

Timothy M. Keller
State Auditor



Sanjay Bhakta, CPA, CGFM, CFE
Deputy State Auditor

State of New Mexico
OFFICE OF THE STATE AUDITOR

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Contact: Justine Freeman
505-476-3800

Auditor Keller Releases Risk Review of TASER International
Issues independent report on City of Albuquerque's procurement process

SANTA FE – Today, State Auditor Tim Keller released the Office of the State Auditor's (OSA) Risk Review of the City of Albuquerque's procurement of lapel cameras from TASER International, Inc. The independent review examined the City of Albuquerque's contracts with TASER for lapel cameras and related equipment and software to determine whether the procurement process complied with relevant city ordinances and provisions of the Governmental Conduct Act.

During a press conference this morning, Auditor Keller stated, "The State Auditor's Office found a breakdown in the Albuquerque Police Department's procurement processes, resulting from the 'the tone at the top' of the City of Albuquerque's administration."

"The contracts between the City and TASER circumvented the competitive process, or, in former APD Chief Raymond Shultz's own words, the process was 'greased.' The taxpayers are not well served when the process is gamed by our leaders," Keller continued.

City Councilors Ken Sanchez and Klarissa Pena requested the Risk Review. In a letter to Sanchez and Pena, Auditor Keller outlined three areas of concern:

- (A) The formal employment with the City of former Police Chief Raymond Schultz overlapped with his contract work with TASER, resulting in a probable violation of City Conflict of Interest and Public Purchase ordinances and the Governmental Conduct Act;
- (B) The OSA observed a close correlation among the APD's dealings with TASER, influence over the procurement process, and various personal benefits Chief Schultz and other APD employees received from TASER, resulting in a probable violation of the City's Conflict of Interest and Public Purchase ordinances and the Governmental Conduct Act; and
- (C) Weaknesses in the procurement process that cast further doubt on the legitimacy of the TASER procurement, including a vulnerability to non-competitive procurement that is based on connected exemptions and a lack of documentation of testing to support TASER's sole-source contract.

During the press conference, Auditor Keller listed specific next steps, including:

- (A) The OSA has made a referral to prosecuting authorities to determine if criminal prosecution is appropriate;

- (B) The City Council should be actively involved in the procurement process and should ensure that management is taking prompt corrective action to remedy all issues; and
- (C) The OSA will require additional testing in the City's Fiscal Year 2015 annual audit to evaluate whether procurement weaknesses still exist.

“We recommend an enhancement of the internal controls related to conflicts of interest and procurements that are not put out for competitive bidding, along with accountability for those who may have violated city ordinances or provisions of the Governmental Conduct Act. No one is above the law and we will refer our report to prosecuting agencies,” Auditor Keller concluded.

The Risk Review released by the Office of the State Auditor is separate from the investigations conducted by the City's Office of Inspector General and Office of Internal Audit. Those reports were expected to be released today but have not been at the time of this release.

Please see the OSA's Risk Review here: http://osanm.org/audit_reports/detail/9355/20

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