

**OFFICE OF INSPECTOR GENERAL
CITY OF ALBUQUERQUE**



**INVESTIGATION REPORT
CASE NO. 14-202**

Cultural Services Department
Albuquerque Botanical Gardens
Cash Out
Case No. 14-202
Executive Summary

The Office of Inspector General (OIG) conducted an investigation concerning shortages of money that occurred at the Albuquerque Botanical Gardens. This investigation was predicated upon information received from a City of Albuquerque, Treasury Supervisor.

The information received indicated that there was a cashier whose drawer came up \$55.00 short at the end of her shift on December 21, 2013. A second cashier's drawer came up \$30.00 short at the end of her shift on December 22, 2013. The morning of December 23, 2013, an additional \$100.00 was missing from the second cashier's deposit, increasing her shortage to \$130.00.

METHODOLOGY

- Review of cashiers reports from the dates in question
- Review of additional documents received from the dates in question
- Interviews of appropriate City personnel

Our investigation was conducted in accordance with fraud investigation techniques, which include-but are not limited to examination of records, documents, interviews with appropriate personnel, and other evidence-gathering procedures as necessary under the circumstances.

OBJECTIVE

- *Is there evidence to determine what happened to the missing \$100.00?*

Only four people had access to the monies, the cashier and supervisor at closing and the cashier and supervisor at opening.

Before the OIG investigation was completed, the main suspect was fired for her actions in a concurrent investigation being conducted by outside investigators.

The Cultural Services Director noticed some anomalies in revenue reports. The director hired an outside investigation firm to conduct a broader investigation which included installing surveillance cameras in the cashiers booths. The surveillance footage showed three (3) cashiers stealing money, including the cashier the OIG was investigating.

Due to the fact that the employee was fired before a second interview could take place, the OIG could not conclude its investigation. The OIG wanted to issue a report to make recommendations, which could help prevent further fraud.

- *Are there areas in which CSD can reduce the risk of fraud?*

RECOMMENDATIONS AND RESPONSES:

The OIG makes the following recommendations for consideration by the Cultural Services Department (CSD):

- Provide instructions and training/re-training to all employees and supervisors that deal with currency regarding cash-handling procedures, transactions and safeguarding of monetary instruments;

RESPONSE FROM CSD

“The Treasury Department provided training to the ABQ BioPark supervisors on February 13, 2014 and a follow up meeting with BioPark supervisors and Cultural Services Department Fiscal Staff was conducted on March 20, 2014. All BioPark supervisors attended cash handling training in December 2013. All new employees that have been hired from temporary employment agencies have received cash handling training from the Treasury Department. The City Cash Handling Manual is in every cashier booth and the BioPark is updating their current BioPark manual. Cashier 1 was a temporary employee and was terminated on December 21, 2013. Cashier 2 was also a temporary employee and was terminated on January 28, 2014 following the investigation referenced in the last paragraph on page 9 of the OIG’s findings.”

- Install video surveillance in areas where monies are collected and secured by CSD;

RESPONSE FROM CSD

“The BioPark is currently in the process of installing video surveillance in all cashier booths and cash rooms. The cash rooms will also have key card access to monitor only authorized personnel going in and out of the cash rooms. Cultural Services Department Fiscal Staff are working with City Purchasing to use the current vendor on contract that can provide the appropriate video surveillance equipment and plan. The department is also working to identify funding for an appropriate video surveillance plan. The expected installation of video surveillance is 6 to 9 months.”

- Separate duties to where one employee collects the admission fee and another employee collects the entrance ticket allowing entrance to the attraction. Management may want to consider looking into automated ticket sale machines;

RESPONSE FROM CSD

“The Aquarium/Botanic Gardens currently have an employee collecting revenue and an employee collecting entrance tickets. Stricter guidelines have been implemented for busy times. The Zoo does not have a dual verification of checking tickets but the supervisors have started to randomly check customer receipts for verification. Random audits are also performed. Department and BioPark staff wish to implement automated ticket sale machines in the future. The department is also working to identify funding for an appropriate automated system.”

- Insure all shift reconciliations are verified and dual verified to where the supervisor is the last to reconcile, and both employees sign off on the total reconciled amount;

RESPONSE FROM CSD

“Supervisors have changed their end-of-shift process to have the supervisor dual verify the cash bags from the cashier. Once the cashier cashes out at the end of the shift the supervisor retrieves the cash report and the cash bag and counts out the deposit with the cashier.”

- Instruct supervisors and cashiers not to answer the telephone or the door during the counting and securing of monies;

RESPONSE FROM CSD

“A new policy was implemented whereby the supervisors have the cashier answer the door or the phone so that the supervisor never leaves the cash table.”

- Ensure that when a supervisor skims the register of a cashier, both cashier and supervisor count the money and sign off before the supervisor takes monies to the vault.

(The skimming process is when supervisors take money from a cashier’s drawer during their shift and place it in the safe. Skimming usually only occurs on very busy days. At the end of the day, the skimmed money is verified and added to the cashier’s other monies.)

RESPONSE FROM CSD

“The supervisor skims the register and both the cashier and supervisor count the money and sign off before it is taken to the cash vault, if possible.”

CONCLUSION:

When cash is handled, there is always the potential for fraud. By making a few changes at the Zoo and BioPark attractions, this potential can be reduced. At present, cashiers not only receive the admission fees, they also are the employees that allow entrance to the attractions. A possible risk with this current process is that cashiers could collect cash and not input the transaction into the system. They then could allow the patron to enter the attraction while pocketing the cash.



CITY OF ALBUQUERQUE
Office of Inspector General
P.O. BOX 1293, ALBUQUERQUE, NM 87103

May 8, 2014

Accountability in Government Oversight Committee
City of Albuquerque
Albuquerque, New Mexico

Investigation: Cash Out
Bio-Park
Cultural Services Department
14-202

FINAL

INVESTIGATIVE REPORT

ALLEGATION:

On December 24, 2013, the Office of Inspector General (OIG) received information from a City of Albuquerque Treasury Supervisor. The information was regarding cashier shortages that occurred at the Albuquerque Botanical Gardens on December 21 and 22, 2013.

The information received indicated that there was a cashier whose drawer was \$55.00 short at the end of her shift on December 21, 2013. A second cashier's drawer was \$30.00 short at the end of her shift on December 22, 2013. The morning of December 23, 2013 an additional \$100.00 was missing from the second cashier's deposit, increasing her shortage to \$130.00.

BACKGROUND DETAILS:

The Albuquerque BioPark is made up of three main attractions: The Zoo; The Botanical Gardens; and the Aquarium. Cashiers booths are located at the entrance of the Zoo. The Botanical Gardens and the Aquarium sit on the same property, and cashiers booths are located at the main entrance.

The BioPark hosts its annual River of Lights every holiday season. The River of Lights is held at the Botanical Gardens and takes place in the evening. It is a popular event that draws many people and therefore brings in a lot of revenue for the BioPark.

It is our understanding that a majority of the cashiers who work in the admissions booths are hired through a temporary agency and are not City employees.

REVENUE PROCESSES

Daily Deposit Process

At the morning shift, the cashier and supervisor go into the cash room, open the safe and get the \$200.00 bank bag ready for daily business -- counting to verify there is indeed \$200.00 in the bag. The cashier and supervisor will then get the previous night revenue bags and prepare them for the bank deposit. These bags are counted and verified; there are already reports and close out sheets for these bags which were prepared the night before.

Cash Out Process

At the end of the day, the cashier, along with a supervisor, take their money to the cash room. The money is usually locked in a bag. Since the cashiers start their shift with a \$200.00 bank, at the end of the day they will take \$200.00 out and return it as their “starting bank”. Whatever money is left is actually the money collected that day during the course of business. This includes cash, checks and credit card transactions. All the money collected is entered into the computer system and a report is run. The cashier lays the money out and it is run through a cash-counting machine and verified against the report. Any discounts or coupons are verified as well. Once the money has been verified, everything is placed into the deposit bag. The deposit bag is then locked and placed in the safe.

Skimming Process

Skimming is when supervisors take money from a cashier’s drawer during their shift and place it in the safe. Skimming usually only occurs on very busy days, such as during the River of Lights. A supervisor will go out to the cashier booth to retrieve the money. Since the cashiers are generally very busy, they usually do not have time to count the skimmed money themselves. Therefore, the supervisor will count the skimmed money in front of the cashier and will show the cashier what the amount is. The supervisor will notate on a Cashiers Report how much money was skimmed, including how much of each denomination. The money is then put into an envelope with the cashier’s name on it, and the amount is verified with the cashier. The skimmed money is taken and placed in the safe, and at the end of the day, the skimmed money is verified and added to the cashier’s other monies.

Additional Information

The cashiers are usually the ones who physically handle and count the money during the daily deposit and cash out processes. The supervisors are physically present and will watch the cashiers as they count the money, but it is general practice that the supervisors do not handle the money while it is being counted. There is also a money counter machine in the cash room, which is utilized.

There are no cameras located in any of the cashiers booths. There are also no cameras located in the cash room.

INVESTIGATION DETAILS:

December 21, 2013

When Cashier 1's shift ended on Saturday, December 21, 2013 it was found that she was short \$55.00 on her day's receipts. Cashier 1 indicated on the Cashier Over/Short Report that she was "unsure as to what happened" to the missing money. Since the amount was over \$50.00, a police report was also filed.

** It should be noted that Cashier 1 was terminated before the OIG had the opportunity to interview her regarding the incident on December 21, 2013. It is OIG's understanding that Cashier 1 was terminated due to numerous shortages.

December 22, 2013

When Cashier 2's shift ended on Sunday, December 22, 2013, it was found that she was short \$30.00 on her day's receipts. She stated on the Cashier Over/Short Report that the possible reason or circumstance for the shortage was "unknown".

She also provided a separate written and signed statement indicating that during the cash out process she "noticed nothing out of the ordinary", and stated, "If any different recollection occurs, I am more than willing to provide that information."

December 23, 2013

On December 23, 2013, Cashier 3 and Supervisor 3 began the workday by doing the morning deposit count. They were aware that Cashier 2's deposit was \$30.00 short at the end of the previous evening. However, after counting Cashier 2's bank bag, they found that the bag was actually \$130.00 short. Cashier 2's paperwork showed that she had six (6) one hundred dollar bills (\$600.00). However, Cashier 3 and Supervisor 3 only counted five (5) one hundred dollar bills (\$500.00).

A police report was filed, and it was reported that the six (6) one hundred dollar bills had been dual verified by Cashier 2 and Supervisor 2 when they did the cash out the night of December 22, 2013. The \$100.00 shortage was reported to the Revenue Program Supervisor and the safe was recounted several times, but the missing \$100.00 was not found.

Interview with Cashier 2

On January 16, 2014 we interviewed Cashier 2 regarding the shortages from her December 22, 2013 shift. Prior to being interviewed, Cashier 2 was placed under oath and she acknowledged this and understood that the interview was being recorded. Cashier 2 confirmed she is a temporary employee and has been in her current position since March 2013.

Cashier 2 confirmed that when she and Supervisor 2 were doing the cash out that evening, her drawer came up \$30.00 short. She indicated it is regular practice that she and the supervisor count the money together; Cashier 2 handles the money, but the supervisor will watch as it is being counted. Once all the money was verified and placed in the cash bag -- and once the \$30.00 shortage had been notated -- Cashier 2 stated she witnessed Supervisor 2 lock the bank bag and place it into the safe.

Cashier 2 maintained that she did not take the \$30.00 that was short. She also stated she did not know what happened to the \$100.00 that was missing the morning of December 23, 2013, maintaining that she did not take it. She speculated that perhaps it could have fallen into the trash. Cashier 2 was reminded again that she was *under oath* and then asked if she had ever taken any money from the City of Albuquerque, Cashier 2 stated “no”.

Interview with Supervisor 2

On January 16, 2014 we interviewed Supervisor 2 regarding the shortages from Cashier 2’s December 22, 2013 cash out. Prior to being interviewed, Supervisor 2 was placed under oath and she acknowledged this and understood that the interview was being recorded. Supervisor 2 is an administrative supervisor and has been employed with the City for approximately six (6) years.

Supervisor 2 confirmed that she skimmed \$4,300 from Cashier 2’s drawer during this cashier’s shift on December 22, 2013. Supervisor 2 described the cash out process that took place that same evening, as follows:

- Cashier 2 came in with her money and she and Supervisor 2 counted out her \$200.00 bank, which verified and was checked off and initialed by Supervisor 2
- Cashier 2 then pulled her other money and Supervisor 2 pulled the skim from the safe
- The money was all laid out and they went through everything; everything was marked down, checked off and initialed by Supervisor 2
- Cashier 2 signed off that her drawer was \$30.00 short
- Supervisor 2 distinctly remembers the six (6) one hundred dollar bills
 - Cashier 2 laid out these bills
 - Supervisor 2 wasn’t sure why, but for some reason, Cashier 2 did not put the money in the counter, and they both counted out the six (6) one hundred dollar bills
 - Supervisor 2 knows the \$600.00 was there because it was counted twice

According to Supervisor 2, during the cash out process, the cashier is the one who touches all the money and locks the deposit bag. The supervisor is the one who then puts the deposit bag in the safe. The supervisors are the only ones who have access to the deposit bag once it is locked and secured. The supervisors are also the only ones who have access to the cash room.

Supervisor 2 stated that the River of Lights is an extremely busy time. She stated she thought about it, and there were many times that evening when she was interrupted and had to go to the door, but cannot remember at what times during the cash out process this was. She explained that if the money is all counted, and somebody is at the cash room door, she will tell the cashier

to lock the money up. She hopes she did not leave Cashier 2 with the money like that, but if somebody interrupts or the phone rings, then Supervisor 2 will take the call or will find out who is at the door.

Supervisor 2 stated she did not take the \$100.00 that came up missing from the December 22, 2013 cash out.

Interview with Cashier 3

On January 16, 2014 we interviewed Cashier 3 regarding the shortages from Cashier 2's December 22, 2013 cash out. Prior to being interviewed, Cashier 3 was placed under oath and she acknowledged this and understood that the interview was being recorded. Cashier 3 has been employed with the City for close to (8) years.

Cashier 3 indicated that when she and Supervisor 3 discovered the missing \$100.00 the morning of December 23, 2013 they did the following:

- They counted the safe to verify that everything in there was what it was supposed to be
- They recounted the deposit, and Supervisor 3 called the Retail/Revenue Program Supervisor to come in and verify as well
- Supervisor 3 watched as Cashier 3 hand counted the money. Cashier 3 laid the money out on the desk, and counted out the hundred dollar bills aloud one by one
- The money was also counted by machine

Cashier 3 stated that she and Supervisor 3 were both in the room the entire time; no one was ever left alone in the room.

Cashier 3 stated she did not take the \$100.00 that was missing the morning of December 23, 2013.

Interview with Supervisor 3

On January 16, 2014 we interviewed Supervisor 3 regarding the shortages from Cashier 2's December 22, 2013 cash out. Prior to being interviewed, Supervisor 3 was placed under oath and he acknowledged this and understood that the interview was being recorded. Supervisor 3 is an administrative supervisor and has been employed with the City for approximately eighteen (18) years.

Supervisor 3 described the process that took place the morning of December 23, 2013 as follows:

- He and Cashier 3 went into the cash room/safe room and counted the \$200.00 bags to get ready for business that day. This included fixing the \$200.00 bags from the previous day
- They noticed Cashier 2's paperwork indicated her drawer had been \$30.00 short. However, he and Cashier 3 discovered that Cashier 2's bag was also short a one hundred dollar bill

- He and Cashier 3 went through the entire safe again, counting all of the money and verifying the safe. They also verified all the other cash bags that were in the safe
- When they were still unable to locate the missing \$100.00, they called the Retail/Revenue Program Supervisor into the room and the three of them went through the entire search process again, including verifying the safe and all of the cash bags

Supervisor 3 stated he never left the room at any time during this process. According to Supervisor 3, no one is ever left in the cash room alone and there is a supervisor in with the cashiers at all times. He further stated that all the cash outs and everything is kept in the safe. No one but the supervisors have access to the cash room, and even if somebody else were to gain access to the room, the safe is locked. A person would need to have the combination and keys for the safe. Supervisor 3 stated this particular safe does not have a drop.

Supervisor 3 stated he did not take the \$100.00 that came up missing the morning of December 23, 2013.

Follow Up Interview

After speaking with Supervisor 2 and learning she had many distractions and interruptions the evening of December 22, 2013 the OIG planned to schedule a follow up interview with Cashier 2. The Director of CSD asked us to hold off a few days, and when the OIG was going to schedule a second interview with Cashier 2, we learned that she had been fired.

We then learned the Director hired an outside investigation firm to conduct a broader investigation which included installing surveillance cameras in the cashiers booths. The surveillance footage showed three (3) cashiers stealing money, including Cashier 2. It is our understanding that although Cashier 2 was caught on camera stealing money; she maintained she had no knowledge of what happened to the missing \$100.00 in question.

REVIEWED BY:

IG Investigator and Acting IG

IG Investigator

APPROVED:

APPROVED FOR PUBLICATION:

Peter J. Pacheco, CFE, CIGI
Acting IG, Office of Inspector General

Chairperson, Accountability in Government
Government Oversight