

The Groom Lake Desert Rat

"The Naked Truth from Open Sources."

AREA 51/NELLIS RANGE/TTR/NTS/S-4?/WEIRD STUFF/DESERT LORE

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Secret Base Cheats Local Tax Rolls

A Desert Rat Muckraking Investigation

What do Lincoln County residents think about having "America's Most Popular Secret Base" within their borders? Like other rural denizens of the Wild West, we are conservative, patriotic folk who proudly wave the flag at every opportunity while cursing the federal government in any form. Like citizens anywhere, our strongest loyalties tend to run along economic lines. We love the federal government when it gives our people jobs and pays our local government lots of money. We despise it when it takes away our money, makes us fill out forms and forces us to obey a lot of irritating rules. We also hate the federal government when it does unpleasant things to us, like kill our friends and neighbors, which it has done in Lincoln County in the past. In the years of the above-ground atomic testing at the Nevada Test Site, local residents were the closest "Downwinders"--the first to receive the fallout--and it seems that nearly everyone who was living here then has witnessed someone close die a long and painful death from some mysterious cancer. "You are perfectly safe here," the government officials said as they fled the area themselves.

But that is water under the bridge now, and what it comes down to today is dollars and cents. We love the feds when they give us business and hate them when they kill us or otherwise interfere with local commerce. In any other part of America, it is common to find the most vehement supporters of defense spending to be clustered around military bases and the factories of government contractors. Local folks know which side of the butter their bread is on and usually have no desire to kill a gold laying goose.

Such passions are not strong in Lincoln County, however. The Groom Lake base, unacknowledged by the Air Force, also hardly exists in the Lincoln County economy. The bulk of the jobs and contracts for the base are sucked up by wealthy Las Vegas, 90 miles to the south. Workers from there are whisked to Groom aboard a private fleet of 737 aircraft while the few Lincoln County workers are condemned to a longer trip in their own cars or in a no-frills, military style school bus. A handful of low- level jobs and a piddling contribution to taxes are all that this dirt-poor county gets for hosting the production facilities and hazardous waste dumps of a billion dollar facility.

From time to time, Psychospy drops in on the bi-monthly meeting of the Lincoln County Commissioners as they try to hunt up the funds to repair the sagging school buildings or breath some life into the dying economy here. (They're also scrambling to feed the Jail That Ate Lincoln County [\[DR#1\]](#), but that's another story and the county's own damn fault.)

In the past few months, the subject of the Freedom Ridge/White Sides withdrawal has come up a few times. The commissioners are dead opposed to the land grab--but only, it seems, as a way to needle the Bureau of Land Management. Given the almost complete invisibility of the Air Force in daily county affairs, BLM is perceived as the main Darth Vader around here, and the commission has taken the stand that the BLM has no right to negotiate the future of public lands.

The Air Force has been mentioned only in passing. In the course of one meeting in which the land grab was discussed, a county employee cautioned the commissioners about acting too aggressively. He was concerned that if the Air Force was feeling too much pressure in Lincoln County, they might just close up the base and combine that operation with the semi-secret Tonopah Test Range in the next county over. If that happened, Lincoln County would lose the tax revenue for the base that it is now getting from the Air Force.

Wheels began to turn in Psychospy's suspicious little mind. What tax revenue?

After the meeting, we went upstairs in the County Courthouse to chat with the tax assessor and the county treasurer. Nearly all county records are open to the public--as they should be in democratic government--and we wanted to know what property the Air Force was paying taxes on and how the valuation of it was determined. With the assistance of some helpful county workers, we delved into the tax records and gave ourselves a crash course in property tax assessment--not a sexy subject to us until now. Our findings remain tentative, since we are still unfamiliar many areas of tax law, but we have the feeling we are on the trail of something big.

The state and local government cannot tax the federal government and vice versa. This exemption is guaranteed in the supremacy clause of U.S. Constitution. If the federal government owns the Groom Lake base and all the buildings there, then it cannot be directly taxed for that property. However, there are limits to this exemption, as described in the Nevada Revised Statutes (NRS), section 361.157:

When any real estate which for any reason is exempt from taxation is leased, loaned or otherwise made available to and used by a natural person, association, partnership or corporation in connection with a business conducted for profit, it is subject to taxation in the same amount and to the same extent as though the lessee or user were the owner of the real estate.

For example, if the Lockheed Corporation had an aircraft assembly plant at Groom Lake, the building it occupied would be subject to property taxes even if it was owned by the U.S. Government. According to annotations in the NRS, this provision has held up in court, and it is also consistent with common sense: Although the federal government itself may be exempt, it cannot shelter a private, profit-making corporation from its tax liability. Lockheed cannot be allowed to escape property taxes simply by moving its operation onto federal land.

Groom Lake is apparently run by contractors. Lockheed has obviously had a big "black aircraft" assembly and testing operation there for years, while many support services, like the 737 shuttle jets and perimeter security, are operated by EG&G and its REECO subsidiary. At the adjoining Nevada Test Site, which was once engaged in a mission that was almost as secret (i.e. blowing up the world), the vast majority of workers are employed by contractors, not the government. Since the government doesn't build planes or develop weapons technology on its own, we can reasonably assume that most of those buildings along the dry lake bed are housing the operations of private, profit-making contractors. If so, the assessment of that property ought to appear on county records. According to the NRS, the taxes could be paid directly by the contractor or as an equivalent "in-lieu" payment by the federal government.

In the treasurer's office, we looked up the latest tax bill for the U.S. Air Force. It is one of the county's few large tax assessments and the only entity the Groom base could fall under. The bill covers all of the Air Force's installations in Lincoln County, without specifying location. In the 93-94 tax year, the Air Force paid taxes of \$65,517 on a property assessment (for "Buildings and Improvements" plus "Other Personal Property") of \$2,517,781. The fact that the Air Force is paying this bill implies that it agrees that certain of the buildings and property on its land should be taxed. Previous years' assessments were not much different, and next year's will increase only modestly.

We never went to tax assessor school and have only a vague idea of how much industrial property is worth, but it seems to us that \$2.5 million wouldn't buy a LATRINE at a facility like Groom Lake. (It would be, after all, a CLASSIFIED

latrine.) For comparison, a single copy of the B-2 Stealth Bomber is said to cost something in the neighborhood of \$1 billion. It is reasonable to guess, then, that the base is also worth at least a billion. In that context, \$65,517 in taxes is only a trivial drip of revenue, a token payment that in no way reflects any real assessment.

Could it be that the secret base is cheating on its taxes?

That is one of the advantages of having a secret base. Since it doesn't exist, the local tax assessor can't go there to inspect the property; the county has to accept whatever assessment the Air Force hands out. This is like asking a homeowner to assess his own property and choose his own tax, without any threat of audit. Naturally, "national security" dictates that the Air Force give the smallest possible assessment so as to not tip off the "enemy" about the true scale of the operation at Groom.

Now that the base and its facilities are being widely publicizing, it is becoming obvious that the Air Force has been less than frank in its assessment of the property and has shorted the county on property taxes for years. We don't know what legal recourse the county may have, but we believe that a lot of money is due. Instead of \$65,517 annually, we suspect that the proper contribution should be more like \$1 million annually, or about a third of the county income. That doesn't include BACK TAXES and INTEREST. We don't expect the Air Force to voluntarily come clean and pay its proper due--That's not the Air Force way.--but forcing them to publicly acknowledge the base would certainly advance the cause.

Sheriff's Contract

A separate payment to the county from the Air Force supports a service contract with the Lincoln County Sheriff's Department. At the county courthouse, we looked up the invoice. The Air Force was charged \$12,477.62 in the last quarter of 1993, or about \$50,000 annually. This compensates the Sheriff's Department for the salary of one deputy and the use of a vehicle. According to the invoice, the Sheriff's Department is required to "routinely patrol the exterior boundary of the Nellis Air Force Range" within Lincoln County and "provide an immediate response to the Nellis Air Force Range when requested by appropriate authority." The department must also provide "special assistance to the applicable on-site security force in case of emergency."

Of course, the "applicable on-site security force" is those cammo dudes who don't exist. This contract provides one of the fascinating junctions between the secret world and open society that might be exploited for further information. The Sheriff's Department, since it accepts federal funds, is now a government contractor, probably subject to an array of federal laws and requirements that could make its records more accessible. At the same time, since the Air Force has entered into this open contract with a non-secure local agency, it can no longer claim that its security operations are secret. The service contract could provide a fruitful entry point for a variety of enforceable FOIA requests.

Toxic Waste Update

Yesterday's Las Vegas Review-Journal (Mar. 20) had a groundbreaking [article](#) on the Groom Lake base and toxic burning there. It triggered in Psychospys almost the same convulsions and hideous cackle we suffered when we first saw the *Popular Science* article [[DR#3](#)]. The new article is based on an interview with an anonymous source who used to work at the base. He says that hazardous wastes used in the development of stealth aircraft were routinely shipped from a Lockheed factory in California for illegal disposal at Groom. While these charges have been made before, this article is remarkable for its detail.

Waste shipments arrived on Mondays and Wednesdays in tractor- trailer trucks. None of the parties involved had the proper permits and documentation for hazardous waste disposal. The barrels were placed in trenches, doused with jet fuel and burned. A widow, Helen Frost, claims that her husband died as a result of exposure to the resulting fumes, and a law professor at George Washington University, Jonathan Turley, is preparing legal action against the Air Force on Mrs. Frost's behalf. The state Environmental Protection Division is also looking into the charges.

In addition to confirming the hazardous waste claims, the source also revealed many other interesting pieces of information. Between 1980 and 1990, the budget for the base was between \$1 billion and \$1.5 billion per year. The article includes a map of the core part of the base, with buildings labeled for the "Lockheed hangers," "burn pits," "Scoot-N-Hide shed" (for concealing aircraft from Soviet satellites), "Red Hat hangers" (for captured Soviet aircraft housed at Groom) and "Sam's Place bar and recreational complex." A sidebar describes the bar and the exotic tastes that were entertained at this unacknowledged "Club Fed."

Some colonels, [the source] said, "had very extravagant tastes," including one who had grapefruit flown in from Israel at \$25 a piece and requested deliveries of canned tuna from South America that he estimates cost the government \$26 per can.

In the dining hall, prime rib was offered every Wednesday afternoon and New York steaks were often on the lunch menu. "They used to serve frog legs, king crab and filet mignon at no charge," he said.

"They drank bottled water to the tune of \$50,000 a month," he said, comparing the lifestyles of some base inhabitants to high rollers in Las Vegas at the government's expense.

To be fair, these may be the exaggerations of a disgruntled former employee, and some of his examples may be taken out of context. Because nothing is confirmable, any such claims by an anonymous source should be taken with a grain of salt. Still, ENQUIRING MINDS WANT TO KNOW, and where confirmable data is lacking, unconfirmed sources will fill the void. If the AF doesn't choose to defend itself, then it has set itself up as the fall guy, and no kind of dirt digging is off limits.

We will be sending out a copy of this article with US mail and internet subscriptions to the Desert Rat. You can also receive a copy by sending us an SASE.

Patriot Revealed

In [DR #4](#), we recorded the comments of two hard-line, anti-Soviet AF supporters at the Las Vegas hearing. According to a reader (johnam@mirage.ccsn.nevada.edu), the first of these speakers was COY PETTYJOHN, a retired Air Force major general and former chief of intelligence for the Pacific air forces. The reader says that in 1992 Pettyjohn ran for Congress against Rep. James Bilbray.

In response to Mr. Pettyjohn's charges, BILL SCOTT of *Aviation Week* writes...

I had to laugh at the story told by the gentleman who recounted the Aviation 'Leak' story at that L.V. hearing. He had a micro-grain of truth in his story, but I've never seen it quite that convoluted. The way the old-timers here tell it, the Soviets had a few subscriptions to the magazine throughout the cold war. As soon as it hit the streets each week, Aviation Week went into the diplomatic pouch bound for Moscow on an Aeroflot flight. Enroute, the magazine was translated into Russian, then duplicated (the Russian version) and distributed by the thousands in-country.

Far as I know, nothing 'secret' or remotely damaging to U.S. interests ever fell into Soviet hands as a result of Av Week spilling the beans. Our approach has always been that, if an uncleared reporter can find out what's going on in the defense/aerospace business--especially on our measly budget!-- then the KGB and its billions of rubles probably had NO problem getting the same stuff and more.

Oh, the story ends in a fairly boring manner. As soon as our sales chief heard about the Soviets' scheme, he pitched a fit over copyright infringement. A 'major' international incident was narrowly avoided by the Soviets agreeing to pay for about 500 or so new subscriptions... but they kept on duplicating thousands of translations. Although it's a bit unexciting, there was never any super-secret missile designs revealed in the pages of Av Week as a result of cagy reporters prowling the halls of the Pentagon.

Intel Bitties

THE LITTLE A-LE-INN Restaurant/Bar/Motel/UFO Headquarters in Rachel will be holding what Pat Travis calls a "UFO Friendship Campout" (downgraded from "UFO Conference") on the weekend of May 20-22. This is unlikely to be as memorable as last year's "Ultimate UFO Seminar" where Lazar, Knapp and Lear spoke. These three seem unlikely to attend this year, and at present there are no confirmed speakers and no agenda. Many attendees at last year's conference felt burned due to its domination by a Bible- wielding conspiracy buff, [Gary Schultz](#). Happily, Schultz has not been seen in Rachel since, but an unstructured event like this is sure to attract other conspiracy wacko types to fill the void. Still, if you are in the right frame of mind and don't expect to exchange any real information, this event could be a gas. The fee is \$50 and includes at least five meals, admission to all bull sessions and abduction testimonials, unlimited use of the Porta-Potties and the right to pitch your tent near the Inn. Psychospys has consented to lead an expedition to Freedom Ridge, but otherwise we have no connection with this event. As a courtesy, we have consented to let the Inn use part of our mailing list (once only), so if we have your US mail address you may be receiving a flyer from the Inn within the next week. Otherwise, contact the Inn directly at 702-729-2515 or send an SASE to: Little A-Le-Inn, HCR Box 45, Rachel, NV 89001.

[Later correction: Knapp did not speak at 1993 conference, but was scheduled to.] **ROCKETRY MEET AT DELAMAR LAKE.** According to intel gathered by tmahood@netcom.com, fanatical hobbyists from around the Southwest will be coming to nearby Delamar Dry Lake for a "high powered rocketry" meet this Saturday, March 26. You may be familiar with the chinsy toy rockets that some boys play with. Well, these are BIG rockets for the big boys (i.e. frustrated technonerdz with no life). The technology achieved by many of these hobbyists surpasses that of some Third World countries. Some models, built from surplus military parts, can be more than 8 feet high and are almost indistinguishable from military missiles. Spectacular failures are said to be common at these events. The goal of this particular meet is maximum altitude. The event runs all day, starting at about 9:00am until the winds whip up, but the FAA has granted the group an UNLIMITED altitude window from 11:00 am to 2:00 pm for the really big ones. We wouldn't be surprised if rocketry whiz BOB LAZAR turned up as a contender. The public is allowed to watch at a respectable distance. Delamar Dry Lake is about 2 hours north of Las Vegas. Take I-15 to US-93, then go roughly 60 miles to milepost LN 36.1 on US-93, just south of the town of Alamo. Turn right (east) on the maintained dirt road across from Buckhorn Ranch Road (okay for any vehicle). Go about 13 miles on the maintained road until you reach the lake bed. The event organizer is the Tripoli Rocketry Association. Contacts are Mark Hendrickson (702-451-3517) and Les Derkowitz (702-875-4279).

GREEN FLAG EXERCISES. Tim Gerlach, editor of the *Whiskey Alpha Report* (a newsletter for aviation watchers at Nellis AFB), reports that the current major air exercise on the Nellis Range is GREEN FLAG, Mar. 12 thru Apr. 23. GREEN FLAG is a series of war games similar to RED FLAG but with an emphasis on electronic warfare. Observers on the ground can expect to see similar activities: dogfights, bombing runs and lots of flares. The exercise will consist of three two-week rotations, with new crews for each period. The typical pattern with these exercises is that the first Saturday of each period is arrival day, when a steady stream of aircraft flow into Nellis AFB. Actual exercises usually take place Monday through Friday. [For information on the *Whiskey Alpha Report*, write to Tim at: 1973 N Nellis Bl #112, Las Vegas, NV 89115.]

RACHEL DAY. The annual town celebration in Rachel will be held Sat., April 9. The parade begins at 11am, followed by games and a buffet dinner at the Inn. Games will include the famous Chickenshit Contest. (A grid of squares is drawn on the floor of a chicken cage, and people place bets on where the chicken will shit first.) Everyone's invited!

VIEWERS GUIDE EDITION 2.02 has just been released. The changes from 2.0 and 2.01 are mostly minor or cosmetic. However, 2.02 does add a detailed road map of the Tikaboo Valley, including locations of road sensors and the proposed withdrawal area. There is also some basic information about Tikaboo Peak, the viewpoint into Groom Lake that was ignored by the AF in the current withdrawal, and on the 4WD road to Freedom Ridge. If you own edition 2.0 or 2.01, you can obtain these pages free by sending us a stamped, self-addressed envelope. If you own any edition prior to 2.0, your book is seriously out of date, and we recommend that you get the new edition before visiting this area again. The current upgrade price is \$7.50 plus \$3.50 priority mail postage (or \$2 for book rate). Be sure to specify your current

version number and the copy number in the lower right corner of the cover. [Note: This info is now out of date. See [DR#23](#).]

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