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For Immediate Release
January 13, 2017

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State Auditor Tim Keller Releases Special Audit of the City of Moriarty
*Identifies numerous shortcomings in utility billing and water meter reading systems,
urges corrective actions to protect taxpayers*

SANTA FE, NM – Today, the Office of the State Auditor (OSA) released a special audit of the City of Moriarty. The audit assessed the City’s financial controls during the period from April 1, 2010 to August 31, 2015. The audit was initiated due to concerns raised by the City about utility billing and water meter reading systems.

“There’s no place for apparent favoritism in the water bills we all receive,” stated State Auditor Tim Keller. “We all expect, and rightly so, fairness when it comes to governments billing and taxation. We appreciate the City of Moriarty’s willingness to shine a light on the weaknesses that leave them susceptible to fraud and waste.”

The special audit identifies 14 problems involving the lack of controls over water utility processes, including:

- At least \$4,000 in under-billing in one fiscal year due to unauthorized changes to customer accounts, including those of a former elected official and city employee;
- Discrepancies in bulk water sales, misuse of a bulk water account, and delays in implementing rate increases in accordance with a City resolution; and
- A gap of 115 million gallons between the City’s reported production and use of water. The potential loss could total up to \$1.4 million.

In the audit, the OSA outlines specific corrective actions for the City of Moriarty to strengthen its financial controls to protect public resources. The OSA has also referred certain matters to the 7th Judicial District Attorney to investigate any potential criminal violations.

The full audit is available here: http://osanm.org/audit_reports/detail/10885

The Office of the State Auditor helps government work better by providing transparency and accountability for government spending; informing policy choices; and tackling fraud, waste and abuse. OSA is an independently elected executive agency responsible for examining the use of public dollars in New Mexico.

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