



**State of New Mexico**  
**OFFICE OF THE STATE AUDITOR**  
Hector H. Balderas, State Auditor

For Immediate Release  
Friday, July 8, 2011

Contact: Evan Blackstone  
(505) 670-0171

**State Auditor Balderas Releases Audit that Identifies an Estimated \$73,364 of Santa Fe County Assets Sold on Ebay by former County Sheriff Greg Solano**

*State Auditor Also Very Concerned About Theft Risks Related to Evidence Room*

(Santa Fe, NM)--Today, State Auditor Hector Balderas announced the release of a forensic audit that identifies an estimated \$73,364 of equipment, inventory and other Santa Fe County assets sold on Ebay by former Santa Fe County Sheriff Greg Solano. The audit was conducted by Moss Adams LLP to determine whether, and to what extent, the County had suffered from theft, fraud or embezzlement by Solano from December 15, 2004 through December 15, 2010. The County property sold by Solano included handcuffs, body armor, print cartridges, digital recorders, smartphones and dozens of cell phones. The audit findings also reveal an overall lack of policies and procedures at the Sheriff's Office, including deficient controls related to the office's evidence, ammunition and supply rooms.

"I'm deeply troubled that an elected official repeatedly betrayed the public trust in this manner," Balderas said. "I'm also very concerned by the Sheriff's Office's lack of controls over the storage and inventorying of evidence, ammunition and officers' supplies. The deficient controls create a high risk environment in which County assets are susceptible to theft and embezzlement."

For example, auditors found that it was generally difficult to identify and locate items due to the clutter and disorganization of the evidence room, the evidence offices and the officers' supplies room. Even though this situation was noted as far back as 2001, auditors noted that the problem seems to have progressed. Auditors also found that the evidence lockers leave evidence susceptible to theft, and Solano and one Sergeant periodically overrode controls by walking in and out of the evidence locker room area without signing in or out. Moreover, auditors found that the Sheriff's Office does not adequately discourage theft in key risk areas such as in the supply, ammunition, inventory and asset areas. Other major audit findings include:

- The half door blocking the evidence offices and officers' supply room is not locked and auditors noted that, at times, personnel entered restricted areas without question;
- There is no inventory of unit equipment in the shed held by Fleet Management, and auditors noted Solano sold a rotating police light, light-bar controllers, a light PA control box and a light panel on Ebay;
- The Sheriff's Office has not adequately addressed the backlog of evidence needing to be logged, filed and properly secured;
- The County does not have a scale to weigh the drugs upon arrival for future inventories; and
- There are times that staff is ordered to release property from the evidence room without the proper paperwork completed and signed off.

Balderas recognized the proactive actions taken by the County, and commended the County for taking steps to address high risk areas and respond to the audit's findings. The auditors also noted that County management is dedicated to implementing safeguards to further secure property and inventory at the Sheriff's Office and has already implemented some of the recommendations to prevent future theft, fraud or embezzlement. Katherine Miller, Santa Fe County Manager, highlighted the County's efforts to strengthen its controls.

"It was a top priority to work with the State Auditor to identify areas of concern and immediately take action to identify and strengthen the County's policies and procedures related to tracking inventory and fixed assets," Miller said. "Santa Fe County funded an additional full-time employee to assist in the workload of the evidence custodian and property control, budgeted for and plans to invest in heightened security to limit access and monitor activity for property and evidence rooms, increased internal controls for the requisition, receipting and payment of goods and services, and mandated inventory exempt assets are tracked as inventory exempt."

Solano resigned in November 2010 after admitting to selling Sheriff's Office equipment over the internet, and he was arrested in January 2011 on 251 charges of embezzlement and one count of fraud. Following Solano's resignation in November 2010, Balderas worked with County officials to obtain an independent audit firm, selected by the County and approved by the State Auditor, to conduct the audit.

Balderas said his office has worked closely with Moss Adams LLP, the County, the New Mexico State Police and Ninth Judicial District Attorney Matt Chandler throughout the audit process. He added that his office immediately referred the audit report to District Attorney Chandler to ensure swift action by law enforcement and restitution for the County.

Chandler thanked Balderas for the State Auditor's assistance. "I appreciate the State Auditor's continuing support of the investigation and prosecution of this case," Chandler said.

###