



**State of New Mexico
OFFICE OF THE STATE AUDITOR**

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**State Auditor's Investigation Finds Public Officials Likely
Violated Ethics Code in Hobbs**

SANTA FE, NM – The Office of the State Auditor (OSA) notified the City of Hobbs of the results of an investigation into allegations about violations of the Code of Ethics. The investigation found that public officials were not filing required financial disclosures or recusing themselves from official business when personal interests were involved.

“This was a failure of multiple elected officials to follow their own ethics ordinance,” stated State Auditor Tim Keller. “These rules help ensure decisions are being made in the best interests of the public, not to advance personal interests. The City of Hobbs should take prompt action to restore taxpayers’ confidence.”

The investigation found the following:

- The Mayor had a financial interest in the form of a \$60,000 home loan to the City Manager, which raises a potential conflict of interest with respect to employment decisions. The Mayor participated in employment matters involving the City Manager, including his compensation, without disclosing the business interest.
- City officials, including the Mayor and Commissioners, are required to file annual financial disclosures that include a listing of business interests. The City has no records of any such disclosures for the last several years.
- The City violated its procurement code by purchasing over \$40,000 of goods and services from vendors owned by two Commissioners.

The City’s Code of Ethics requires city officials to disclose any private interest in a matter before the governmental body. A direct financial interest disqualifies the official from participating in the matter. The Code of Ethics requires city Officials, including the Mayor and Commissioners, to file annual financial disclosures. The City’s Procurement Code and the Governmental Conduct Act prohibit elected officials from providing goods and services to the City.

A letter from OSA to the City of Hobbs is available here:
http://www.saonm.org/media/uploads/City_of_Hobbs.pdf

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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