

State of New Mexico
House of Representatives
Ben Lujan, Speaker of the House
Ken Martinez, House Majority Leader
Sheryl Williams Stapleton, House Majority Whip

PRESS RELEASE

For Immediate Release
February 22, 2011

Contact: Victoria Chávez 646-241-5335
Amanda KinKaid 505-363-7417

Rep. Stewart's Bill to End Agency Fraud Passes
House Health and Government Affairs Committee

Santa Fe, NM – In an effort to put an end to government waste and corruption, a bill sponsored by Rep. Mimi Stewart (D-Albuquerque) unanimously passed the House Health and Government Affairs Committee today. HB 424 would allow the state auditor to designate agencies as at-risk for fraud, waste or abuse if the agencies fail to submit their required audit reports or if they receive adverse opinions on their audits. It passed with a vote of 6 to 0.

Rep. Stewart said, “This provision will give more sunshine to agencies and schools when their audits are not in order— letting the public know when we have schools or agencies at risk.”

Under the bill, if an agency is designated at-risk, it must submit monthly progress reports to the state auditor. The progress report would include an explanation of the agency’s efforts to complete and submit the audit; a status report on any ongoing audit work; any obstacles the agency has faced in working on the audit; and a projected completion date for the audit. If the agency received an adverse opinion on the original audit, the agency must include a summary of actions that are being taken to make recommended corrections to the audit.

The bill would also require the state auditor to post a list of the at-risk agencies on the state auditor’s website. The state auditor would provide monthly lists of these at-risk agencies to the governor, the legislative finance committee, the department of finance and administration and the public education department if any school district or charter school is designated. The state auditor would also be required to provide the lists to the higher education department if any higher education institution is designated at-risk.

New Mexico State Auditor Hector Balderas commended the legislation, “Fraud hurts all taxpayers and this bill will strengthen the detection of that fraud.”

The at-risk designation would be lifted by the state auditor if the agency submitted the required audit or received a qualified opinion on a subsequent financial audit.

HB 424 will be considered next in the House Judiciary Committee.