



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

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**State Auditor Wayne Johnson Releases Audit on \$10.5
Million Northern New Mexico Broadband Project**

Santa Fe, NM – State Auditor Wayne Johnson today released the final audit of a \$10.5 million federally-funded project meant to bring broadband connectivity to communities across northern New Mexico. The audit found nearly \$1,000,000 in expenses that can't be accounted for, 12.12 miles of missing fiber optic cable worth nearly \$200,000, and a lack of financial controls to ensure compliance with laws, regulations, policies, and grant agreements.

In July 2010, the Northern Central New Mexico Economic Development District (NCNMEDD) received a \$10.5 million federal grant through the American Recovery and Reinvestment Act (ARRA). The grant was for construction of a high-speed, open access, community broadband network in Northern New Mexico, known as "REDI Net." The areas to be served include: Los Alamos County, Santa Fe County, the City of Espanola, Rio Arriba County, Ohkay Owingeh Pueblo, the Pueblo of Santa Clara, the Pueblo of Pojoaque, and the Pueblo of Tesuque.

"These federal dollars were meant to bring broadband connectivity to people throughout Northern New Mexico," said Johnson. "There are some serious questions about a lack of records and controls to assure taxpayers that these funds were used effectively and responsibly. That's a major concern, especially with nearly a million dollars that can't be accounted for and 12 miles of expensive fiber optic cable missing."

Johnson's office continues to look for missing documentation and has served several subpoenas on contractors and vendors who received significant payments from the broadband project.

"The OSA is unwilling to close this matter at this time," said Johnson in a letter to NCNMEDD and REDI Net. "REDI Net still cannot account for almost \$1 million in expenditures and approximately 12 miles of fiber optic cable. REDI Net still does not have a complete listing of its capital assets that were constructed with money from the federal grant."

The letter also says, “If NCNMEDD is in possession of any documents, whether original or copies, which support the financial and contractual transactions in question, it should immediately provide copies of those documents to both the REDI Net General Manager and the Office of the State Auditor.”

The entire audit can be found

here: https://www.saonm.org/media/audits/821_North_Central_NM_Economic_Development_District_REDI_Net_March_2018.PDF

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