



JARAMILLO ACCOUNTING GROUP

CLARITY FROM COMPLEXITY

AUDIT, TAX, FRAUD, CONSULTING

[www.JAGnm.com](http://www.JAGnm.com)

# FRAUD CASE STUDIES

PREVENT FINANCIAL AND REPUTATION  
LOSS IN YOUR DISTRICT



Audrey J. Jaramillo, CPA, CFE has been serving federal, state, and local Governments, non-profits, and commercial entities for 20 years throughout NM and is Managing Partner of Jaramillo Accounting Group, LLC (**JAG**). Audrey specializes in providing audit, fraud, and consulting services.

Audrey is passionate about public service and served eight years as a Board Member in the Moriarty-Edgewood School District and represented NM state-wide and Nationally as President & Master Board Member of NMSBA. This year, she has turned her focus to JAG in order to serve more clients, expanding the firm's fraud and consulting services.

Professionally, she leads in the AICPA's Taskforces on training Young CPAs and Scholarships, has spoken on various topics for the AICPA, NM AGA, NM ASBO, NM GFOA, NMSBA, NM State Auditor, and other organizations.

## SPEAKER BIO



Scott Eliason, CPA has been serving NM Governments for almost 25 years and joined Jaramillo Accounting Group LLC (JAG) as Partner in 2014. Formerly as Partner at a regional firm and throughout his career in public accounting, Scott has specialized in the audits of Governments across the Southwestern United States. Scott delivers high quality, timely, friendly audit and consulting services to a variety of governmental entities throughout NM. He is an expert in analysis of financial data and fraud discovery.

Scott has trained on various governmental, accounting and auditing topics throughout the Southwest such as: GASB requirements, Leadership training, AICPA Clarity standards, Resolution of findings, A-133/UGG and State Compliance testing, Preparation of Financial Statements, and State Law, Grants, and Budgetary Compliance.

## SPEAKER BIO





# Disclaimer

**This presentation is intended solely to provide general information and does not constitute legal advice. Attendance at the presentation or later review of these printed materials does not create an attorney-client relationship with **Jaramillo Accounting Group LLC (JAG)**.**

**You should not take any action based upon any information in this presentation without first consulting legal counsel familiar with your particular circumstances.**



## FRAUD CASE STUDIES: PREVENT REPUTATION & FINANCIAL LOSS IN YOUR DISTRICT

### CONTENT

1. INTRO - THE “WHY”

2. CASE STUDIES

3. PREVENT LOSS

FRAUD CASE STUDIES: PREVENT REPUTATION & FINANCIAL LOSS IN YOUR DISTRICT

# 1. INTRO - THE “WHY”

# ACFE FRAUD REPORT TO THE NATIONS ON OCCUPATIONAL FRAUD AND ABUSE

## Lack of Anti-Fraud Controls = Higher Losses

Proactive Data  
Monitoring/Analysis

\$92,000 with controls vs.

\$200,000 without

Management Review

\$100,000 with review vs.

\$200,000 without

Hotline

\$100,000 with a hotline vs.

\$200,000 without

## Fraud (includes Corruption) in a Typical Organization

Typical Organization loses 5% of Annual Revenues to Fraud

The Median Loss from a Single Case of Occupational Fraud was \$150,000

But....More than 24% of cases resulted in losses ≥ \$1m

## Governmental Entities

Account for 18.7% of the Victim Organizations

Local Government 32.3%; State Government 31.3%; Federal 30.1%; and Other level 6.3%

Schemes of Highest Risk to Governments: Corruption 38.4%; Billing 25.3%; Expense Reimbursements 15.7%; Non-Cash 14.8%; Skimming 14.0%; Payroll 13.5%

# ACFE FRAUD REPORT TO THE NATIONS HOW OCCUPATIONAL FRAUD IS COMMITTED

## CORRUPTION

- Conflicts of Interest
- Bribery
- Illegal Gratuities
- Economic Extortion

## ASSET MISAPPROPRIATION

- Theft of Cash on hand
- Theft of Cash Receipts
- Fraudulent Disbursements
- Misuse of Inventory and All Other Assets
- Larceny of Inventory and All Other Assets

## FINANCIAL STMT FRAUD

- Net Worth / Net Income Overstatements
- Net Worth / Net Income Understatements
- Falsifying Audits
- Non-Disclosure



# NM ETHICS 2015 REPORT CARD\*

GRADE: **D-** (61%)      RANK: 34<sup>TH</sup>

**“ETHICALLY CHALLENGED ON A VARIETY OF FRONTS”**

<u>Category</u>	<u>Grade</u>	<u>Rank</u>	<u>Category</u>	<u>Grade</u>	<u>Rank</u>
• Public Access to Info	F	19	• State Civil Service Mgmt	D	14
• Political Financing	F	36	• Procurement	D	38
• Electoral Oversight	D-	33	• <b>Internal Auditing**</b>	<b>B-</b>	<b>17</b>
• Executive Accountability	F	41	• Lobbying Disclosure	F	43
• Legislative Accountability	F	39	• <b>Ethics Enforcement Agencies</b>	<b>F</b>	<b>45</b>
• Judicial Accountability	F	39	• State Pension Fund Mgmt	C-	17
• State Budget Process	C	2			

**\*\* NM State Auditor's Office**

\* The Center for Public Integrity , State Integrity Investigation 2015

"Keeping a light shined on ethics is critical to making sure the public can count on its own government. The 'tone at the top' sets up what kind of accountability you'll find throughout an agency. With ethical leadership, you'll find government serving its mission to the taxpayers. Without ethical leadership, you might find fraud, waste and abuse that must be rooted out, even at the very top."

Tim Keller, Former New Mexico State Auditor



# NEW MEXICO'S CORRUPTION SCANDALS

## Former Senator Phil Griego\*

- Facing fraud and bribery charges linked to his private commission on the sale of a state-owned building. He maintains his innocence.

## Former Secretary of State Dianna Duran\*

- Resigned and pled guilty in 2015 to spending campaign funds on a gambling spree.
- In addition to felony and misdemeanor embezzlement and money-laundering charges, Ms. Duran faced counts of tampering with public records, conspiracy and violating the Governmental Conduct Act.

\* The Associated Press; March 16, 2017

# NEW MEXICO'S CORRUPTION SCANDALS

## Former NM TRD Cabinet Secretary, Demesia Padilla\*

- Resigned as State Taxation and Revenue Secretary in December after prosecutors raided her agency's offices and seized her personal tax filings amid allegations she gave preferential treatment to a former business client. She has not been charged.

\* The Associated Press; March 16, 2017

## Former NM State Treasurers, Robert Vigil & Michael Montoya\*\*

- On September 13, 2005 were indicted for extortion and racketeering.
- A jury convicted Vigil for attempted extortion in violation of the Hobbs Act, and sentenced him to 37 months in prison followed by three years supervised release.
- Under a plea, Montoya pled guilty to one count of extortion, and admitted he took bribes "almost since he took office."

\*\* Albuquerque Journal, November 8, 2005



# NEW MEXICO'S CORRUPTION SCANDALS

## Bernalillo County Metro Courthouse in Albuquerque\*

- Former Senate *Pro Tempore* Manny Aragon, former Albuquerque Mayor Ken Schultz, former metropolitan court administrator Toby Martinez, Martinez's wife Sandra Mata Martinez, and metropolitan court project engineer Raul Parra, were accused with collectively skimming \$4,200,000 in public funds off of the \$83,000,000 that financed the construction of the metropolitan court.
- Plea agreements from former Mayor Schultz, courthouse architect Marc Schiff, and courthouse contractor Manual Guara, became public the same day as the indictments.

\* Albuquerque Journal, March 30, 2007

## Former NM Deputy Insurance Superintendent Joe Ruiz

- Indicted for thirty counts of fraud and corruption.
- Indictments alleged that Ruiz proposed “win-win” options to insurance companies faced with state fines: if an insurance company accepted Ruiz's offer, New Mexico Insurance Department fines would be lowered in exchange for donations to a nonprofit organization that published Ruiz's books

\*\* Albuquerque Journal, August 25, 2007

# NEW MEXICO'S CORRUPTION SCANDALS

## Former Director NM Region III Housing Authority, Vincent “Smiley” Gallegos\*

- NM State Investment Council-purchased bonds were misspent.
- The Council filed a lawsuit against Gallegos.

## GRIP (Governor Richardson’s Investment Project)\*\*

- An investigation into the Richardson administration inquired whether the selection of certain financial advisors for GRIP, who had also donated funds to Richardson-founded political action committees, “Moving America Forward” and “Si Se Puede!,” was in accordance with applicable procurement laws.

\* Albuquerque Journal, January 15, 2009

\*\* Heath Haussamen, NM Indep. January 9, 2009

# NEW MEXICO'S CORRUPTION SCANDALS

## Former NM PRC Commissioner, Jerome Block, Jr.\*

- Indicted for criminal violations of the New Mexico Election Code and Campaign Act, tampering with evidence, and embezzlement.
- His father (a former public regulation commission commissioner) was also indicted for violations of the election code and tampering with evidence.

\* State v. Block, No. D101CR200900138, April 8, 2009

## Former Jemez Mt School District Business Manager, Kathy Borrego\*\*

- Special audit reveals over \$3.3m embezzled from the District from January 2002 through June 2009.
- 538 checks were removed from blank check stock and made payable to the her and other persons. Signatures were forged.
- Facing 41 ½ years in prison and a fine of up to \$54k, she took her own life.

\*\* OSA release Aug 14, 2009 / Abq Journal May 8, 2010

# NEW MEXICO'S CORRUPTION SCANDALS

## Former Santa Fe County Sheriff, Greg Solano\*

- Special audit identified an estimated \$73k of County assets sold on EBay, including 114 stolen bullet proof vests.
- “For the rest of my life I’ll keep saying I’m sorry because I don’t know what else to do,” Solano said, often weeping before the judge.
- “As long as public corruption outweighs the consequences of that corruption, it will never stop,” Matt Chandler, Special Prosecutor

## Municipalities’ Utility Billings – Alamogordo, Moriarty, Jal\*\*

- Special audits were required
- Lack of internal controls
- Accusations of unfair practices and favoritism in billing.
- Additional concerns regarding the tampering of meters and possible fraudulent billings.

\* OSA release July 8, 2011 / Abq Journal Sept 10, 2011

\*\* OSA releases: June 12, 2015 / Nov 4, 2015 / Mar 3, 2017



# NEW MEXICO'S CURRENT SCANDALS

## Former NMCD Deputy Cabinet Secretary, Alex Sanchez\*

- Apparent conflict of interest for Sanchez waiving at least \$20k in fees owed by Lucky 8 TV, LLC to the Corrections Dept in June 2016 after having left the company's employ just three months earlier.
- GCA Section 10-16-1 through 10-16-18, the Department's Code of Conduct, and the Anti-Donation Clause Article IX Section 14 NM Constitution were referenced

\* Audit Finding 2016-005 NMCD OSA website

## Office of the Superintendent of Insurance\*\*

- Audit released shows many internal control weaknesses.
- Audit issued a Disclaimer opinion.
- \$200m was not collected from insurers between 2010 and 2015.
- Special audit of the tax revenue collection at OSI is still ongoing.

\*\* Audit of OSI OSA website/ NM Policital Report Feb 22, 2017

“Government must continue to do a better  
job accounting for programs that are  
supposed to assist the most vulnerable  
citizens of our state.”

--Current NM Attorney General, Hector  
Balderas when NM State Auditor

FRAUD CASE STUDIES: PREVENT REPUTATION & FINANCIAL LOSS IN YOUR DISTRICT

## 2. CASE STUDIES

# CREDIT CARDS



FEBRUARY 7, 2018

- Sarah Diaz was sentenced to one year in jail without early release and five years of supervised probation after stealing more than \$75,000 from the Topock Elementary School District.
- In December 2017, Diaz pleaded guilty to one count of Fraudulent Schemes and Artifices and one count of Theft after stealing more than \$75,000 from the Topock Elementary School District.
- Diaz had access to school credit cards through a deceased family member who previously worked for the district. Diaz misused those school credit cards between December 2008 and July 2013. Diaz used district credit cards to make personal purchases at various retailers and pay her personal bills. Her scheme was uncovered when a bank teller who knew Diaz saw her cashing district checks at a local bank branch and was aware that Diaz was not a district employee.
- Under the plea agreement, Diaz must repay \$75,455 to the district.
- The Arizona Auditor General investigated this case.



# UNAUTHORIZED PURCHASES

DEC 05, 2017

JASPER, MISSOURI -

- School district officials in Jasper say a former coworker is accused of fraud after being investigated by both local and federal authorities.
- Small towns can have their big problems.
- "I just know, from my experience, there have been things swept under the rug," says Robin Roughton.
- The school district superintendent says last year, district administrators began investigating a school board secretary and bookkeeper after noticing unauthorized purchases.
- "When we say unauthorized, we mean haven't gone through the normal request purchase approval," says Christina Hess, Jasper School District Superintendent. Hess says the secretary was asked to match checkbook payments to an envelope full of disorganized receipts. "She started the task, but within a couple of minutes, five minutes I'd say, she asked, 'Do you just want me to resign?' That was not our intent. We did not ask for that. Then she did resign," says Hess.
- The Secret Service has been asked to investigate because federal money is involved. Hess says the school district has been reimbursed by a school insurance company for about \$144,700.



# REFUNDS FROM VENDORS

January 16, 2018

BERKELEY COUNTY, SOUTH CAROLINA

- The former chief financial officer at the Berkeley County School District has pleaded guilty to federal embezzlement and money laundering charges.
- Brantley Denmark Thomas, III was in court on Tuesday, January 16 for a change of plea hearing in Charleston.
- After accepting guilt, no sentence was given to Thomas. We're told it will come at a later date. The Embezzlement and Money Laundering counts each carry up to ten years imprisonment. The Public Corruption charges each carry up to twenty years imprisonment.
- Officials say 61-year-old Thomas took more than \$800,000. Prosecutors say Thomas overpaid vendors and then took the refunds and used them for personal expenses.
- Thomas was fired in February 2017 during an investigation of the school district's finances.

# UNNECESSARY INSURANCE

January 19, 2018

BERKELEY COUNTY, SOUTH CAROLINA

- According to a newly filed lawsuit, the Berkeley County School District alleges its former insurance carrier and two agents defrauded the district out of millions of dollars with the help of the district's former CFO.
- According to court records, two insurance consultants provided former CFO Brantley Thomas with kickbacks and a cover for embezzlement. In return Thomas pushed the school district to buy extra, unneeded insurance policies. Those premium and other fees ultimately cost the district more than \$14.1 million. The district is now seeking \$42 million.
- **“As a Board we will pursue every avenue to right the terrible wrongs that have been carried out against the children of Berkeley County School District,” said board Chairwoman Sally Wofford. “Our goal is to recover all monies lost by BCSD.”**
- In federal court this week, Thomas admitted he was accepting \$2,000 every month as a kickback for doing business with the insurance agents.

# PENSION FRAUD

September 13, 2016

ST. JOSEPH SCHOOL DISTRICT, MOUSSORI



- Former Superintendent Dan Colgan pleaded guilty in June to one count of wire fraud for illegally boosting his salary to enhance his state pension. According to Colgan's plea deal with the government, he illegally received more than \$662,000 in pension payments since his retirement in 2005. Colgan agreed to repay that amount and spend a year in federal prison.
- But the district argues in its letter to the United States Probation Office that Colgan should repay even more because of the harm and the "betrayal to the students, parents and taxpayers of St. Joseph."
- **"The leadership of the School District is in a long struggle to restore the public's confidence and trust in the School District and its governance, and we expect that it will be many years before that confidence and trust can be restored,"** the letter says.



# OVER-REIMBURSEMENT REVENUE

September 13, 2016

ST. JOSEPH SCHOOL DISTRICT, MOUSSORI

- Former superintendent Melody Smith has repaid \$23,000 and Mark Hargens, who retired as the head of Human Resources, repaid PSRS \$90,000. The FBI determined neither broke the law.
- The FBI spent two years investigating the district that was also dogged by a number of other scandals.
- None of this would have become public without the stipend scandal that broke two years ago. At that time, it was revealed that former Superintendent Fred Czerwinka handed out \$5,000 payments to 54 administrators without school board approval.
- Since then, the district has settled a slander lawsuit with its former CFO for \$450,000. It also ran afoul of the Missouri Department of Elementary and Secondary Education (DESE) in December 2014 when it improperly received \$2 million in aid for unapproved summer school classes.

# DISTRICT ACTIVITY FUNDS

## 2017 NEW MEXICO

- Secretaries having access to student funds, such as lab fees, field trip fees, etc.
- 2 recent cases approximately \$60k and \$150k over a span of approximately 5 years.
- In one case, the discovery was when the bank called the District's CFO and asked about bounced checks.
- In another case, the discovery was from rumors from teachers and staff.
- Red flags were ignored.
- Evaluations were not performed/accurate.
- Suspects were very well-known, trusted individuals.
- Cases are with the FBI and Law Enforcement

# CONTRACTS

DECEMBER 24, 2017 NEW MEXICO

- On December 23, 2017, KOB.com (Albuquerque) published an article concerning the survival of the Southwest Aeronautics Mathematics and Science Academy (SAMS), one of a group of New Mexico charter schools that suffered the effects of massive fraud perpetrated by its founder/administrator, David Scott Glasrud, over a 15-year period (2000-2014).
- Glasrud founded the first school, Southwest Secondary Learning Center, in December 1999. He later opened an additional three schools, including SAMS. According to his own admission, within a year, Glasrud “devised and executed a scheme to defraud,” and as the US Attorney’s Office continues in its case against Glasrud, he “misrepresented, concealed, and omitted material facts, and breached duties that he owed to the schools as an administrator and employee.”

# CONTRACTS

DECEMBER 24, 2017 NEW MEXICO



- *Glasrud, 50, entered a guilty plea to a nine-count felony information charging him with two counts of theft from programs receiving federal funds, three counts of wire fraud, two counts of mail fraud, and two counts of making false statements. Glasrud entered the guilty plea under an agreement that recommends a term of imprisonment within the range of 48 to 63 months. Glasrud also will be required to pay restitution in an amount to be determined by the court.*
- Glasrud admitted that as part of his fraudulent scheme, Charter School 1 paid more than double the rent that SEC paid to lease the entire Building, but occupied less than half the Building. Glasrud also admitted causing Charter School 1 to pay SEC approximately four to five times as much as the other tenant for use of less than half of the Building it was sharing. When the New Mexico Public Education Department (PED) raised concerns about Charter School 1's sublease, Glasrud caused a school representative to misrepresent to PED and the school board the amount of profit that SEC was realizing off the sublease. In his plea agreement, Glasrud admitted that SEC, his personally owned business, made more than \$700,000 in profits as the result of this scheme.



# CAPITAL OUTLAY - GHOST VENDOR

DECEMBER 24, 2017 NEW MEXICO

- In pleading guilty to one of the three wire fraud charges, Glasrud admitted that in Feb. 2004, he and SEC created a bogus business called Media Learning Solutions (MLS) with an “office” address at a mail drop in Las Vegas, NV. Thereafter, Glasrud caused the Charter Schools to pay capital outlay money to MLS based on fraudulent proposals and invoices. Most of the money MLS received from the Charter Schools was not spent on the items for which it was intended or for the benefit of the Charter Schools, and instead was used for Glasrud’s personal benefit. For example, in 2009 and 2010, the Charter Schools paid MLS approximately \$265,000, which Glasrud expended as follows: \$199,000 to pay down his personal line of credit; \$50,000 transferred into his personal bank account; \$12,000 for personal items; and \$4,000 spent at a casino in Las Vegas, NV.

# CASH RECEIPTS SKIMMING

DECEMBER 24, 2017 NEW MEXICO

- Another of Glasrud's fraudulent schemes began in Dec. 2002 and continued until Aug. 2014, and involved Charter School 1's Extended Learning Program (ELP). The ELP offered students the opportunity to earn school credits using online, computer-based courses. Students paid to receive official school credit from Charter School 1, and Glasrud diverted almost all of the payments into an SEC bank account he controlled. Glasrud admitted that from 2007 to 2014, more than \$1,000,000 in payments for the ELP that should have gone to Charter School 1 was deposited into a bank account for SEC, Glasrud's personal business.

# ACTIVITY FUNDS – CASH RECEIPTS SKIMMING

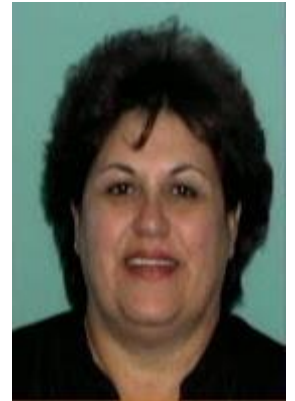
## 2017 NEW MEXICO

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# DISTRICT ACTIVITY FUNDS SKIMMING

January 21, 2010 ALBUQUERQUE (CN) –

- A public school district claims its business manager embezzled \$3.4 million in six years. District sued Kathy Borrego, an independent auditor that failed to catch the embezzlement, and three friends to whom Borrego allegedly wrote checks from school district accounts.
- The school district claims Borrego wrote large checks to herself and her cohorts, forging the required pair of authorizing signatures. Prosecutors allege that Borrego wrote at least 538 checks to herself, her boyfriend and her daughter over a seven year period, totalling \$3,378,701.
- The district and The New Mexico Public School Insurance Authority seek damages for fraud, negligence, conspiracy breach of contract and other charges.

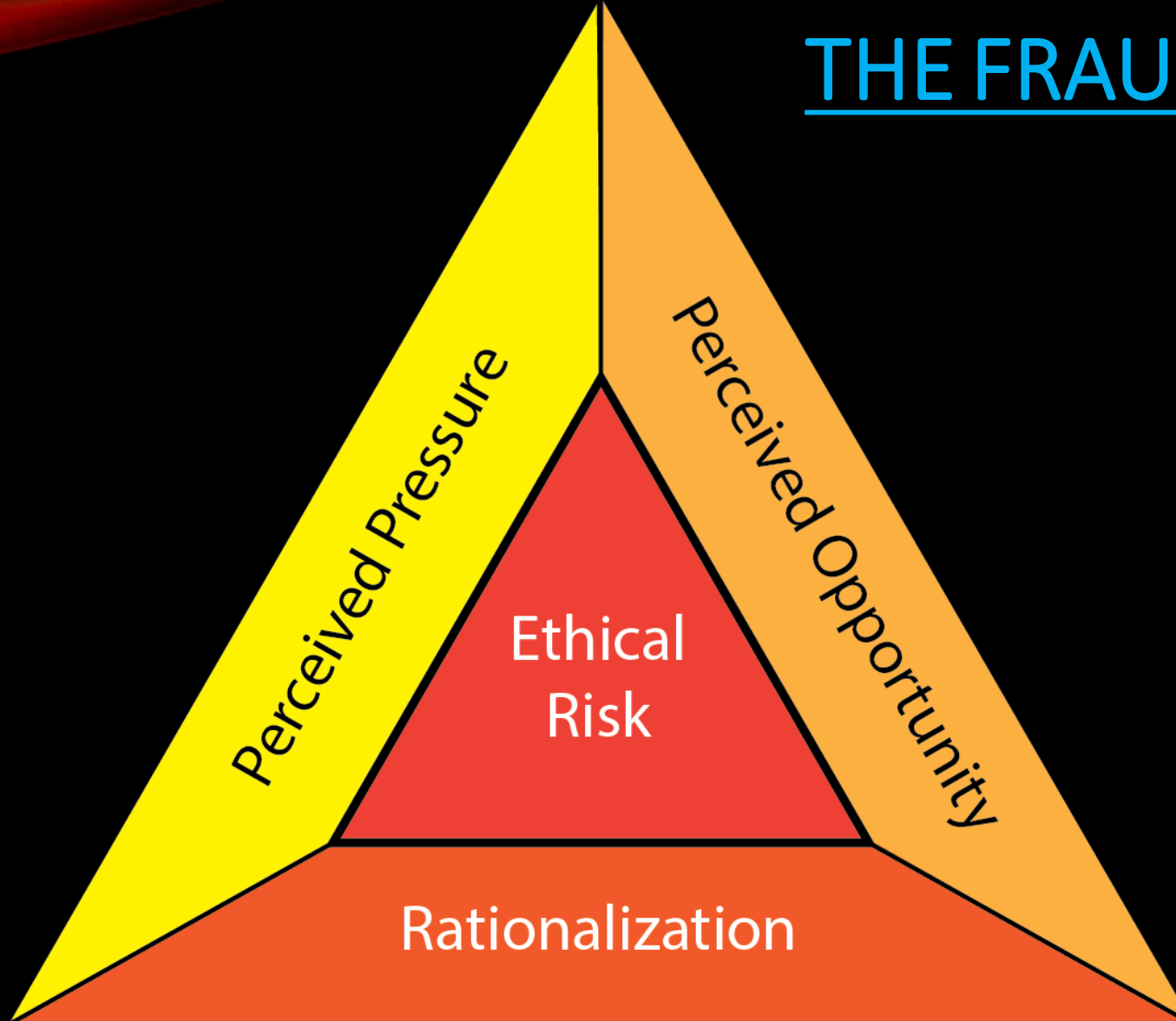




FRAUD CASE STUDIES: PREVENT REPUTATION & FINANCIAL LOSS IN YOUR DISTRICT

# 3. PREVENT LOSS – INTERNAL CONTROLS & ACCOUNTABILITY

# THE FRAUD TRIANGLE





# SAFEGUARDS FOR ETHICAL DECISIONS

Transparency vs. Hiding

Ethical Decisions Flow Chart

Training

Don't Covet / Follow Self-Interests

Run it Up the Chain

Have an Audit Committee Charter & Be Active

**SLOW-DOWN**

Seek wise counsel

# SAFEGUARDS FOR ETHICAL DECISIONS

## COSO FRAMEWORK

Monitoring

Control Activities

Risk Assessment

Control Environment

Information & Communication





# SAFEGUARDS FOR ETHICAL DECISIONS

## INTERNAL CONTROLS

PREVENTATIVE

DETECTIVE

CORRECTIVE





# SAFEGUARDS FOR ETHICAL DECISIONS

## INTERNAL CONTROLS

ACCESS; NOT JUST DUTIES

TRUST BUT VERIFY

SEGREGATION OF DUTIES

DUAL / IT / COMPENSATING CONTROLS



# SAFEGUARDS FOR ETHICAL DECISIONS

## tone from the top

CODE OF ETHICS

FRAUD HOTLINE ON WEBSITE

SELF-AWARE LEADERS

TRANSPARENCY

REPORTING SYSTEM/HOTLINE

JOB EVALUATIONS

ACCOUNTABILITY



# SAFEGUARDS FOR ETHICAL DECISIONS

## INTERNAL AUDIT POSITIONS

- ☐ Protect Assets
- ☐ Improve Efficiency/Effectiveness
- ☐ Increase Financial Reliability/Integrity
  - ☐ Ensure Compliance
  - ☐ Establish Monitoring
  - ☐ Independent Reviews
- ☐ Fraud Prevention/Detection
  - ☐ Pay for Themselves





# PERSONAL DECISION-MAKING



## DON'T PROTECT

We are family but we cannot over-protect.

All actions have consequences.  
We shouldn't take away other's opportunities to learn/grow.



## DON'T COVET

This leads to jealousy, envy, bitterness, greed, and other character flaws.

Practice contentment and gratefulness.

Practice being happy for others.



## DON'T LIVE ON FAVOR SYSTEM (DEBITS/CREDITS)

Law of Reciprocation does exist fine.

Just watch to not cross the line of ethics.

# PERSONAL DECISION-MAKING



## DON'T IGNORE / BELIEVE EXCUSES

Classic warning signs are excuses.

Don't ignore your gut / instincts. You are likely right.



## DON'T TAKE A "BRIBE"

Bribes can be anything.

Even avoiding conflict or negative consequences for yourself.



## DON'T GIVE UP YOUR OWN VALUES/MORALS/ETHICS

Do not give into another person's views without carefully thinking this through and seeking wise counsel.

**"The only thing necessary for the triumph of evil is for good men to do nothing." – Edmund Burke**



# PERSONAL DECISION-MAKING



## DON'T STAY ADDICTED

Get help for anything you cannot stop doing after having tried unsuccessfully or may need to address in your life or in your family's life.



## DON'T RATIONALIZE

WARNING – if you find yourself finding reasons to justify something you know to be wrong, STOP.

Keep your conscience sensitive.



## DON'T GIVE INTO PRESSURE

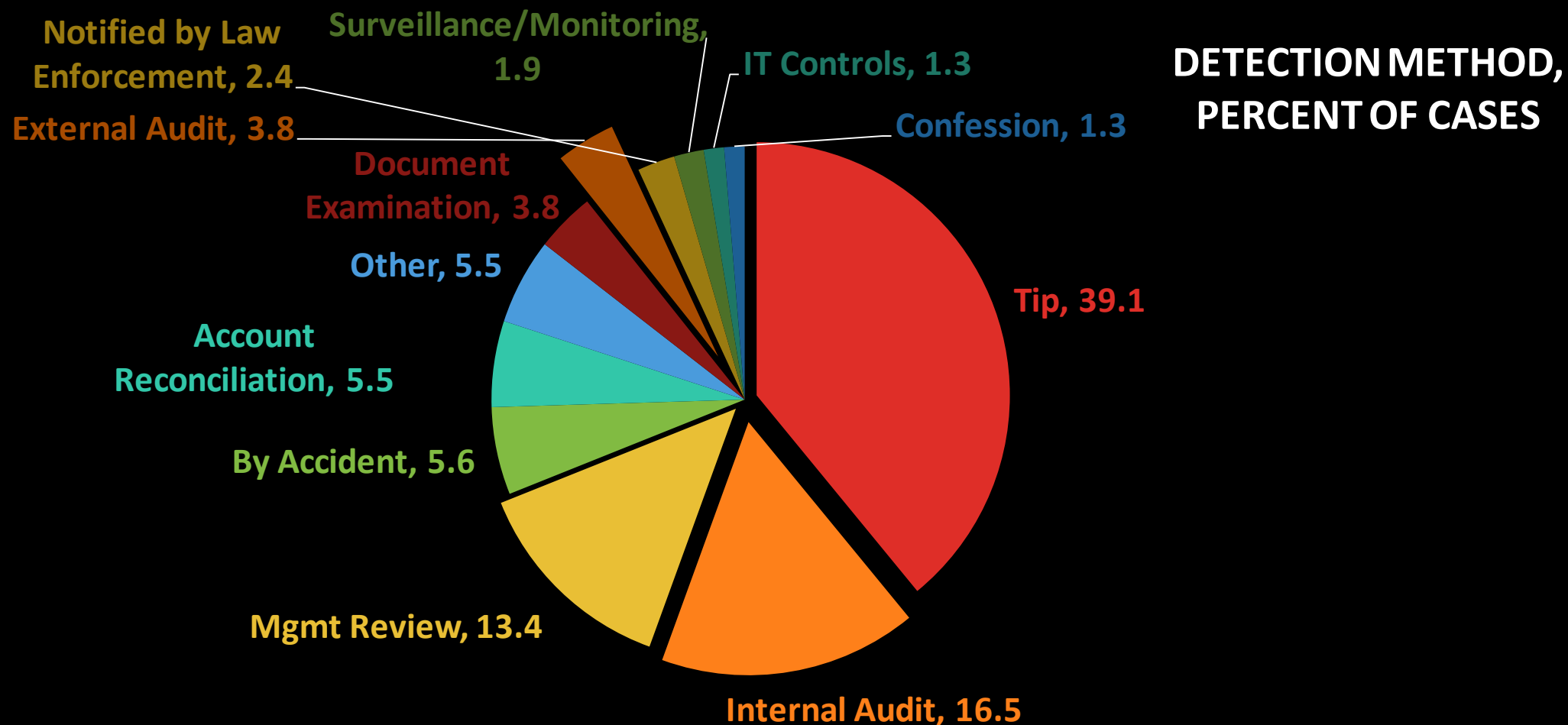
Keep your Emotions in check. Wait before making any decisions.

Relax, take your time!

The problem and solution can wait.

# ACFE FRAUD REPORT TO THE NATIONS

## DETECTION OF FRAUD SCHEMES (2016)



# NM WHISTLEBLOWER PROTECTION ACT (HJC/HB 165)

- Public Employees
- Prohibits Public Employer Retaliatory Action
- Creates a Right to Civil Action for Damages (within 2 years)
- Reinstatement w/same Seniority
- 2X Back Pay with Interest and Compensation for any Special Damage
- ER must pay EE's litigation costs and attorney fees
- ER Defense: EE misconduct, poor job performance, RIF, or other legit purpose
- E. "unlawful or improper act" means a practice, procedure, action or failure to act on the part of a public employer that: (1) violates a federal law, a federal regulation, a state law, a state administrative rule or a law of any political subdivision of the state; (2) constitutes malfeasance in public office; or (3) constitutes gross mismanagement, a waste of funds, an abuse of authority or a substantial and specific danger to the public.



## NM ATTORNEY GENERAL'S OFFICE

Complaints may be made through the OAG website by clicking a link online here: <http://www.nmag.gov/file-a-complaint.aspx>

Or by calling 505-717-6500 (govn. corruption or fraud)

Or by speaking to an advocate at 1-505-717-3500



## **NM STATE AUDITOR'S OFFICE SPECIAL AUDITS & INVESTIGATIONS**

Reports may be made anonymously through the OSA Hotline by clicking the link online here:

[https://www.saonm.org/special\\_audits\\_investigations](https://www.saonm.org/special_audits_investigations)

Or by calling 1-866-OSA FRAUD (1-866-672-3728)

Or by speaking to an investigator at 1-505-476-3800

