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**Auditor Keller Reveals Massive Likely Theft in Small Community of Otis**  
*About \$850,000 of water funds for rural area near Carlsbad under investigation*

SANTA FE, NM – State Auditor Tim Keller has notified law enforcement of an apparent theft of an estimated \$850,000 in funds at Otis Mutual Domestic Water Consumers & Sewage Works Association (Association). The Association constructs, maintains and operates water and wastewater systems that are critical to the community of Otis.

Financial discrepancies were identified during preparation for the Association’s annual audit. An office manager has resigned and an audit is being conducted. The money was meant for general operations and upkeep of a system that provides potable water to over 4,000 people in the area, in addition to serving rural residents with livestock and agricultural needs.

“This is a staggering amount of money for a small community that should be used for water, not an employee’s bank account,” stated State Auditor Tim Keller. “We are working quickly to help bring accountability and we appreciate the cooperation of the water association. While the community recovers from having nearly the entire bank account drained, we urge them to implement policies and procedures to keep this from happening again.”

The State Auditor referred the criminal matter to the Fifth Judicial District Attorney’s Office and the U.S. Attorney’s Office. This is the second recent case involving likely theft or misuse of funds in rural mutual domestic water associations. A previous case, involving mismanagement in the Hanover Mutual Domestic Water Consumer Association, resulted in the former president being charged with several crimes.

*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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