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State Auditor Tim Keller Releases Audit of Small Community of Otis
About \$850,000 of water funds for rural area missing in alleged theft

SANTA FE, NM – Today, State Auditor Tim Keller released an audit of the Otis Mutual Domestic Water Consumers and Sewage Works Association (Association) for fiscal year 2016. The audit was conducted by an independent accounting firm and confirmed that alleged theft from the Association totals nearly \$850,000. An office manager has resigned in connection to the missing funds. The money was intended for general operations and upkeep of a system that provides potable water to over 4,000 people in the area.

“This is a staggering amount of money for a small community that should be used for water, not an employee’s personal bank account,” stated State Auditor Tim Keller. “While the community recovers from having nearly the entire bank account drained, we urge them to use the audit as a roadmap to implement policies and procedures to keep this from happening again.”

The audit found the following losses:

- 2015: \$12,087
- 2016: \$274,927
- 2017: \$558,447 (unaudited until the FY17 audit that is due December 15, 2017)

The State Auditor previously referred the criminal matter to the Fifth Judicial District Attorney’s Office and the U.S. Attorney’s Office here: https://www.saonm.org/media/news_pdf/5-2-17_Theft_uncovered_at_Otis_MDWCA.pdf

The fiscal year 2016 audit is available here: https://www.saonm.org/audit_reports/detail/11038

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