



CITY OF ALBUQUERQUE OFFICE OF THE INSPECTOR GENERAL

ANNUAL REPORT FOR THE FISCAL YEAR 2023

July 21, 2023

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Melissa Santistevan
Inspector General

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To the Mayor, City Council, and Citizens of the City of Albuquerque:

It is my pleasure to present the fiscal year 2023 (FY2023) Annual Report on behalf of the Office of Inspector General as required per Section 2-17-10 of the Municipal Code of Albuquerque. This report summarizes our major efforts to promote transparency, accountability, efficiency, and effectiveness in government over the past year. I am grateful to work with such a dedicated OIG team servicing the citizens of the City of Albuquerque. This report reflects their great work.

As the Inspector General, I would like to reflect on the progress the OIG made during the fiscal year. A Peer Review of the OIG's work for the period January 2019 to December 2021 was conducted by the Association of Inspectors General where it was determined that our office met all current and relevant standards. As of June 2023, we had hired a lead investigator and an investigator allowing the office to be fully staffed. All of our staff attended the Association of Inspectors General (AIG) Annual Conference where I was honored to be a presenter. My colleagues attended the Inspector General Institute sponsored by the AIG. The Institute is a week-long course comprised of instruction and case studies presented by various experts in the Inspector General (IG) community that culminates in a final exam consisting of 100 questions. I am happy to report that our staff obtained additional certifications that enhance their skillset and will benefit the citizens of Albuquerque. Throughout the fiscal year, I worked to promote a revision to the IG Ordinance for strengthened structural independence for the OIG. Negotiations with City Administrators and City Councilors resulted in an improved IG Ordinance while creating an opportunity for future improvements. The revised IG Ordinance will be in effect starting in July 2023. During the fiscal year 2023, the Office received and assessed one hundred fifty-two (152) complaints, closed one hundred forty-three (143) complaints, and issued thirty (30) reports that identified \$545,150.95 in potential savings or waste.

Meanwhile, our work continues and we will focus our efforts on those instances of waste, fraud, abuse, inefficiency, and ineffectiveness that most sharply impact the citizens of the City of Albuquerque, and which do the most harm to the legitimacy and transparency of our government. The OIG has remained steadfast to the professional standards established by the Association of Inspectors General (AIG). Maintaining these standards and demonstrating best practices for the City of Albuquerque remains the cornerstone of our mission and fosters the trust of citizens and employees. This mission requires the unwavering support of the Accountability in Governance and Oversight (AGO) Committee for which I am appreciative.

I would also like to thank the Association of Inspectors General for its support and guidance in crafting a more structurally independent IG Ordinance as well as Councilor Bassan for carrying the IG Ordinance revisions, at the OIG's request, through the legislative process. Additionally, I am grateful to the City Administration and City Council for increasing the Office's budget for fiscal year 2024. Finally, we thank you, the citizens of the City of Albuquerque, who continue to be the bedrock support of our office and its mission.

Respectfully,

Melissa R. Santistevan, CIG
City of Albuquerque Inspector General

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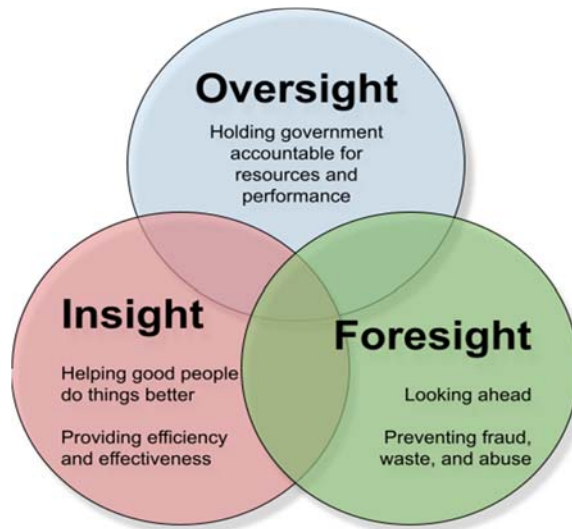
I Overview

A| Mission, Vision, and Values

Mission Statement

Our purpose is to serve as an independent and objective body to promote insight, oversight, and foresight in promoting integrity, efficiency, overall effectiveness, accountability, transparency, and to prevent and detect fraud, abuse, mismanagement and waste in government to safeguard and preserve the public trust.

Our promise is to accomplish our purpose through inspections, reviews, investigations, oversight, and outreach activities.



Vision Statement

Advancing transparency, accountability, and integrity in the governance of the City of Albuquerque through independent oversight.

Values

Professionalism – We take pride in our purpose, profession, products, results, and conduct.

Respect – We are respectful of others and recognize their value.

Integrity – We do the right thing, the right way, for the right reason.

Dedication – We are dedicated to our purpose, our work, and the people we serve.

Excellence – We strive for excellence in everything we do.

B| Authorities and Responsibilities

The purpose, duties, and responsibilities of the OIG are specified in the IG Ordinance (Chapter 2, Article 17, City of Albuquerque Code of Ordinances). The IG Ordinance is available at https://codelibrary.amlegal.com/codes/albuquerque/latest/albuquerque_nm/0-0-0-84884#JD_Chapter2Article17. Some of the authority, powers, function, and mandated requirements include:

The Office of the Inspector General has the authority to receive and evaluate complaints referred to her by any official, employee, contractor, or the public and initiate an investigation when deemed appropriate. The Inspector General shall receive and investigate complaints referred by the Board of Ethics and Campaign Practices (BOE). The Inspector General may also initiate investigations for proactive reasons, or in reaction to another complaint.

The Inspector General shall not investigate complaints that are under the jurisdiction of the Civilian Police Oversight Agency (CPOA) or the Internal Affairs Division of the Albuquerque Police Department, nor shall they access any Internal Affairs files.

The Inspector General can require the production of documents and receive full and unrestricted access to records. The Inspector General has the power to subpoena witnesses and administer oaths. Additionally, the Inspector General is the appropriate local official for whistleblower reporting and protection. People may also submit anonymous complaints to the Office of Inspector General.

All city officials, employees, and contractors are required to promptly notify the Inspector General of every instance of theft or other disappearance of cash, check, or property, misfeasance or nonfeasance, defalcation, improper governmental actions as defined in the Whistleblower Ordinance, and non-compliance with federal and state law, city ordinances and city regulations of which they are aware.

The Whistleblower Ordinance was established in January 2004 and protects City employees who fear having retaliatory actions taken against them, such as a demotion or employment termination, for reporting activities such as violations of policies and laws, etc. Certain requirements of the Ordinance must be met before the Ordinance is applicable. The person making the complaint can report the situation to a supervisor, director, or the Inspector General. The Inspector General can encourage the employee to report the matter to the Department Director or can decide to investigate the matter if appropriate. It is important to understand that the Whistleblower Ordinance does not apply in situations where no reporting and no suspected retaliatory actions have taken place. Mere fear of retaliatory action if something is reported, is not a violation of the policy.

"Inspectors General with no independence or authority result in the mere appearance of oversight, which is much worse than no oversight at all"

Stephen B. Street, Jr., Past President
Association of Inspectors General

C| Standards, Accreditation, and Staff Qualifications



The Association of Inspectors General (AIG) is a national professional organization comprised of IGs from federal, state, and local governments. The AIG *Principles and Standards for Offices of Inspectors General* is one of the main standards used. It provides guidelines for the overall operations of OIGs, as well as, specific standards for investigations and inspections.

Inspector General Staff Qualifications

Staff members bring an array of experience from State Investigation Communities, state and local government, and public accounting firms. Staff members have backgrounds in and/or academic degrees or certifications in:

- Accounting
- Auditing
- Business Administration
- Criminal Justice
- Financial Analysis
- Fraud Examination
- Grant Administration
- Inspections
- Internal Controls
- Investigations

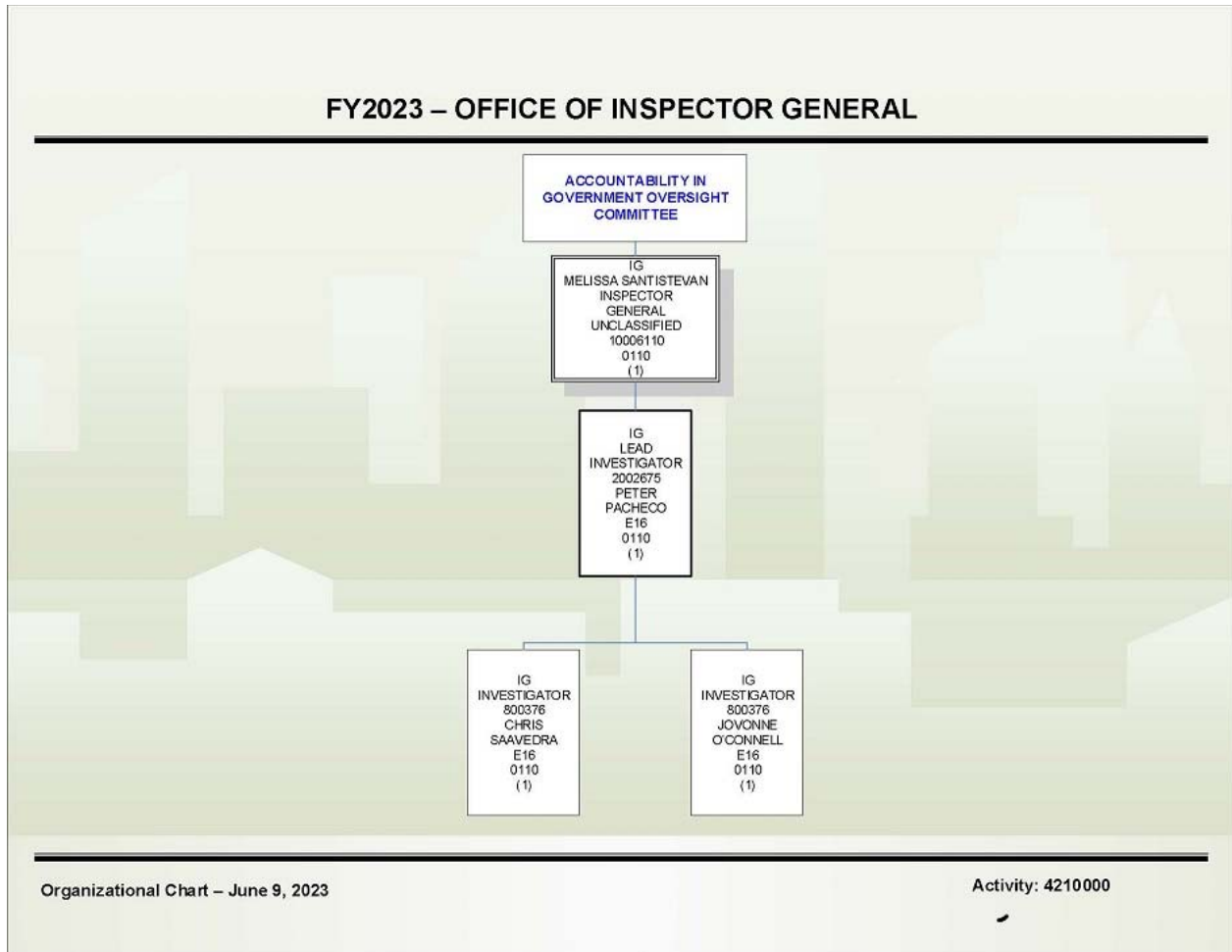
Successful high-performing organizations are built upon the foundation of hiring, retaining, and developing high-quality staff.

D| Structure and Staffing of the Office of Inspector General

The Accountability in Governance and Oversight Committee shall accept applications from candidates, interview candidates, and shall submit to the City Council the name of three candidates that it finds to be the best qualified to be Inspector General, indicating its ranking, and the Council shall appoint the Inspector General from the three. Instead of recommending three candidates to the Council, the Committee may recommend to the Council the reconfirmation of the incumbent Inspector General, whom the Council may choose to reconfirm.

The Inspector General shall have, subject to appropriation by the City Council, the power to appoint, employ, and remove such assistants, employees, and personnel and establish personnel procedures as deemed necessary for the efficient and effective administration of the activities of the Office of the Inspector General.

Currently, the Office of Inspector General has three investigator positions in addition to the Inspector General. As of June 3, 2023, all OIG positions are filled.



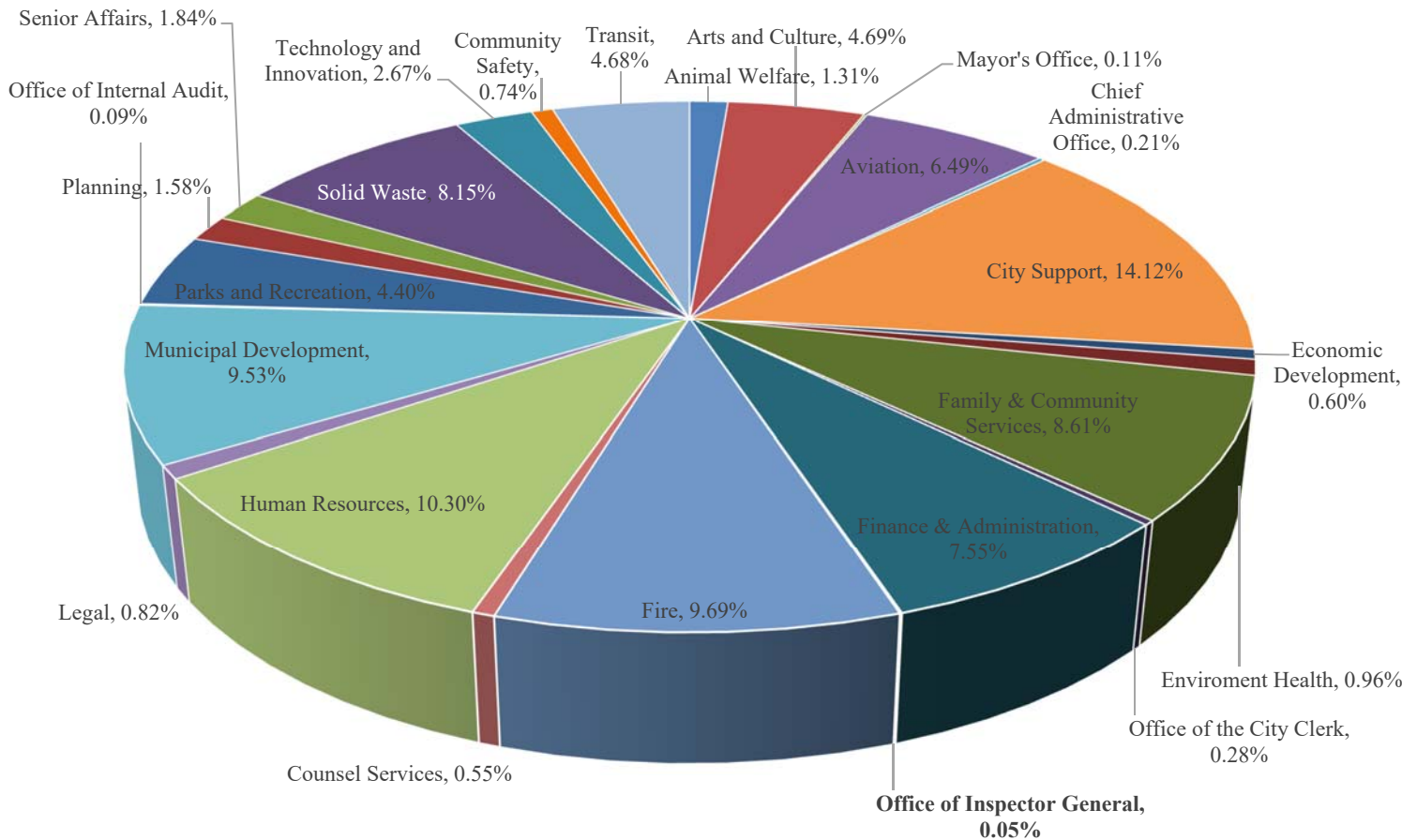
E| Office of Inspector General Budget

During fiscal year 2023, the OIG expended \$ 475,801.30 (78%) of its approved budget. The financial resources dedicated to the OIG are 0.05% of the estimated \$1.4 billion in the annual budgets of the City of Albuquerque for which the OIG provides independent oversight.

OIG oversight responsibilities include:

- 28 Departments with total annual budgets of approximately \$1.4 Billion
- Departmental employees numbering approximately 5,800 people (excluding temporary and contracted employees)
- Thousands of vendors and contractors
- Oversight of millions of dollars in contracting activities

Department % of City Budget (excluding CPOA and APD)



F| Return on Investment

The OIG serves a city that employs a workforce of more than 5,800 employees and is home to an estimated 561,000 residents. For fiscal year 2023, the Office had a total budget of \$614,000. Approximately 93% of the budget was dedicated to the payment of salaries for the Office’s four full-time employees. Beyond salaries, the remaining funds were spent on a variety of items including continuing education, software programs, office supplies, and membership fees to the Association of Fraud Examiners and the Association of Inspectors General. During fiscal year 2023, the OIG had the increased challenge of addressing the 152 complaints expediently, due to the fact that we had three investigators for eleven (11) months. Based on Albuquerque’s population of 561,000 as estimated by the 2020 U.S. Census, the budgeted cost to operate the Office was approximately \$1.10 per City resident, however, the actual cost to operate the Office during fiscal year 2023 was \$.85 per City resident, less than the current price for a cup of coffee.

G| Outreach, Education, and Prevention

Outreach is an important component of OIG operations, and takes place both inside and outside of government. OIG outreach includes education on what our office does, common trends and best practices, red flags to assist in identifying fraud, waste, and abuse, and ways to contact our office. During fiscal year 2023, the OIG promoted and provided training for International Fraud Week. The OIG continues to present at the Supervisory Development Training offered every nine weeks.

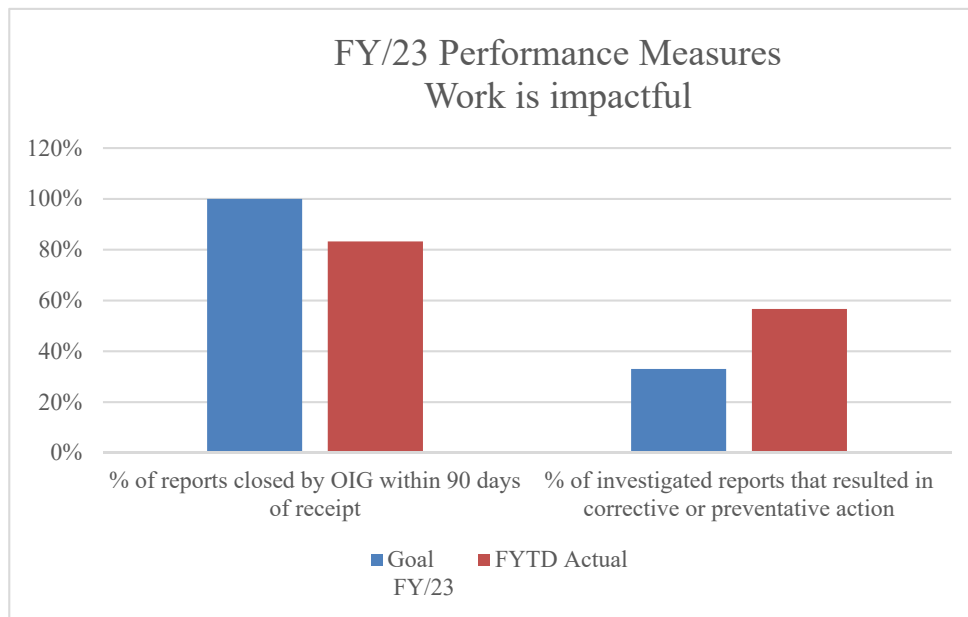
II Activities

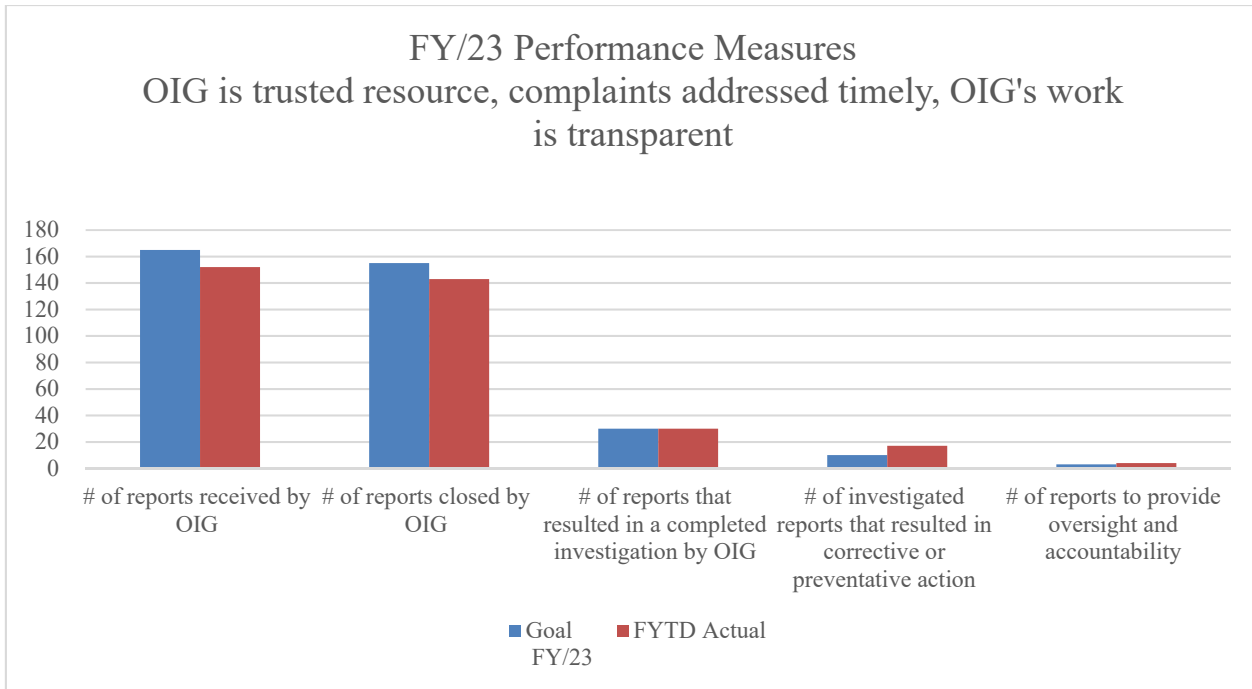
The investigative activities conducted by the OIG adhere to the Principles and Standards for Offices of Inspectors General (Green Book).

The OIG has the authority to conduct both criminal and administrative investigations regarding the conduct of City officers, employees, and other entities transacting business with the City of Albuquerque, including contractors, subcontractors, and lobbyists. When a determination has been made that the subject of an investigation has potentially committed a criminal violation, those findings are discussed with local, state, or federal law enforcement agencies, and are referred to prosecuting agencies and to the NM State Auditor’s Office.

Activity Highlights

During fiscal year 2023, the OIG received one hundred fifty-two (152) complaints and closed one hundred forty-three (143) complaints. The OIG issued thirty (30) reports including eleven (11) Reports of Investigation and nineteen (19) Investigative Informative Case Synopses. Seventeen (17) reports resulted in recommendations for corrective action while four (4) provided opportunities for process improvement or legislative action. In fiscal year 2023, the actual number of complaints received fell short of the estimated number by thirteen (13) complaints and the actual number of closed complaints fell short of the estimated number by twelve (12) complaints. The OIG also fell short of its goal of addressing 100% of the complaints within 90 days. The OIG addressed 83% of complaints within 90 days. The OIG met or exceeded the remaining performance measures set for the department during the prior year’s budgeting process.





Where allegations were substantiated, the OIG referred administrative or disciplinary actions to the Department Directors and City Administration. Additionally, the OIG referred twenty-eight (28) complaints to the NM Attorneys General Office, Federal Offices of Inspectors General, Federal Bureau of Investigation or local law enforcement. These reports and management responses can be found at <https://www.cabq.gov/inspectorgeneral/investigation-reports>.

A| Complaint Intake

In determining whether to open an investigation into misconduct alleged in a complaint, among other factors, OIG evaluates the potential magnitude or significance of the allegations, both individually and programmatically, and assesses investigative viability. Following this review, the OIG may open an investigation, decline a complaint, refer it to another agency or City department, or retain it for non-investigative inquiry. The following information outlines the actions OIG has taken in response to complaints received this fiscal year. The OIG received and assessed one hundred fifty-two (152) complaints during the fiscal year 2023.

Addressed by OIG (143 or 94%)

Complaints that were addressed by the OIG.

OIG Investigative Activities (81 or 53%)

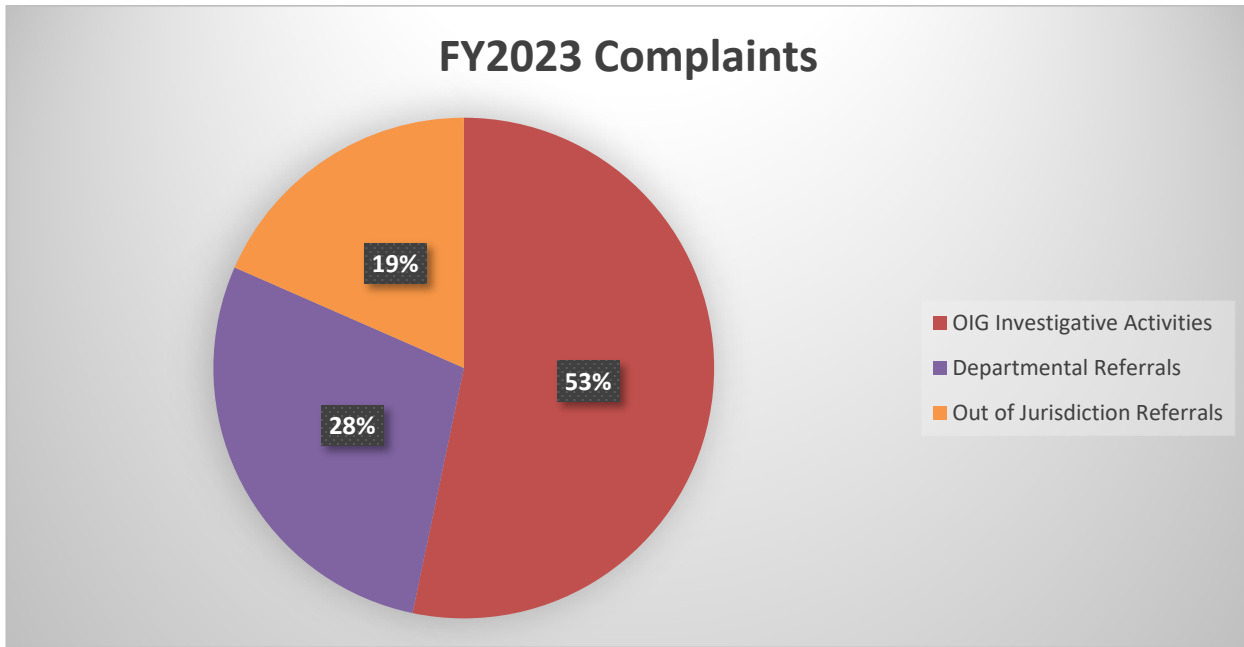
Complaints that were assigned for further investigation.

Department Referrals (43 or 28%)

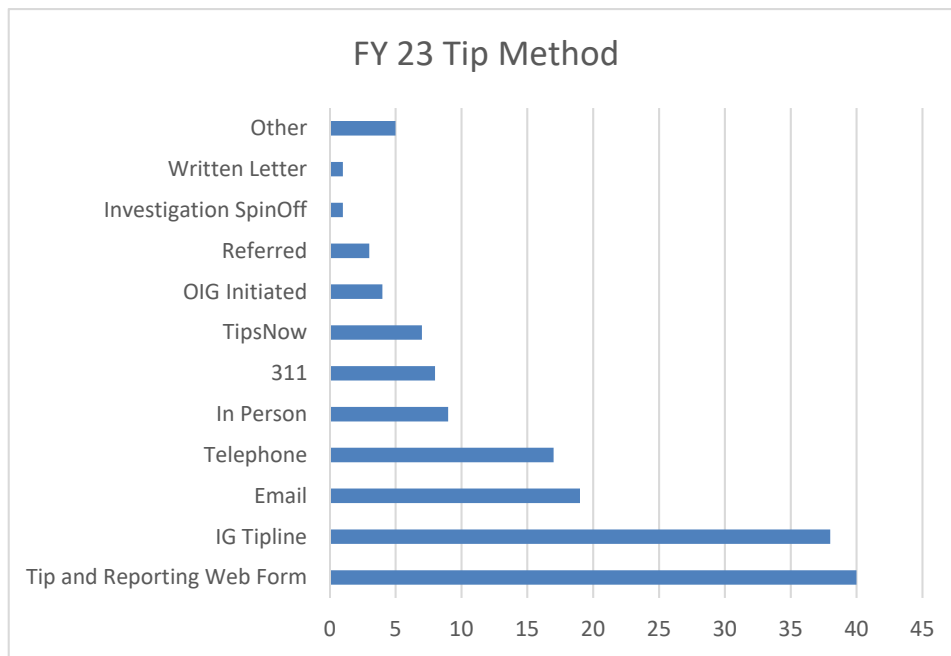
Complaints forwarded to respective departments to address and to provide OIG with a response to include any action taken.

Non-Jurisdictional Referrals (28 or 19%)

Complaints not in the OIG’s jurisdiction are referred to the appropriate jurisdiction.



B| Tip Method



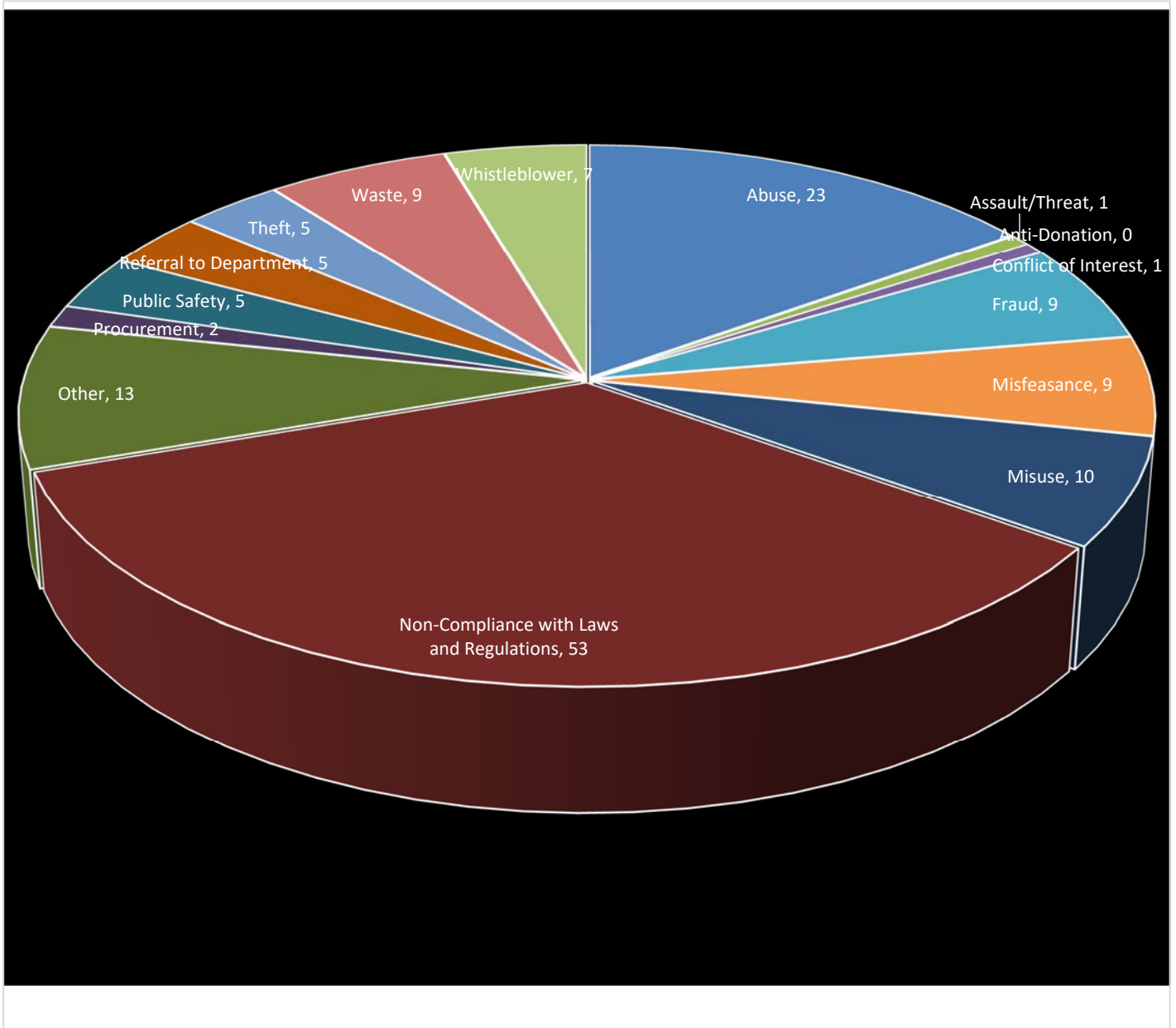
During fiscal year 2023, the OIG noticed a significant decline in the number of 311 complaints. The OIG received eighty-nine (89) 311 referrals in fiscal year 2022 and only eight (8) in fiscal year 2023. In June 2022, the OIG issued a review of the 311 processes and revealed that there are approximately 70,000 311 complaints each month. As with any review, recommendations for process improvements should have ensured the 311 referrals submitted to the OIG were matters of fraud, waste, or abuse, but in no way should they have reduced or eliminated the number of referrals to the OIG. The significant decrease in the referrals to OIG while maintaining the same number of complaints is concerning. We look forward to working with the AGO committee and Administration to resolve this matter.

C| **Complaints by Department**

| Department | # of Complaints |
|----------------------------------------------|------------------------|
| Albuquerque Community Services | 2 |
| Animal Welfare | 6 |
| Aviation Department | 3 |
| City Clerk's Office | 1 |
| City Council | 6 |
| Civilian Police Oversight Agency | 0 |
| Cultural Services Department | 6 |
| Emergency Management Office | 1 |
| Environmental Health | 1 |
| Family & Community Services Department | 13 |
| Film Production Office | 1 |
| Finance & Administrative Services Department | 2 |
| Fire Department | 2 |
| General Services Department | 15 |
| Human Resources Department | 3 |
| Inspector General's Office | 0 |
| Internal Audit Office | 0 |
| Legal Department | 2 |
| Mayor's Office | 5 |
| Municipal Development Department | 19 |
| Parks & Recreation Department | 8 |
| Planning Department | 13 |
| Police Department | 4 |
| Senior Affairs Department | 1 |
| Solid Waste Department | 3 |
| Technology & Innovation Department | 1 |
| Transit Department | 1 |
| Out of Jurisdiction | 30 |
| Unknown | 3 |

D| Complaints by Allegation Type

The following table shows the complaints received by allegation type.



F| Cases in progress

As of June 30, 2023, the OIG has thirty (30) cases in progress.

F| Special Investigations

In addition to its reactive investigative work in response to complaints, OIG is responsible for conducting special investigations into Campaign Practices during election years as mandated by City Ordinance. During the fiscal year 2023, the OIG did not conduct any Special Investigations at the direction of the Board of Ethics and Campaign Practices.

G | Recoveries

OIG investigation 21-0033-C conducted in FY2022 resulted in a City contractor initiating a payment agreement to repay the identified questioned costs of \$155,586.25 with payments of \$10,000 per month commencing in July 2022. As of June 30, 2023, the entity has made twelve (12) payments totaling \$120,000.

III Investigations and Informative Case Synopses**A | Summary of reports issued in fiscal year 2023**

| Case ID | Title | Disposition | \$ Identified |
|-----------|-------------------------------------------------------------|-------------------------|---------------|
| 22-0045-C | Compliance with HEART Ordinance | Partially Substantiated | \$ - |
| 22-0067-C | Misappropriation of time | Substantiated | \$ 3,240.00 |
| 22-0072-C | Waste | Not Substantiated | \$ - |
| 22-0106-C | Abuse of position | Not Substantiated | \$ - |
| 22-0111-C | Misconduct and Conflict of Interest | Substantiated | \$ 146,241.89 |
| 22-0113-C | Collusion, kickbacks, false statements | Not Substantiated | \$ - |
| 22-0116-C | Retaliation and Misuse of budget | Partially Substantiated | \$ 76,846.28 |
| 22-0117-C | Contract Violations | Not Substantiated | \$ - |
| 22-0119-C | Violation of laws | Not Substantiated | \$ - |
| 22-0123-C | Contract Mismanagement | Not Substantiated | \$ - |
| 22-0132-C | Waste of fuel | Not Substantiated | \$ - |
| 22-0140-C | Violation of City Parking Ordinance | Not Substantiated | \$ - |
| 22-0149-C | Misuse of City vehicle | Not Substantiated | \$ - |
| 22-0160-C | Poor Conditions at WEHC | Not Substantiated | \$ - |
| 22-0163-C | AWD Waste of resources | Substantiated | \$ 198.00 |
| 22-0168-C | Abuse of Time | Substantiated | \$ 1,691.15 |
| 22-0176-C | Violation of laws for CBO | Substantiated | \$ - |
| 22-0178-C | Violation of policy for animal adoptions | Substantiated | \$ - |
| 22-0182-C | Non-compliance with Public Comment period | Substantiated | \$ - |
| 22-0183-C | City Parking Enforcement Officers failing to perform duties | Partially Substantiated | \$ - |
| 22-0184-C | Failing to equitably cite nuisance properties | Not Substantiated | \$ - |
| 22-0190-C | Misuse of CDBG-CV grant funds | Not Substantiated | \$ - |
| 22-0197-C | Abuse of Authority-Improper Governmental Actions | Not Substantiated | \$ - |
| 22-0201-C | Waste by Parking Division | Partially Substantiated | \$ - |
| 22-0203-C | Misuse of City funds for turf | Substantiated | \$ 236,622.15 |
| 22-0205-C | Relocation of bus stop for profit | Not Substantiated | \$ - |
| 22-0207-C | Waste related to EAGL | Substantiated | \$ 80,311.48 |
| 22-0208-C | Non-compliance with City policy for outside work | Not Substantiated | \$ - |
| 22-0212-C | Waste of resources due to unnecessary hiring | Inconclusive | \$ - |
| 23-0018-C | Violation of OSHA | Substantiated | \$ - |

B | Summary of reports with corrective actions

| Case ID | Department | Report Name | Findings | Corrective Action Status |
|-----------|----------------------------------|--------------------------------------------------|----------|--------------------------|
| 21-0001-I | Solid Waste | Employee matter | 5 | Resolved |
| 21-0005-I | Human Resources | Unaccredited University Degree | 2 | Resolved |
| 21-0033-C | Family and Community Services | Contract overbilling | 9 | Resolved |
| 21-0081-C | Human Resources | Veterans Hiring | 2 | Open |
| 22-0002-C | Aviation | Time Card Fraud | 8 | Resolved |
| 22-0004-C | Department of Technology | ISC meetings not following open meetings act | 1 | Open |
| 22-0045-C | Animal Welfare Department | Compliance with HEART Ordinance | 6 | Open |
| 22-0064-C | Aviation | Retaliation | 2 | Resolved |
| 22-0067-C | General Services Department | Misappropriation of time | 1 | Open |
| 22-0111-C | Municipal Development Department | Conflict of Interest | 1 | Resolved |
| 22-0116-C | Transit Department | Retaliation and Misuse of budget | 5 | Open |
| 22-0160-C | Family and Community Services | Poor Conditions at WEHC | 1 | Open |
| 22-0163-C | Animal Welfare Department | Waste of Resources | 1 | Resolved |
| 22-0168-C | Family and Community Services | Abuse of Time | 2 | Open |
| 22-0176-C | Planning Department | Violation of laws for CBO | 1 | Open |
| 22-0178-C | Animal Welfare Department | Violation of SOP | 1 | Resolved |
| 22-0182-C | Family and Community Services | Violation of Public Comment | 1 | Resolved |
| 22-0183-C | Municipal Development Department | Parking Violations | 1 | Resolved |
| 22-0201-C | Municipal Development Department | Waste by Parking Division | 1 | Open |
| 22-0203-C | Parks and Recreation | Misuse of City funds for turf | 1 | Open |
| 22-0205-C | Solid Waste | Relocation of bus stop for profit | 1 | Open |
| 22-0207-C | Aviation | Waste related to EAGL | 1 | Open |
| 22-0208-C | Department of Technology | Non-compliance with City policy for outside work | 1 | Open |
| 22-0212-C | Cultural Services | Waste of resources due to unnecessary hiring | 1 | Open |
| 23-0018-C | General Services Department | Violation of OSHA | 7 | Open |

The OIG follows up on open corrective actions every forty-five (45) days. We are pleased to report that during the fiscal year 2023, City departments resolved ten (10) reports with corrective action.

IV Contact Information

Please contact the Office using one of the methods below if you have any questions about this report, the Office and its mission, or if you have a complaint that could be addressed by our Office. We look forward to hearing from you.

The Ways to Report Fraud, Waste, and Abuse to the Office of Inspector General:

Hotline – 505-768-4TIP (4847)

711 (TTY) for the hearing impaired

Email – TipsNow@cabq.gov

**For more information go to the Office of Inspector General’s
Website**

www.cabq.gov/inspectorgeneral



Scan this QR Code with your smartphone to access our website.

The City of Albuquerque Office of Inspector General is an independent office of the City Government. The Office is not part of the City’s executive branch or the City Council. The Inspector General reports to the Accountability in Governance and Oversight Committee.

OIG’s authority to produce reports of its findings and recommendations is established in the City of Albuquerque’s Code of Ordinances §2-17-1 through §2-17-12. For further information about this report, please contact the City of Albuquerque’s Office of Inspector General, P.O. Box 1293, Suite 5025, Albuquerque, NM 87103, or call us at 505-768-3160.

A copy of this report has been made available for public inspection at the Office of the Inspector General and is posted on the Office of Inspector General, City of Albuquerque website.