others, the County is not loaning money to World View, nor is it building a facility and "giving" it to World View. It is building a County-owned facility on County-owned land that will be leased to World View.

Page 2 of the Goldwater letter states, "World View will charge $75,000 for balloon rides of the stratosphere—three times the average per capita income in Pima County." They fail to state the project proposal will create over 400 jobs paying $55,000 annually, which is 150 percent of the average annual wage in Pima County. That is the point of the project; not to create an amusement ride for Pima County residents.

While near-space tourism gets all the attention, World View has executed a number of successful scientific missions where sensitive instruments that could not survive a rocket launch and major impact landing are part of the payload. Additional tests and experiments include deployment of communications and optics technology usable by the military and FEMA for tactical and emergency communications and operations; the ability to observe weather and track large-scale storms; a study of water distribution and the impacts of climate change on agriculture and population patterns; and a study to increase our understanding of the value of the stratosphere in shielding our planet from radiation. All of these important initiatives are why World View has a number of contracts with major universities, NASA and Northrup and is currently working with Raytheon on strategic alliances.

Paragraph 2 on Page 2 states, "Nor is the consideration fair to taxpayers." It appears the Institute neglected to consider the $4.2 million profit to the County or to review the report by Phoenix-based Applied Economics that stated this economic development activity will create $3.5 billion in benefits to Pima County over the next 20 years.

They also state, "The County is using public credit to finance this project at taxpayer risk while a private corporation enjoys the benefits of the bargain risk-free." Also, "...the speculative nature of World View's business – it has never given a ride to a single passenger – it is doubtful that World View will remain financially viable." As discussed above, future space tourism is only one component of World View's line of business. The company has executed a number of successful scientific missions with sensitive instruments as part of the payload. Goldwater's statement is an affront to the financial sophistication of World View, including their investors – national and international individuals and corporations – as well as potential investors who may withhold their investment based on the false and malicious statements of the Goldwater Institute.
It is clear from viewing Supervisor Ally Miller’s Facebook posts regarding World View and the Goldwater Institute, together with her efforts, that the Goldwater Institute has joined forces with Supervisor Miller in her effort to defeat incumbent County Supervisors. The March 28, 2016 Goldwater letter is filled with politically charged rhetoric that has no basis in fact, exaggerates certain points, and omits most facts. It appears designed to influence the outcome of an election.

Further, the letter contains many false, misleading and libelous statements regarding the fiscal stability of World View, a privately held corporation that has previously been enormously successful in its operations, as well as financial transactions.

Financial Liability

It would appear the Goldwater letter was specifically designed to derail or adversely affect the financial transactions of the County with the issuance of Series 2016B COPs. The release of Goldwater’s March 28 letter was one day before the sale of COPs to finance this project and required the County to issue a revised offering statement to potential investors. Clearly, the release of the letter was timed to adversely affect the County’s credit standing, interest rates and repayment schedule for the issue of this debt; and the release had its intended adverse consequence.

Because the County received the Goldwater Institute’s letter right before the pricing of the COPs in the municipal markets began, the County had to immediately make a supplemental disclosure of the letter’s allegations. When a supplemental disclosure like this is made, the allegations become highly disruptive to the pricing and can be very costly. When such is presented to investors in the middle of the sale, the investors have the right to withdraw any orders they have already submitted to purchase the debt obligations. When the County disclosed the Goldwater Institute’s letter, more than 20 percent of the orders already made were withdrawn by the investors. Of the roughly $15 million of orders obtained, $3.36 million were withdrawn. The underwriter was able to retain the remaining $12 million of orders and, in the days following the pricing, was able to resell $2.38 million of the obligations. The underwriter will continue to market the remaining $980,000. In order to resell the orders that were cancelled, the net interest cost for the new investors had to be increased above what the interest on the original orders had been. Without the quick action on the part of the County and its financial team, the sale may have collapsed with much greater long-term cost to the County to issue these COPs and any future financings. The action of the Goldwater Institute also required additional legal work, underwriting costs to re-sell the issue, and additional costs to print and distribute the supplemental disclosure to investors.
The Honorable Chair and Members, Pima County Board of Supervisors  
Re: March 28, 2016 Goldwater Institute Letter Regarding World View Enterprises  
April 4, 2016  
Page 4

I believe these adverse fiscal expenses are direct damages related to the issuance of the false, misleading, and politically motivated letter by the Goldwater Institute. It appears the Goldwater Institute is joining with Supervisor Miller to “damage the brand” of Pima County in the municipal markets.

**Economic Development is a Competitive Business**

Pima County and Arizona were in direct competition with Florida and New Mexico for the World View Headquarters. Economic development and the financial benefits of job expansion cause states and regions to compete using incentives. The simple reality is that no incentives will yield no jobs. If the Arizona Legislature and Governor believe incentives are bad for the economy, they should repeal the laws that authorize economic development incentives. The economic development incentives offered to World View causing them to locate their headquarters in Arizona are well within the law providing for same. A few examples of economic incentives providing new jobs and economic expansion in Arizona follow.

The City of Chandler provided $10 million in economic incentives to PayPal and General Motors. The City of Mesa partnered with a private developer to provide 218,000 square feet of development for commercial tenants such as a bike shop, coffee shop, and restaurant, and residential tenants who would have a pool, fitness center and other amenities. Mesa and the State offered $10 million to lure an Apple facility to Mesa.

Finally, the City of Peoria, through their industrial development authority, provided bonds issued by the Industrial Development Authority, the proceeds of which are used to construct facilities for private business enterprise. Lease payments made by the business enterprise are used to service the bonds. Such sounds similar the County/World View lease agreement.

Whether we like it or not, incentives are a fundamental element of economic development, job attraction, and increased community wealth.

CHH/mjk

Attachment

c: John Bernal, Deputy County Administrator for Public Works  
Tom Burke, Deputy County Administrator for Administration  
Jan Lesher, Deputy County Administrator for Community and Health Services  
Thomas Weaver, Chief Civil Deputy County Attorney  
Regina Nassen, Deputy County Attorney
March 28, 2016

Sharon Bronson, Chair, Supervisor District 3
Pima County Board of Supervisors
130 W. Congress St., 11th Fl.
Tucson, AZ 85701
Fax: (520) 884-1152

VIA U.S. MAIL & FAX

Re: Pima County’s Subsidy to World View Enterprises

Dear Chairperson Bronson:

The Goldwater Institute has learned that the Pima County Board of Supervisors approved an agreement with World View Enterprises, Inc. on January 19, 2016, in which the County obligated at least $15 million in public funds to construct a high-altitude balloon facility for World View’s use and benefit.

To pay for this project, the County has approved new Certificates of Participation (COPs)—debt that the County expects to repay over the course of 15 years. The COPs are essentially second mortgages on several public buildings, including the Public Works Building and parking garage, the Legal Services Building, the Public Service Center and parking garage, and the Adult Detention Center. This financing scheme adds $15 million in long-term debt to the County’s existing liabilities, extends repayment of existing COPs, and risks Pima County’s critical infrastructure on a speculative and untested business. In addition to constructing a 135,000 square-foot headquarters for World View, the County has also agreed to build a balloon pad that World View will control and use rent free.

Because the County is lending its credit in aid of a private corporation in the one instance, and subsidizing construction and use of the balloon pad in the other, this agreement violates the Gift Clause of the Arizona Constitution (Art. IX, sec. 7), which makes it illegal for the County to “give or loan its credit in the aid of, or make any donation or grant, by subsidy or otherwise, to any . . . corporation.” The Arizona Supreme Court has held that public expenditures must be for public purposes and if public expenditures create private benefits, the government must receive fair consideration in return. Moreover, indirect benefits—such as general economic

This agreement serves no public purpose. World View will charge $75,000 for balloon rides to the stratosphere—three times the average per capita income in Pima County. This is beyond the reach of most residents, and will only benefit extremely wealthy passengers and World View itself—if it ever begins operations—at the taxpayers’ expense. Moreover, the jobs that World View has said it might create provide no direct benefit to the County, or its residents. These factors are doubtless why the County’s voters overwhelmingly rejected public subsidies for economic development and tourism promotion in November.

Nor is the consideration fair to taxpayers. The County is using public credit to finance this project at taxpayer risk while a private corporation enjoys the benefits of the bargain risk-free. Although World View will lease the building with an option to buy, this is an unlawful lease because County taxpayers are left with a $15 million bill should World View default. The County doesn’t even expect a return on its investment until the 18th year of its 20-year agreement, and given the speculative nature of World View’s business—it has never given a ride to a single passenger—it is doubtful that World View will remain financially viable.

But even if World View were to succeed and either fulfill the lease or purchase the building, the consideration the County will receive is inadequate. The County will, at best, recover its investment capital plus a profit that is less than other, safer investments would produce—all while subjecting taxpayers to enormous risks. Moreover, World View will have the exclusive right to control the balloon pad, including the ability to charge rent to other space balloon companies. At most, the County will receive the cost of maintenance for the balloon pad.

This agreement also violates Arizona law and the Pima County Procurement Code. The County consulted in secret with Swaim Associates, Ltd., and Barker Morrissey Contracting, Inc., for at least six months before seeking approval to contract with them for design and construction of the balloon pad and facilities. The County then awarded both contracts to these corporations without competitive bidding, by claiming that an “emergency” existed under A.R.S. § 34-606. There was no emergency. The County simply set an expedited timeline, and then used that deadline to claim that there was insufficient time for legally mandated competitive bidding. This is unlawful, and is an affront to taxpayers who will be forced to shoulder the financial burden for the County’s defiance of competitive bidding laws and the Arizona Constitution.

Because the County entered into illegal contracts with World View, Swaim Associates, and Barker Morrissey, the Goldwater Institute respectfully requests that the County terminate the agreements and cancel the related COPs. Should the County ignore this request, it will be liable to a constitutional and statutory challenge by County taxpayers to enjoin these illegal expenditures.

We appreciate your thoughtful consideration of these matters and look forward to receiving a response no later than April 8, 2016.
If you have any questions in the meantime, please do not hesitate to contact me directly at jmanley@goldwaterinstitute.org or (602) 462-5000.

Sincerely,

[Signature]

James M. Manley
Senior Attorney
Scharf-Norton Center for Constitutional Litigation
at the Goldwater Institute

cc. Ally Miller (Supervisor, District 1)
Ramón Valadez (Supervisor, District 2)
Ray Carroll (Supervisor, District 4)
Richard Elías (Supervisor, District 5)
Chuck Huckelberry (County Administrator)
Robin Brigode (Clerk of the Board)
Barbara LaWall (Pima County Attorney)
In the midst of an historic economic downturn, the taxpayers of @pimaarizona have been forced to watch the county tie $15 million of their money to a balloon and let it just float away. indefenseofliberty.blog/2020/06/22/the… #Balloondoggle

12:25 PM - 22 Jun 2020

The Balloondoggle Runs Out of Gas

June 22, 2020 By Timothy Sandefur Taped on the door of a multimillion dollar facility in Tucson is a simple, misspelled paper sign that announces simply, "closed until further noted." It's a sad and...
June 22, 2020

By Timothy Sandefur

Taped on the door of a multimillion dollar facility in Tucson is a simple, misspelled paper sign that announces simply, “closed until further noted.” It’s a sad and all-too-predictable end to one of the silliest and most wasteful examples of politicians trying to gamble on the market with other people’s money. More than five years ago, Pima County’s board of supervisors tied $15 million in taxpayer dollars to a balloon—and now, as the nation enters one of the worst economic crises in its history, that money is floating away to Florida.

The idea was crazy to begin with: The county would spend $15 million to build a brand-new, tailor-made facility for a private business called World View, which would take rich tourists on rides to the stratosphere in specially modified weather balloons. This was supposed to somehow spur the economy and create jobs. County officials were so enthusiastic that they broke state and county procurement laws to secretly hire an architect and a contractor for the project, rushing to get the job done because World View threatened to leave the county if they didn’t. And despite the fact that Arizona law forbids counties from giving taxpayer money to private companies, Pima officials raced to complete a fancy headquarters building and a specially-designed balloon launchpad for World View’s exclusive use, all on the taxpayer’s dime.

And then—nothing. World View quietly erased references to high-altitude tourism rides from their website and failed to launch any balloons. When the first one finally took off, in December 2017, it exploded on takeoff, heavily damaging the building taxpayers had paid for. The company said it was going to investigate the cause of the explosion, but that investigation was slow-walked to stifle criticism. Then World View started launching balloons from a different location instead—in Page, which is about 400 miles away, on the opposite end of the state. And instead of launching passengers, the company launched…a Kentucky Fried Chicken sandwich. Yes, really.

World View was supposed to employ 400 people at its Tucson location. But it never did. In fact, it never came anywhere close to that number, and last February, it actually laid people off. Then it changed CEOs.

That’s not to say taxpayers got nothing at all for their $15 million. On the contrary, when the coronavirus pandemic started, World View used the material that it was supposed to be making balloons out of to make 9,600 “isolation gowns” for healthcare workers, instead. That comes out to more than $1,500 per gown—more than the price of an Armani suit.
Of course, World View hasn’t officially announced its departure for Florida, but its founders have unveiled plans to take their space balloon proposal to the Sunshine State, leaving it unclear what will happen either to the empty buildings in Tucson—or to the innocent and unsuspecting taxpayers of Florida.

But there’s a lesson here for those who want to learn it: When government officials think they know better than consumers and businesses how to run an economy, they’re not just gambling with other people’s money—they’re also giving themselves the power to be economic kingmakers. It means they get to decide, instead of you, what businesses succeed—and of course, they get all the perks of exercising that kind of authority. That’s both foolish and dangerous, because politicians are even worse than private companies at predicting the future—and unlike private companies, politicians get paid even when their predictions are wrong.

Pima County Administrator Charles Huckelberry, who was the foremost champion of the World View project and who makes about $326,865 a year (in a county where the median household income is $51,000), won’t lose his job for frittering away $15 million in taxpayer money. Neither will the county supervisors who blessed the project without having read the reports. (We know that, because Mr. Huckelberry kept his negotiations with World View and with the project contractors secret until the day the County voted on it.) Neither will the leaders of World View, who couldn’t get a loan from a real bank, which is why they turned to the government instead.

No, the only people who end up paying the cost? The hardworking citizens of Pima County, who just watched their money float away to the east.

Back in 2016, Goldwater Institute Chairman Eric Crown warned about all this in a Wall Street Journal editorial that pointed out that the World View venture was placing a dangerously foolhardy risk on the taxpayers’ shoulders, and that arrangements like this “always benefit insiders.... When you can’t get enough private venture capitalists behind your project, but you know how the game is played, you go to the government.” In response, Mr. Huckelberry circulated a memo angrily accusing the Goldwater Institute of trying to “damage the brand’ of Pima County,” and other county officials insisted that World View was a “robust” company and that the project would give the county “a foothold in the fast growing multi-billion dollar space market” that would “pull in other similar high-wage space-related companies.”

But now it’s clear: The people of Pima County are left holding the bag. Or, rather, holding ten thousand $1,500 plastic isolation gowns and an empty building with a paper sign on the door.
It might be funny, if it weren’t so sad. It was all preventable. Economists long ago explained that decisions about investment, construction, and business operations should be made by *individuals*—by consumers and producers, buyers and sellers, banks and investors and entrepreneurs—freely deciding between themselves, and not by politicians pulling strings through government subsidies, backroom deals, and special favors for their cronies. When politicians try to pick the winners—taxpayers are almost always the losers.

**Update:** World View contacted us to say that they remain in operation. The company has successfully launched two “stratolites,” and in May offered to fly payloads for free, if anyone’s interested.

**Update 2:** The County contacted us to state that Mr. Huckelberry informed the Board of Supervisors of his secret negotiations with World View and the contractors *two* days before the meeting, not the *same* day as stated above. The Goldwater Institute regrets the error.

*Timothy Sandefur* is the Vice President for Litigation at the Goldwater Institute.
AFFIDAVIT

The undersigned hereby certifies that he/she is the CEO of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 75 Full Time Employees on June 23, 2020 the end of the twelfth quarterly reporting period.

2. The average annual salary of the 75 Full Time Employees on June 23, 2020 was $103,555.

Executed this 10 day of August 2020

By ____________________________

Name: __Ryan Hartman____________

Its: __CEO_____________________

STATE OF ARIZONA )

)ss.

Pima County

On August 10, 2020, before me, the undersigned Notary Public, personally appeared ____________________________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

[Notary Public Seal]

Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the Controller of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 112 Full Time Employees on March 23, 2020 the end of the twelfth quarterly reporting period.

2. The average annual salary of the 112 Full Time Employees on March 23, 2020 was $92,336.72.

Executed this 24 day of April, 2020.

By:

Name: _Sean Tanner_______
Its: ___Controller_______

STATE OF ARIZONA )

)ss.

Pima County

On April 24, 2020, before me, the undersigned Notary Public, personally appeared _Sean Tanner_______, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the Controller of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 107 Full Time Employees on December 23, 2019 the end of the eleventh quarterly reporting period.

2. The average annual salary of the 107 Full Time Employees on December 23, 2019 was $92,266.37.

Executed this 27 day of January, 2020.

By: ________________________________
   Name: __Sean Tanner___________
   Its: ___Controller__________

STATE OF ARIZONA )
)ss.

Pima County

On January 27th, 2020 before me, the undersigned Notary Public, personally appeared __Sean Tanner____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

[Seal]

Michelle Hitz
Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the Controller of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 107 Full Time Employees on September 23, 2019 the end of the eleventh quarterly reporting period.

2. The average annual salary of the 107 Full Time Employees on September 23, 2019 was $93,808.97.

Executed this 17th day of October, 2019.

By: ____________________________

Name: __Sean Tanner___________

Its: ___Controller___________

STATE OF ARIZONA )

)ss.

Pima County

On October 17th, 2019, before me, the undersigned Notary Public, personally appeared __Sean Tanner______, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]

Notary Public

OFFICIAL SEAL

MICHELLE HITTZ
Notary Public - State of Arizona
PIMA COUNTY
My Commission Expires Aug. 11, 2020
AFFIDAVIT

The undersigned hereby certifies that he/she is the Controller of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 85 Full Time Employees on June 23, 2019 the end of the tenth quarterly reporting period.

2. The average annual salary of the 85 Full Time Employees on June 23, 2019 was $96,621.

Executed this 24 day of June, 2019.

By: [Signature]

Name: Joseph Dillon

Its: Controller

STATE OF ARIZONA )

)ss.

Pima County

On June 24, 2019 before me, the undersigned Notary Public, personally appeared Joe Dillon, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]
Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the Controller of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 81 Full Time Employees on March 23, 2019 the end of the ninth quarterly reporting period.

2. The average annual salary of the 81 Full Time Employees on March 23, 2019 was $93,305.74.

Executed this 4 day of April, 2019.

By: 

Name: __Joseph Dillon__________
Its: __Controller__________

STATE OF ARIZONA )

)ss.

Pima County

On April 4, 2019, before me, the undersigned Notary Public, personally appeared __Joseph Dillon__________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the Controller of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 83 Full Time Employees on December 23, 2018 the end of the eighth quarterly reporting period.

2. The average annual salary of the 90 Full Time Employees on December 23, 2018 was $86,397.

Executed this 7 day of January, 2019.

By: __________________________
Name: __Joseph Dillon___________
Its: __Controller________________

STATE OF ARIZONA )

)ss.

Pima County

On January 7, 2019, before me, the undersigned Notary Public, personally appeared __Joseph M. Dillon__, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

[Notary Public Seal]

Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the CEO of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 83 Full Time Employees on September 23, 2018, the end of the seventh quarterly reporting period.

2. The average annual salary of the 83 Full Time Employees on September 23, 2018 was $85,459.

Executed this 19 day of October, 2018.

By: ________________________________
Name: Jane Peynter
Its: CEO

STATE OF ARIZONA )

ss.

Pima County

On October 19, 2018, before me, the undersigned Notary Public, personally appeared Jane Peynter, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the CEO of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 83 Full Time Employees on June 23, 2018 the end of the sixth quarterly reporting period.

2. The average annual salary of the 83 Full Time Employees on June 23, 2018 was $83,160.

Executed this 5 day of July 2018.

By: 

Name: Jane Poynter
Its: CEO

STATE OF ARIZONA)

ss.

Pima County

On July 5, 2018, before me, the undersigned Notary Public, personally appeared Jane Poynter, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the CEO of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 83 Full Time Employees on March 23, 2018 the end of the fifth quarterly reporting period.

2. The average annual salary of the 83 Full Time Employees on March 23, 2018 was $74,873.

Executed this 9 day of April, 2018.

By: [Signature]

Name: Joseph W. Diller

Its: [Signature]

STATE OF ARIZONA )

)ss.

Pima County

On April 9, 2018, before me, the undersigned Notary Public, personally appeared Joseph W. Diller, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

[Notary Public Seal]

Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the CEO of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 72 Full Time Employees on December 23, 2017 the end of the fourth quarterly reporting period.

2. The average annual salary of the 72 Full Time Employees on December 23, 2017 was $77,791.

Executed this 29 day of January, 2018.

By:  

Name: Jane Aynter  

Its: CEO

STATE OF ARIZONA )

)ss.

Pima County

On January 29, 2018, before me, the undersigned Notary Public, personally appeared Jane Aynter, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

L C HOLCOMBE  
NOTARY PUBLIC - ARIZONA  
PIMA COUNTY  
My Commission Expires  
March 31, 2018  

Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the CEO of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 67 Full Time Employees on September 23, 2017 the end of the third quarterly reporting period.
2. The average annual salary of the 67 Full Time Employees on September 23, 2017 was $73,738.

Executed this _8_ day of _October_, 2017.

By: Jane Peyton
Name: ________________
Its: CEO

STATE OF ARIZONA)

)ss.
Pima County

On _October_ 8, 2017, before me, the undersigned Notary Public, personally appeared Jane Peyton, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

L C HOLCOMBE
NOTARY PUBLIC – ARIZONA
PIMA COUNTY
My Commission Expires March 31, 2018

Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the CEO of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 66 Full Time Employees on June 23, 2017 the end of the second quarterly reporting period.

2. The average annual salary of the 66 Full Time Employees on June 23, 2017 was $73,164.

Executed this 14th day of September, 2017

By: _________________

Name: Jane Pointer

Its: CEO

STATE OF ARIZONA )

) ss.

Pima County

On September 14, 2017 before me, the undersigned Notary Public, personally appeared Jane Pointer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

__________________________

L C Holcombe

Notary Public

My Commission Expires
March 31, 2018

Notary Public
AFFIDAVIT

The undersigned hereby certifies that he/she is the CEO of World View Enterprises, Inc., a Delaware corporation (World View), and is authorized to deliver this affidavit for and on behalf of World View, and further declares, solely in such capacity for World View and not individually, as set forth below.

1. World View employed 44 Full Time Employees on March 23, 2017 the end of the first quarterly reporting period.

2. The average annual salary of the 44 Full Time Employees on March 23, 2017 was $76,954.

Executed this 14th day of September, 2017

By:

Name: POTTS AND

Its: CEO

STATE OF ARIZONA )

)ss.

Pima County

On September 14, 2017, before me, the undersigned Notary Public, personally appeared Jane Potts, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

[Notary Seal]

Notary Public