



# City of Albuquerque

*Office of Internal Audit*

P.O. BOX 1293, ALBUQUERQUE, NM 87103

August 27, 2015

Councilor Rey Garduno, President  
City Council  
P.O. Box 1293  
Albuquerque, NM 87103

Dear Councilor Garduno:

We have completed the Office of Inspector General's Annual Report for Fiscal Year (FY) 2015. The Accountability in Government Oversight Committee approved the Annual Report at its meeting on August 26, 2015, and we are pleased to transmit it to the City Council for your review.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Peter J. Pacheco', is written over the typed name.

Peter J. Pacheco, Acting Inspector General  
Office of Inspector General



***City of Albuquerque***  
***Accountability in Government Oversight Committee***  
**P.O. Box 1293 Albuquerque, New Mexico 87103**

August 28, 2015

Honorable Mayor Richard J. Berry, Members of the City Council, and Citizens of Albuquerque:

The Accountability in Government Oversight (AGO) Committee would like to recognize the Office of Inspector General (OIG) Acting Inspector General and staff for their continued service to the Administration, City Council and the Citizens of the City of Albuquerque.

As this annual report demonstrates, OIG produces investigations that include recommendations intended to improve City processes which result in potential cost savings.

The AGO Committee has found the OIG staff to be a professional and respected resource for the City of Albuquerque. As an independent, objective set of eyes that can help the organization accomplish its objectives, OIG is certainly an integral part of the City of Albuquerque government.

Sincerely,

Gerald T. Kardas, Chairperson for  
Accountability in Government Oversight Committee

Patricia A. Caristo  
Mark D. Jarmie  
Doug Turner  
Robert M. Doughty III



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

*Fiscal Year 2015 Annual Report*

*July 1, 2014—June 30, 2015*



**OFFICE OF INSPECTOR GENERAL**  
**Fiscal Year 2015 Annual Report**  
**July 1, 2014 – June 30, 2015**

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Honorable Mayor, Members of the City Council, Accountability in Government Oversight Committee and Citizens of Albuquerque.

The mission of the Office of Inspector General (OIG) is:

**“To promote a culture of integrity, accountability, and transparency throughout the City of Albuquerque in order to safeguard and preserve the public trust.”**

We operate under the authority of the Inspector General Ordinance and Whistleblower Ordinance. The OIG was established as an independent organization which is not part of and does not report to the City’s executive branch or the City Council.

The Inspector General’s goals are:

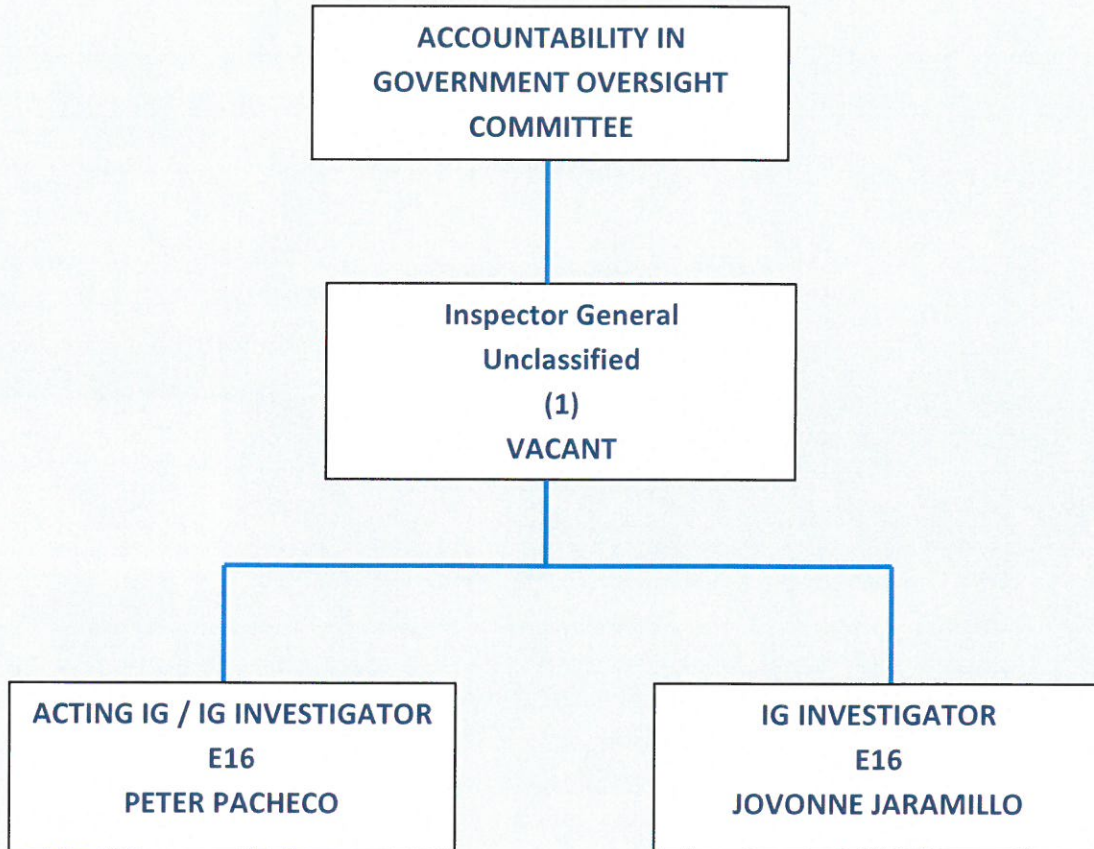
- (1) Conduct investigations in an efficient, impartial, equitable and objective manner;
- (2) Deter fraud, waste and abuse in city activities including all city contracts and partnerships;
- (3) Deter criminal activity through independence in fact and appearance, investigation and interdiction; and
- (4) Propose ways to increase the city’s legal, fiscal and ethical accountability to insure that tax payers’ dollars are spent in a manner consistent with the highest standards of local governments.

The OIG investigates allegations of fraud, waste and abuse in order to prevent recurrence, assist the City in achieving better results from limited resources and promote public trust in City government. Investigations are a response to allegations of improper governmental actions as defined in the Whistleblower Ordinance and matters involving potential violation or non-compliance with federal and state law, city ordinances and city regulations.

The IG Ordinance requires the Inspector General to report annually to the Council and the Mayor regarding activities and investigations of the office. This annual report of the OIG is for the year ended on June 30, 2015.

## ORGANIZATION CHART

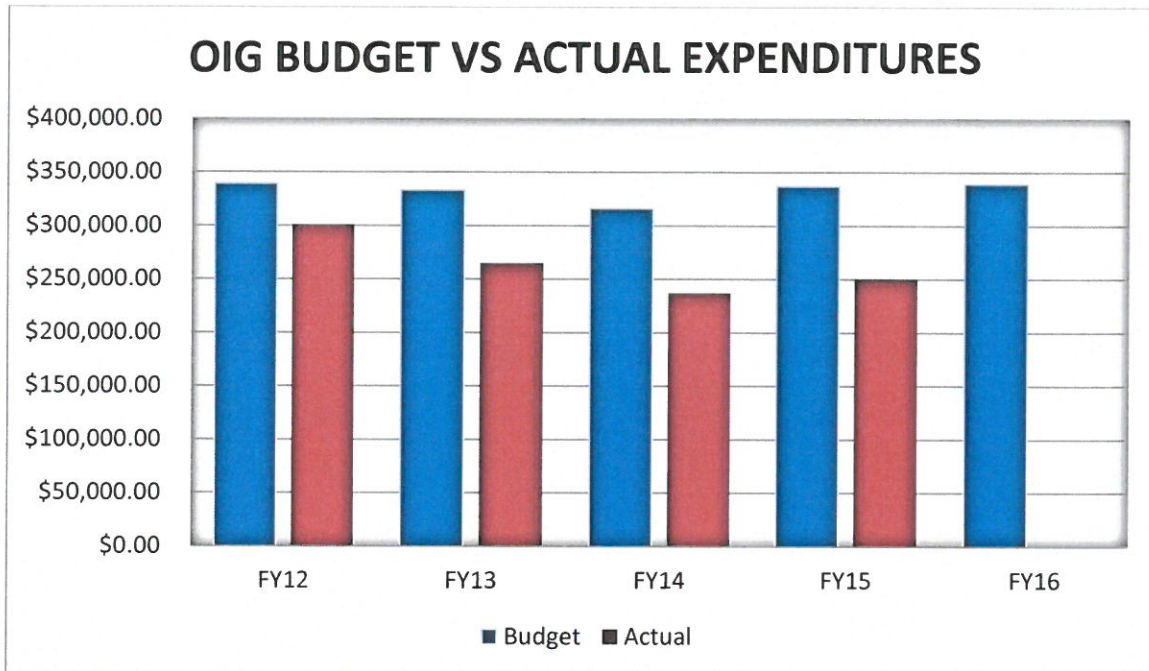
### OFFICE OF INSPECTOR GENERAL



The Inspector General position has been vacant since January 2013. IG Investigator Peter Pacheco has been serving as Acting Inspector General in the interim.

## BUDGET

The FY15 budget for the OIG was \$337,000. Expenditures for the year were approximately \$250,000 for personnel and operating expenses. OIG *under spent* its budget by approximately 24%. The chart below contains budget and actual expenditure comparison for FY15, as well as for previous years.



Salary savings as a result of the vacant Inspector General position contributed to the OIG under spending its budget.

## OUTSIDE AGENCY

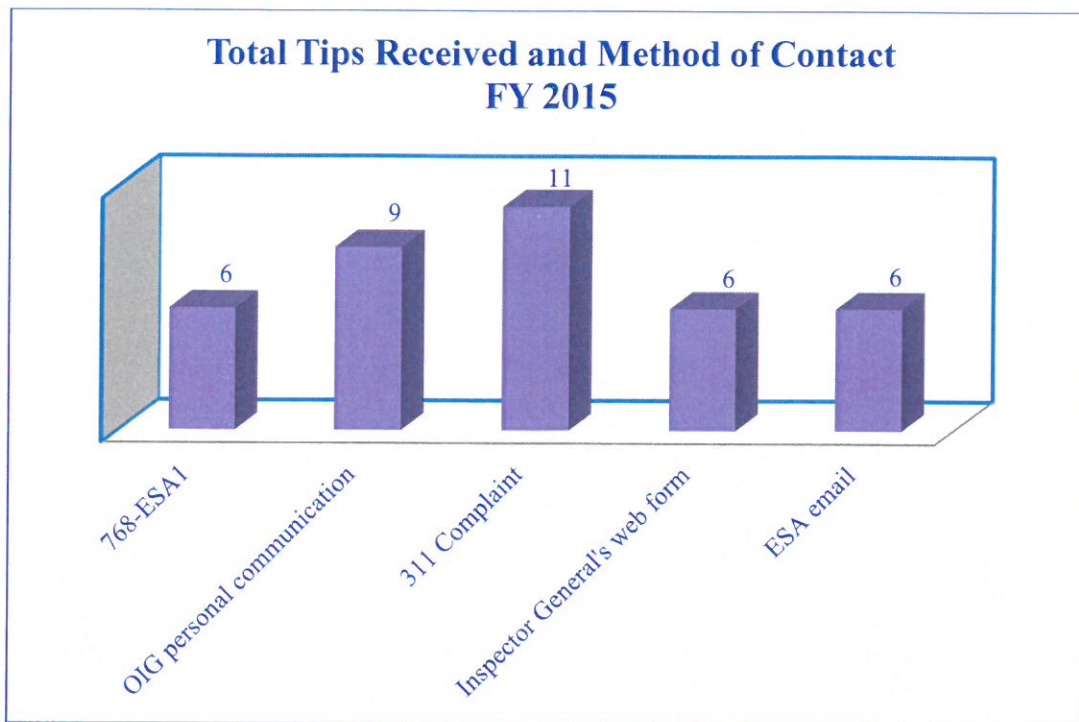
During FY15, the OIG has worked with or requested information from the following local, state and federal agencies:

- Albuquerque Police Department
- New Mexico Attorney General's Office
- New Mexico State Auditor's Office
- Federal Bureau of Investigation

## TIPS RECEIVED BY THE OIG

Most Office of Inspector General investigations are initiated based on tips and referrals received. There are several ways to contact the OIG and submit tips and referrals. These methods of contact include: complaints that come in through the OIG Hotline; ESA complaints submitted via [esa@cabq.gov](mailto:esa@cabq.gov); the Inspector General's web form; direct personal communication with the OIG; and complaints that come in through 311.

The graph below shows the different methods of contact and the number of tips received via each method.



Out of the total tips received for FY 15, twelve were referred to other City departments and two were referred to outside agencies.

## INVESTIGATIONS CONDUCTED IN FY2014

### ❖ Case # 14-203 Redflex

The Office of Inspector and Office of Internal Audit conducted an investigation into potential fraud, bribery, or non-compliance related to the City of Albuquerque's contract with Redflex Traffic Systems, Inc. (Redflex). Redflex was contracted by the City of Albuquerque to provide red-light cameras and speed vans for the Red Light Nuisance Abatement process. The report includes four (4) findings and four (4) recommendations.

### ❖ Case # 14-205 Golf Concessions

The Office of Inspector General conducted an investigation into several issues involving the Concessionaires of the City of Albuquerque's four (4) golf courses. Concerns included: transactions not being entered into the Point of Sale system; inconsistent charges for banquet hall events, including no charge events; gift certificate transactions not being entered into the Point of Sale system; and play and green fees not being tendered correctly. The Office of Inspector General reported eight (8) findings, three (3) potential fraud issues and eleven (11) recommendations.

### ❖ Case # 14-207 Albuquerque Police Department Body-Worn Camera Procurement

The Office of Inspector General conducted an investigation into the actions of the former Albuquerque Police Chief to determine whether or not the Former Chief violated the City's Conflict of Interest Ordinance in his dealings with TASER International, Inc. ("TASER"). The Office of Inspector General also looked into whether the Former Chief used his influence to assist TASER in its dealings with the City. The Office of Inspector General reported five (5) findings and twelve (12) recommendations.

### ❖ Case # 15-202 Donations

The Office of Inspector General conducted an investigation into donations received by the Department of Family and Community Services Health and Social Services Centers. The Office of Inspector General reported four (4) investigative facts, one (1) finding and six (6) recommendations.

In addition to the four (4) investigations completed, the following investigations were opened during FY15 and have rolled over into FY16:

- ◆ 15-201 Animal Welfare Department
- ◆ 15-203 Transit Department

The OIG also opened five (5) predicate cases. These are cases in which the OIG conducts a preliminary review to see if a full investigation needs to be conducted.

Potential cost savings identified in FY15 was approximately \$170,000 identified in the departments of Transit, Albuquerque Police Department and Parks and Recreation.



## OIG STAFF

Professional certifications held by OIG staff members include:

- (2) Certified Fraud Examiner (CFE)
- (2) Certified Inspector General Investigator (CIGI)
- (1) Certified Internal Controls Auditor (CICA)



The OIG Staff is active in numerous professional organizations to include:

- Association of Certified Fraud Examiners (ACFE)
- Association of Certified Inspectors General (AIG)
- Institute of Internal Auditors (IIA)
- Association of Government Accountants (AGA)
- The Institute for Internal Controls (IIC)



## STAFF BIOGRAPHIES

### **Peter Pacheco – Acting Inspector General**

Peter is an investigator for the Office of Inspector General and has been serving as the Acting Inspector General since January 2013. He is a graduate of the University of New Mexico – Robert O. Anderson School of Business with a Bachelors of Business Administration, with a concentration in Finance. He previously worked for the Office of the State Auditor as a Senior Auditor. Peter is a Certified Inspector General Investigator (CIGI), Certified Fraud Examiner (CFE), and a Certified Internal Controls Auditor (CICA).

### **JoVonne Jaramillo – IG Investigator**

JoVonne is an investigator for the Office of Inspector General. She is a graduate of the University of New Mexico with a Bachelor of Arts degree in Criminology. JoVonne has over nine years' experience in investigations. Before joining the City, JoVonne worked as a Special Agent for the State of New Mexico Human Services Department Office of Inspector General, conducting investigations in public assistance fraud and employee misconduct. She is a Certified Fraud Examiner (CFE) and a Certified Inspector General Investigator (CIGI).

## ACCOUNTABILITY IN GOVERNMENT OVERSIGHT (AGA) COMMITTEE

Section 2-10-5 of the Accountability in Government Ordinance creates the “Accountability in Government Oversight Committee”. The Mayor and one (1) Councilor appointed annually by the Council President shall be nonvoting ex officio members. The Mayor and the appointed Councilor may send designees to the Committee Meetings. At least one (1) Committee member shall be a Certified Public Accountant (CPA), at least one (1) Committee member shall have a law enforcement background and at least one (1) Committee shall be a professional management consultant.

As vacancies on the Committee occur, the Council and Mayor shall alternatively appoint new members with the Council making the first appointment. All appointments shall be subject to Council approval. The existing Committee members may make recommendations to the Mayor and Council for candidates to fill vacancies on the Committee.

The AGO Committee is a management committee and not a public board or commission, and is not subject to the Open Meetings Act. The Committee is not formed to formulate public policy nor is authority to formulate public policy delegated to the Committee.

As of June 30, 2015, the AGO Committee was comprised of the following members:

NAME	TERM EXPIRES	REPRESENTATIVE
Gerald T. Kardas, (CPA) Chair	8/31/2016	CPA
Patricia A. Caristo, NMLPI	8/31/2016	Law Enforcement
Robert M. Doughty III	8/31/2017	Management Consultant
Mark D. Jarmie	8/31/2015	At-Large
Douglas W. Turner	8/31/2015	At-Large

Help Prevent Fraud, Waste and Abuse  
You Can Make a Difference



## DID YOU KNOW?

Reducing waste, fraud and abuse increases the public's trust in government.

Under certain circumstances you may be granted protection under the Whistle Blower Act.

*If you know the facts, report the acts!*

**EMAIL:**

**[esa@cabq.gov](mailto:esa@cabq.gov)**

**Hotline:**

**505-768-ESA1(3721)**

**Tip Reporting Form:**

**[cabq.gov/inspectorgeneral](http://cabq.gov/inspectorgeneral)**



Scan this QR Code  
with your smartphone  
to access our website



**OFFICE OF INSPECTOR GENERAL  
CITY OF ALBUQUERQUE**

*Hotline and Tip Reporting Form can remain anonymous*