



State of New Mexico
OFFICE OF THE STATE AUDITOR

go P. Martinez, CGFM
State Auditor

Carl M. Baldwin, CPA, CFE
Deputy State Auditor

June 30, 2003

Mr. James Jimenez, Secretary
Department of Finance and Administration
180 Bataan Memorial Bldg.
Santa Fe, NM 87501

Dear Secretary Jimenez:

At the request of the previous DFA Secretary, the Office of the State Auditor (Auditor) conducted a special audit of selected City of Sunland Park (City) financial records and related information. The DFA Secretary requested the audit in accordance with Section 10-5-2 NMSA 1978, *Power of secretary to suspend certain officials; grounds for suspension; secretary to take charge of office.*

The objective of the special audit was to determine if there are grounds to suspend certain public officials for any of the following:

- Fraudulent misappropriation or embezzlement of public money;
- Fiscal management of an office resulting in violation of law or willful violation of the fiscal regulations of DFA; or
- Willful failure to perform any duty imposed by any law that the secretary of the DFA is charged with enforcing.

Based on the results of audit procedures performed and audit findings documented in the attached report, we found the City's Mayor and Governing Council as a whole to have repeatedly and frequently:

- Willfully violated State laws with regard to the Open Meetings Act; Request for Public Records Act; State Constitution anti-donation clause; State statutes regarding loans, nepotism and residency; Procurement Code; and Mileage and Per Diem Act;
- Willfully violated DFA fiscal regulations; and
- Willfully failed to perform duties imposed by laws that the secretary of DFA is charged with enforcing.

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We recommend suspension of the City's Mayor and Governing Council on these grounds and for your Department to take charge of the City administration.

This report and all of its contents are to remain confidential until the report is authorized for release by both the Department of Finance and Administration and the Office of the Attorney General.


DOMINGO P. MARTINEZ, CGEM
STATE AUDITOR

cc: Office of the Attorney General

Attachment