



# NEW MEXICO CORRECTIONS DEPARTMENT

Secretary  
Alisha Tafoya Lucero

CD-023500 Financial Violations-Reporting Possible Criminal Financial Violations to the State Auditor	Issued: 9/29/89 Effective: 9/29/89	Reviewed: 2/25/22 Revised: 02/18/15
Alisha Tafoya Lucero, Cabinet Secretary		<i>Original Signed and Kept on File</i>

## AUTHORITY:

- A. NMSA 1978, Sections 33-1-6 and 12-6-6, as amended.
- B. Policy *CD-010100*.
- C. State Auditor Rules, (current).

## REFERENCE:

ACA Expected Practice 5-ACI-1B-01, *Performance Based Expected Practices, 5<sup>th</sup> Edition*.

## PURPOSE:

To establish a system for reporting discrepancies of a financial nature to the Office of the State Auditor.

## APPLICABILITY:

All Division Directors, institutional Wardens, Business Managers, and any other staff involved in the reporting and/or investigation of violations involving financial matters.

## FORMS:

None

## ATTACHMENTS:

None

## DEFINITIONS:

- A. Chief Executive Officer (C.E.O.): The Chief Executive Officer of an adult institution (warden) or a Division Director of the Corrections Department.
- B. Chief Financial Officer: The employee designated by the Secretary of Corrections and approved by the State Controller as the Chief Financial Officer overseeing financial affairs of the agency.

- C. Financial Violations: Any matter dealing with intentional overpayments, misappropriations, fraudulent activities, theft, embezzlement or similar activities involving state or fiduciary funds and/or property.
- D. Reasonable Suspicion: When specific objective facts and rational inferences that may be drawn from those facts in light of experience, lead a reasonable person to suspect that a crime has been or is about to be committed.

**POLICY:**

The Corrections Department shall ensure that whenever there is a reasonable suspicion to believe that a financial violation has occurred, the matter will be investigated, recorded, and reported to the New Mexico Corrections Department Office of Professional Standards and the Office of the State Auditor.

The CEO is responsible for compliance of fiscal policy, management, and control of his or her operational area. Management of fiscal operations may be delegated to a designated staff person.  
**[5-ACI-1B-01]**



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## AUTHORITY:

Policy *CD-023500*

## PROCEDURES:

- A. Any employee who discovers a possible financial violation will be required to report the matter immediately to the Chief Executive Officer who is responsible for fiscal policy, management, and control. **[5-ACI-1B-01]**
- B. The Chief Executive Officer will evaluate the matter and, if there is a reasonable suspicion that the matter may involve a financial violation, the Chief Executive Officer will immediately notify the Chief Financial Officer in writing.
- C. The Chief Financial Officer shall appoint an independent (disinterested) auditor with the proper skills, knowledge and ability to conduct the audit and provide recommendations upon completion.
- D. The Chief Financial Officer or a designee from the Administrative Services Division will be responsible for notifying the Secretary of Corrections/Office of Professional Standards and the Office of the State Auditor, immediately upon determining that a possible criminal statute violation in connection with Department financial affairs may have occurred.
- E. In accordance with the current Auditor Rules, information will be reported to the Auditor immediately, in writing, upon discovery of the violation. The notification shall include an estimate dollar amount involved and a complete description of the violation, including the names of persons involved and any action taken by the Department.
- F. The Chief Financial Officer will act as liaison for any follow-up action requested by the Auditor.
- G. All information pertaining to the suspected violation shall be kept strictly confidential and disclosed only to those individuals authorized by this policy and procedure to receive such information.