



**OFFICE OF INSPECTOR GENERAL**  
*City of Albuquerque*

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Inspector General

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**Investigative Informative Case Synopsis**

**FILE NO:** 24-0450-C

**SUBJECT MATTER:** Alleged of waste of taxpayers' dollars for multiple designs for the renovation of the third floor of the old City Hall.

**STATUS:** Final

**INVESTIGATOR:** M. Santistevan

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*Melissa R. Santistevan*

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**MELISSA SANTISTEVAN, CIG, CIGE, CIGI, CFE**  
**INSPECTOR GENERAL**  
**OFFICE OF INSPECTOR GENERAL**

Signed by:

*Victor Griego*

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**VICTOR GRIEGO, CPA**  
**ACCOUNTABILITY IN GOVERNMENT**  
**OVERSIGHT COMMITTEE CHAIRPERSON**

January 6, 2025

**Date of Completion**

April 10, 2025

**Date of Approval**

**DISTRIBUTION:**

**Honorable Mayor**  
**President City Council**  
**Chief Administrative Officer**  
**City Councilors**  
**Director Council Services**  
**City Attorney**  
**Department Director**  
**Members, Accountability and Government Oversight Committee**  
**File**

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## **EXECUTIVE SUMMARY**

The Office of Inspector General (OIG) operates following the Association of Inspectors General (AIG) standards, as outlined in City Ordinance 2-17-2. The overarching goals include conducting investigations impartially, preventing fraud and abuse, ensuring independence, and enhancing the City of Albuquerque's (City) accountability.

As defined in the Inspector General Ordinance §2-17-3, fraud is the knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment. Waste is the thoughtless or careless expenditure, mismanagement, or abuse of resources to the detriment of the City. Abuse is the use of resources or exercise of authority contrary to rule or policy, or knowingly inconsistent with any established mission or objectives for the resource, or the position held by the person exercising the authority. Abuse does not necessarily involve fraud or illegal acts.

On December 13, 2024, the OIG received a complaint alleging a waste of taxpayers' dollars for multiple designs to renovate the third floor of old City Hall.

The OIG determined that it was appropriate to conduct a fact-finding investigation to substantiate or not substantiate the alleged waste of taxpayers' dollars for multiple designs to renovate the third floor of old City Hall.

The OIG investigation identified the following deficiency therefore we have provided corresponding recommendations for improvement intended to enhance accountability and mitigate waste within the City's operations.

### **Finding:**

- The OIG identified waste of taxpayers' dollars on three (3) separate designs before the renovation of the third floor of old City Hall began. If the third design is used the first two (2) designs resulted in a waste of taxpayers' dollars totaling \$55,528.75.

### **Recommendations:**

- The City should not solicit a design for renovation until the full design needs have been assessed. Once an architect has been selected, the design drawings should be based on communications and discussions for potential limitations or required changes. After acceptance of the drawings, new designs should not be solicited unless due to extraordinary events. The OIG acknowledges that design revisions may occur in the normal course of implementation.

## **ABBREVIATIONS**

AIG: Association of Inspectors General  
City: City of Albuquerque  
County: Bernalillo County  
C1: Contractor  
C1: Contractor  
D1: City Director  
D2: City Director  
E1: City Employee  
GSD: General Services Department  
OIG: Office of Inspector General

## **INTRODUCTION**

The OIG's mission is to promote a culture of integrity, accountability, and transparency throughout the City to safeguard and preserve public trust. Investigations, inspections, evaluations, and reviews are conducted following AIG Standards.

### **Complaint**

The complaint alleges a waste of taxpayers' dollars for multiple designs to renovate the third floor of the old City Hall.

### **Background**

City Hall was previously occupied by both City and Bernalillo County (County) personnel. The County purchased and moved to a new building in 2022 leaving space available for the City to house City departments and operations. In July 2021, the City created the General Services Department (GSD). In June 2022, the City requested professional fee proposals for design and technical design documents to renovate and upgrade a portion of the existing third floor to accommodate new offices within an existing suite. The new office suite will be for GSD. The office suite is approximately 1,900 square feet. The existing office suite is currently slated to be renovated to include a total of six (6) private offices and an open office for administrative staff with a lobby and seating area. The existing suite has two (2) existing offices and the rest is an open area. The renovation will require the upgrade and re-configuration of the existing systems, including architectural finishes, mechanical and electrical systems, and life safety systems. Structural revisions are not anticipated.

## SCOPE AND METHODOLOGY

Scope: Design services for the third floor of the old City Hall between June 2022 and January 2025.

The methodology consisted of:

- Identify contractors and research payments
- Request and review emails related to each request
- Review purchase orders and amendments.
- Review invoices
- Conduct Interviews or inquiries.

This report was developed based on the OIG's review of documentation and records available during the investigation.

## INVESTIGATION

### **Allegations:**

The complaint alleges a waste of taxpayers' dollars for multiple designs for remodeling the third floor of the old City Hall.

### **Authority:**

Inspector General Ordinance, Article 17

### **Evidence:**

Notices to Proceed

Purchase Orders and Invoices

### **Analysis:**

Inspector General Ordinance 2-17-3 Waste

"Waste. The thoughtless or careless expenditure, mismanagement, or abuse of resources to the detriment of the City."

The OIG considered the facts of this investigation and the definitions in the Inspector General Ordinance to determine whether the allegation was substantiated or not substantiated.

### **Notices to Proceed**

On June 30, 2022, the City issued Notice to Proceed (NTP) #14 under job number 7224.001. NTP #14 states that the cost for the work shall not exceed Fifty Thousand Two Hundred Fifty-Five

Dollars and 00/100 (\$50,255.00) exclusive of gross receipts tax. Payment shall follow Article IV. This design was completed.

On September 7, 2023, the City increased Notice to Proceed #14 under job number 7224.001. NTP#14-1 states that the cost for the work shall not exceed Thirty-three thousand three hundred forty-five dollars and 25/100 (\$33,345.25) exclusive of gross receipts tax. Payments shall follow Article IV. This design was completed.

As of December 31, 2024, the City had received responses for fee proposals for renovation designs on the third floor of City Hall, however, an NTP has not been issued. The City's request for this design includes an additional three office spaces and an increase to one existing office space. The proposed fee for design services is \$29,615.00 exclusive of gross receipts tax.

The OIG reviewed the reasons behind the three designs and discovered that the first design was initiated by the Department of Municipal Development (DMD) before the inception of the General Services Department (GSD). It was later discovered that GSD did not have the funding to implement the first design. A second design was requested by D1 to reduce the scope of the project and to include three additional office spaces acquired from the Environmental Health Department (EHD). There was a change in GSD Directors and D2 requested a new design be prepared by a different contractor resulting in a fee proposal for a third design. This design has been modified recently to increase the size of one office space from 222 sq ft to 310 sq ft.

#### Purchase Orders and invoices

The OIG reviewed purchase orders and invoices, noting that the City paid invoices for two separate design projects for the third floor of City Hall. The City paid thirty-five thousand nine hundred seventy-five dollars (\$35,975.00) exclusive of tax for the first design on the renovation of the third floor of City Hall between 7/1/22 and 6/30/23. The City paid nineteen thousand five hundred fifty-three dollars and seventy-five cents (\$19,553.75) exclusive of tax for the second design of the third floor of City Hall between 7/1/23 and 6/30/24. As of June 2024, the City paid fifty-five thousand five hundred twenty-eight dollars and seventy-five cents (\$55,528.75) exclusive of tax for designs that have not been implemented. In September 2024, the City requested and received a fee proposal of twenty-nine thousand six hundred fifteen (\$29,615.00) plus tax for a third design of the third floor of City Hall.

The OIG reviewed an invoice for twenty thousand seven hundred seventeen dollars and fifty-four cents (\$20,717.54), for the third design of the third floor of City Hall, from the vendor reflecting the design was 65% complete as of October 21, 2024. The OIG noted that the invoice reflected "On-Call architectural services agreement No 7204.003 under project 5511.09" and discovered that CIP issued a purchase order for twenty-nine thousand six hundred fifteen dollars (\$29,615.00), under an on-call services agreement, for the third design of City Hall-3<sup>rd</sup> Floor GS. This methodology was inconsistent with the previous methods used on the first two designs solicited. As of February 6, 2025, one invoice had been processed against the purchase order for twenty thousand seven hundred seventeen dollars and fifty-four cents (\$20,717.54).

If renovations are initiated on the third design, the City will have paid for three (3) designs totaling eighty-five thousand one hundred forty-three dollars and seventy-five cents (\$85,143.75) exclusive

of applicable gross receipts tax. Gross receipts tax on all three projects is estimated to be six thousand four hundred ninety-two dollars and twenty-one cents (\$6,492.21) bringing the total cost of design services for the third-floor renovation, to ninety-one thousand six hundred thirty-five dollars and ninety-six cents (\$91,635.96). The design services are exclusive of the construction remodel costs.

**Conclusion:**

The evidence obtained during the investigation supports the allegation that taxpayers' dollars have been utilized to solicit and pay for three (3) separate designs before beginning any renovations on the third floor of the old City Hall. A lack of planning and multiple changes in directors resulted in new designs for the renovation of the third floor of Old City Hall and a waste of taxpayers' dollars spent for designs paid for but not used.

**FINDING AND RECOMMENDATION**

**Finding:**

Condition: Three Directors requested three separate, consecutive designs to renovate the third floor of old City Hall resulting in a waste of taxpayers' resources on the first two designs totaling fifty-five thousand five hundred twenty-eight dollars and seventy-five cents (\$55,528.75) exclusive of applicable gross receipts tax. A third design was solicited at twenty-nine thousand six hundred fifteen dollars (\$29,615.00) and invoiced for nineteen thousand two hundred forty-nine dollars and seventy-five cents (\$19,249.75) as being 65% complete as of October 31, 2024, for a total of ninety-one thousand six hundred thirty-five dollars and ninety-six cents (\$91,635.96).

Criteria: Article 2 Chapter 17 defines waste as the thoughtless or careless expenditure, mismanagement, or abuse of resources to the detriment of the City.

Cause: A lack of planning for the third-floor renovation and multiple changes in directors.

Effect: The City paid for three (3) separate designs for the third-floor renovation of the old City Hall. If the third design is used, the cost of the first two (2) designs totaling \$55,827.75 was a waste of taxpayers' dollars.

Recommendations: The City should not solicit a design for renovation until the full design needs have been assessed. Once an architect has been selected, the design drawings should be based on communications and discussions for potential limitations or required changes. After acceptance of the drawings, new designs should not be solicited unless due to extraordinary events. The OIG acknowledges that design revisions may occur in the normal course of implementation.

Management's Response: The General Services Department experienced changes in department directors over a period of two and a half years. The current director acting within his authority did not believe the previous design work met the needs of his department, so he authorized a 3rd redesign of the workspace. It is common for design changes to occur during renovations.