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Report of Investigation

FILE NO: 19-0033 C

DATE: October 23, 2019

SUBJECT: Review of parking Cash Box collection process at the Albuquerque Museum and possible employee theft from the cash boxes

STATUS: Final

INVESTIGATOR: J. Shane



KENNETH BRAMLETT, INSPECTOR GENERAL
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Executive Summary

The Office of the Inspector General (OIG) for the City of Albuquerque (COA), New Mexico conducted a thorough review involving the cash handling procedures for the City, the process by which the Albuquerque Museum collects money from the parking lot cash boxes, and the allegation of theft from these boxes by a COA employee.

The approach to investigate this matter was two-fold, in that the OIG was looking into policies and procedures involving parking cash boxes and cash handling, and secondly the OIG was to investigate possible staff misconduct of theft that could result in the referral and filing of a report with law enforcement for consideration of possible criminal charges.

For the procedural review into the cash handling process, reviews were conducted of the applicable administrative instruction, the City of Albuquerque Cash Management Policies and Procedures Manual, and the Albuquerque Museum (AM) Cash handling procedures manual. In addition to this document review, various staff were questioned about the processes and the training they received. Lastly, video footage was reviewed.

Secondly, to investigate the matter of staff misconduct, staff interviews were conducted and video footage was reviewed. In addition, staff training documents were reviewed in an effort to understand what the staff was in fact trained on.

The thorough review into each area disclosed that while the COA does conduct training on cash handling procedures and the subject employee did take this training, the training lacks information specific to the facility where this incident occurred, the museum, and does not contain any procedures for parking cash boxes. The AM does have a lengthy procedural document, however, it is unclear as to when this was developed and there is no evidence that any employee, particularly the suspect employee in the incident, ever received this document or any training on the process. Recommendations were discussed and changes were already made to the documentation that is used at the AM moving forward, to ensure all employees of the AM are trained on the local, department specific procedures of the AM.

Despite the fact that the documentation listed above needs additional clarification, based on interviews and reviews of the camera footage from the AM, it is clear that the subject employee was aware of the procedures, that the subject employee did take monies from the COA and the AM parking cash boxes and that she went to lengths to cover up her wrongdoings.

The facts established during the investigation led the OIG to find that there is evidence to substantiate that AM-1 was in violation of Administrative Instruction:

AI No: 2-8 Cash Handling, Depositing, and Recording of Public Monies Section F. Persons receiving public monies shall prepare miscellaneous cash receipts or other approved documents acknowledging receipt of public monies and shall issue the receipts to those who remit monies to the City and Section G. Persons depositing public monies shall deliver such monies directly to the City Fiscal Agent or designated primary cash site before the close of the business day following the receipt of such funds pursuant to Section 6-10-2 through 6-10-3 NMSA 1978, and the City's Cash Handling Policy and Procedures manual. Under certain conditions, within this

same time period and with prior approval of the City Treasurer, public monies may be deposited in a properly designated bank account and bank location.

Further, AM-1 violated Human Resource Policy, Personnel Rule and Regulation 902.1.B. which states that employees may be reprimanded, suspended, demoted or terminated for any justifiable cause including, but not limited to: the commission of a felony or misdemeanor related to the position held by the employee or conviction of a crime involving moral turpitude. Human Resource Policy, Personnel Rule and Regulation 300-11, City Funds states that “employees are personally accountable for City money over which they have possession or control. All employees who are in control of City funds must maintain accurate and current records of all such funds. Employees must comply with all policies, practices, and procedures promulgated by the Department of Finance and Administrative Services and approved by the Chief Administrative Officer and in accordance with Generally Accepted Accounting Principles regarding the receipt, recording and disbursement of public monies”.

Lastly, AM-1 violated Human Resource Policy, Personnel Rule and Regulation 902.1.F. which states that employees may be reprimanded, suspended, demoted or terminated for any justifiable cause including, but not limited to: the misappropriation or personal use of city funds, property, possessions or resources or theft or fraud.

Based on the facts established during the investigation, the OIG also finds that there is evidence to substantiate that AM-2, AM-3, LRO-1 and other AM staff who were aware of the incident were in violation of City Ordinance: § 2-17-12 PENALTY; COOPERATION; RETALIATION PROHIBITED which states in section (A) that all city officials, employees and contractors shall promptly notify the Inspector General of every instance of theft or other disappearance of cash, check, or property, of misfeasance or nonfeasance, defalcation, improper governmental actions as defined in the Whistleblower Ordinance and non-compliance with federal and state law, city ordinances and city regulations of which they are aware. Further, AI NO: 2-4 states in MYSTERIOUS DISAPPEARANCE OF CITY MONIES RESULTING FROM BURGLARY, LOSS, THEFT AND/OR EMPLOYEE DISHONESTY, FRAUD, INCLUDING CURRENCY, FORGED CHECKS AND/OR CASH IMPREST FUNDS that: Employee and/or Management Personnel (Employee Dishonesty) - Fraudulent Embezzlement Associated with Missing Monies - The department, through the Employee and/or Management Personnel, shall immediately notify the City's Chief Administrative Officer of discovered or suspected acts of embezzlement by any department employee. The notification from the department shall come from Management Personnel, after being notified by any department Employee. The Chief Administrative Officer will notify the Albuquerque Police Department Investigative Bureau in a timely manner. These violations are based on the following facts and timeline once the employee misconduct was discovered:

- July 29, 2019, possible employee misconduct seen by management of the AM
- July 29, 2019, AM-2 notified LRO-1 of the incident
- August 9, 2019, AM-1 issued a Notice of Investigation
- August 14, 2019, AM-1 placed on Administrative Leave
- August 14, 2019, AM-1 resigned
- August 28, 2019, email sent to OIG from LRO-1 advising him of the incident for investigation

As a proactive measure upon the discovery of the employee misconduct, the Department of Cultural Affairs Assistant Director forwarded to the Investigator, an updated set of documents, training and procedures that will be used, moving forward, at their locations to ensure proper cash handling procedures, to ensure that all employees are properly trained and lastly, to ensure that other staff know what to report if they see activities that do not look appropriate. These new forms and processes include:

Bank Change Order slip – will document change made with the bank.

Safe verification form – this will document all change that is made from safe.

Safe vault entry log – to document when the safe is opened and closed.

Parking Procedures – new guide to follow when collecting and counting parking lot box money.

Daily Key Accounting and All Count log - updated to add initials and time out/in for gallery key and parking lot box key.

Signed cash handling procedures - cashiers and cash handlers acknowledge and sign after they have read it.

AM-2 has now also implemented two parking slips which must be submitted when parking money is counted and deposited. The first one is the actual money received with the parking money (have always done that one) and the second records the change in denominations as change was made for the change bag. This document will illustrate the actual amount versus the deposited amount.

AM-2 is going to put all of these new and changed documents with the previous training documents into an official booklet that clearly spells out the Albuquerque Museum's cash handling policies. All staff have been retrained and signed acknowledgment of training and new staff will be trained upon beginning employment with the AM.

Abbreviations

OIG – Office of the Inspector General
NOI – Notice of Investigation
AM – Albuquerque Museum
COA – City of Albuquerque
RCI – Robert Caswell Investigations
MOD – Manager on Duty

Introduction

The mission of the OIG is to promote a culture of integrity, accountability, and transparency throughout the City of Albuquerque in order to safeguard and preserve the public trust. On September 18, 2019, a referral for this investigation was given to Investigator J. Shane of the OIG. The initial referral was sent to the OIG from senior personnel and stated that they were informed by AM-2, Assistant Director of the Albuquerque Museum, that an employee, referred to hereinafter as AM-1, was observed collecting money from the parking pay boxes in the museum parking lot without a secondary employee present. After reviewing video and conducting a preliminary review, the supervisor issued a Notice of Investigation (NOI) on August 9, 2019. AM-1 was then placed on administrative leave on August 14, 2019 and subsequently, emailed her supervisor a letter of resignation that same day.

Scope

The review and scope of this investigation not only sought to investigate the wrongdoing of this particular employee but also to review the current cash handling procedures used for parking cash boxes. The review included documents associated with Cash Handling Policies and Procedures, Cash Handling training, employee training, and cash log books as well as interviews of all personnel involved in the process at the Albuquerque Museum in general and in the instances with employee AM-1.

Investigation and Interviews

AM-2
Assistant Director
Albuquerque Museum

A telephonic interview was conducted with AM-2, Assistant Director of the Albuquerque Museum on September 19, 2019, and the following information was provided:

AM-2 detailed what she had discovered during her preliminary review of the matter. She stated that the subject employee, AM-1, based on the video review of the evidence, upon reporting to work early, would go to the parking pay box and remove monies. When additional staff would arrive to work, namely the cashiers, AM-1 would then follow the proper cash handling protocols and go again to the parking pay box with an additional employee, and log the contents into the log book. This clearly illustrated to the Assistant Director that AM-1 knew the proper process for cash collection and documentation.

AM-2 stated that AM-1 had been employed with the City of Albuquerque for at least 18 years but has only been with the Albuquerque Museum for approximately one and a half years.

AM-2 stated that all staff are required to take a class and be aware of the policy and procedures for cash handling for the COA.

The Assistant Director was provided with a list of documents and videos that the OIG would like to review via a follow-up email from the investigator which stated:

Good Morning:

Thank you for taking the time to speak with me today. As per our discussion, I would like to request:

1. The video footage of the incidents
2. The Notice of Investigation (dated August 9, 2019)
3. Amended Notice of Investigation
4. Documentation of employee being placed on administrative leave
5. Resignation Letter
6. Policy/Training Acknowledgment of cash handling procedures by employee
7. Copies of the log book entries for the time period on video
8. Any policy/procedure on process within your department for collecting cash from the parking pay boxes

I think that this may be all but if you could think of anything that I am missing, please let me know. As I stated, we are in suite 5025 if can you drop any materials by, or feel free to attach all documents to an email.

AM-1
Subject

A call was placed to AM-1 to inquire about an interview. AM-1 agreed to come to the OIG on Wednesday, September 25, 2019 at 1000 hours for an interview in the office. She was advised that this interview is voluntary.

On September 24, 2019 at 1050 hours, a voicemail message was received form AM-1. The message stated:

Hi Jillian, this is {AM-1}. I talked to you yesterday and you set me up with an interview tomorrow at 10:00. And I talked to my union rep and I was advised to respectfully decline the interview because you guys have already reviewed your part and I really don't have anything to add to it. If you need to talk to me, you can call me back ator you can call my union rep, Mike Doran (sp). Hold on let me get a number for you {then voicemail hangs up}.

Site Visit
Albuquerque Museum

Investigator Shane and Investigator Pacheco, from the OIG, drove to the Albuquerque Museum to view the parking cash boxes and cameras. Below are two images, the first of a cash boxes and instructions (\$1.00 per half hour or \$ 5.00 per day max) and the second image of the camera (to illustrate angle) and the three parking cash boxes.





Document and Video Review

Documents provided by AM-2, Assistant Director, Albuquerque Museum

On Thursday and Friday, September 19th and 20th, 2019, the following documents were provided to the Investigator by AM-2:

- Word Document, Albuquerque Museum Cash Handling Procedures
- Cashier Training Steps list
- Daily Transmittal Logs for June 15, 2019, June 16, 2019, June 22, 2019, June 23, 2019, June 29, 2019, June 30, 2019 and Safe verification logs for June 15, 16, 22, 23, 29, 30, 2019
- Daily Transmittal Logs for July 6, 2019, July 7, 2019, July 13, 2019, July 21, 2019, July 27, 2019, July 28, 2019 and a July All Count Log
- Safe verification logs for July 7, 13, 21, 27, and 28
- City of Albuquerque Cashing Handling Manual
- List of dates and times AM-1 withdrew from parking cash box alone
- Donation Box and Parking Money Collections Log and all Count Log
- Notice of Investigation
- Notice of Administrative Leave
- Cash Handling Class Certificate
- Sub-Custodial Form

The Cash Handling Procedures document outlines all cash handling procedures specific to the museum. Specifically, on the final page is a section on Parking Revenues which states:

Parking Revenues

- *Parking lot box money should be collected up to three times during the week during the months with a higher customer volume. The busy months follow the annual holidays and summer months.*

- *During lower customer volume the parking lot money should be collected two times during the week.*
- *There must always be a manager on duty and cashier with valid cash handling certificates collecting the parking money, and processing the money in the cash room.*
- *The cash room is the designated area for processing the parking money only. No other area in the Museum is approved for processing the parking money.*
- *If proper dual verifiers and cashier coverage at the front desk are not available and the staff is short staffed from a call in the parking money collection will be held over until proper coverage is available.*
- *For employee safety during the weekend parking collection days, it is advised to call museum security to have the security officer accompany while collecting money outside.*
- *Designated key and cloth bags are kept in the cash room.*

AM-2

Assistant Director
Albuquerque Museum

A second interview was held with the Assistant Director of the Museum in the OIG to review information received to date and to clarify all of the documentation that was submitted and mentioned above.

AM-2 stated that she initially learned of this incident after a weekend ‘car exhibit’ was held in the parking lot. AM-2 stated that she received numerous phone calls about the amount of cars in the lot and called the staff member that was assigned to oversee ‘rentals’, COA information technology staff member (IT-1) who was assigned by the COA to the AM. IT-1 began to watch videos to see the individuals in the lot were paying for use of the parking lot. While reviewing cameras, IT-1 noticed an employee opening the parking cash boxes, alone and thought this was against procedure. IT-1 then brought this information to AM-2. IT-1 and AM-2 then began to review more cameras and dates to see if this was occurring by more than one staff or on more occasions.

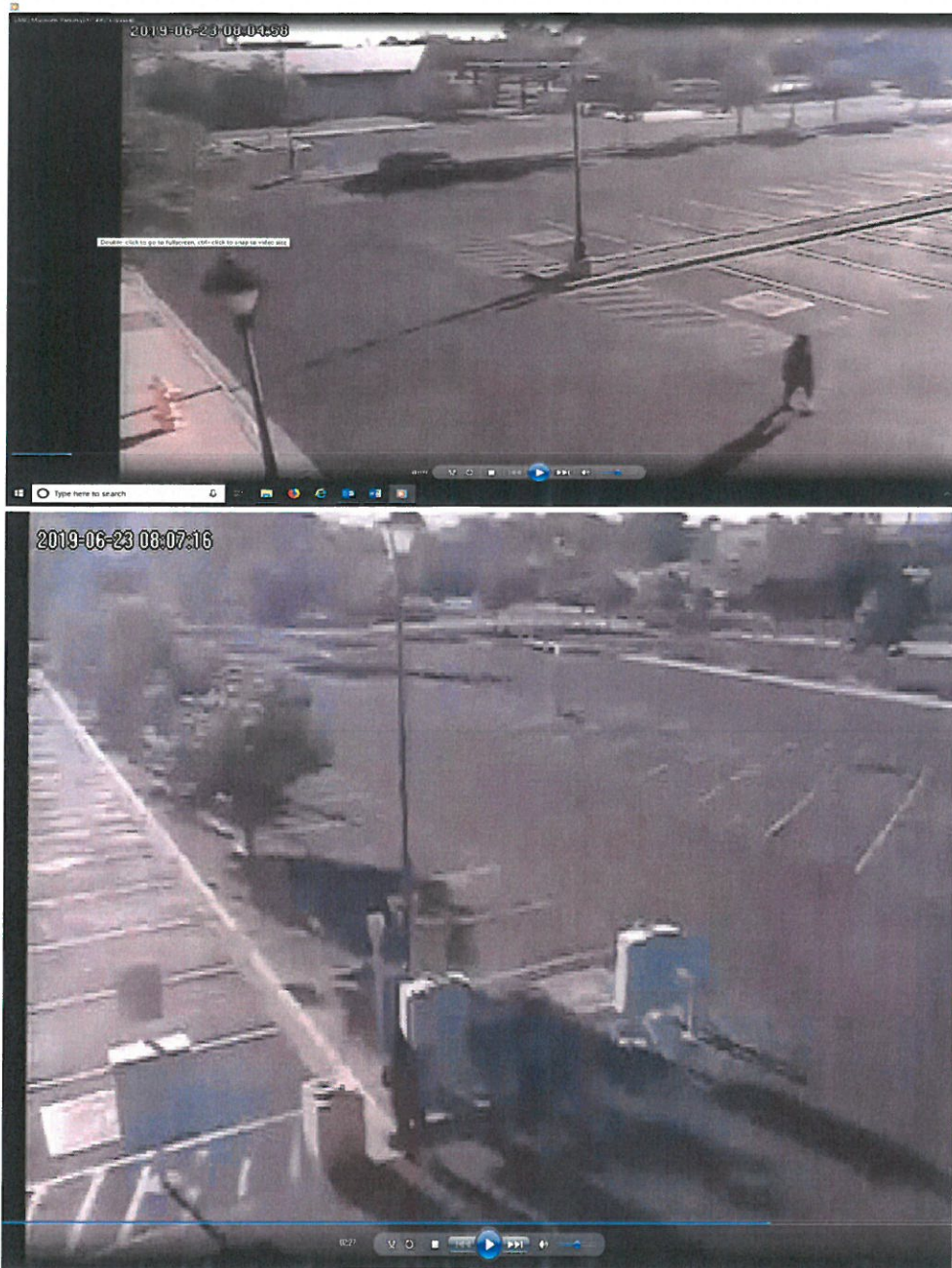
Of note in the documentation reviewed and discussed was:

Daily packets which included documentation of all transactions for the museum to include admissions fees, donations, sales and parking box monies.

- On June 16, 2019, there was no deposit or notation of any parking fees being collected on the Treasurer’s Daily Report of Deposits form and supporting documents. However, on camera, AM-1 is seen leaving the administration area, walking through the parking lot alone, opening the cash boxes and leaning close while reaching inside, locking them, and walking back inside and placing the key back into the account room alone. This occurs at approximately 1059 hours.



- On June 23, 2019, there was no deposit or notation of any parking fees being collected on the Treasurer's Daily Report of Deposits form and supporting documents. However, on camera, AM-1 is seen leaving the administration area, walking through the parking lot alone, opening the cash boxes and leaning close while reaching inside, locking them, and walking back inside. This occurs between 0803 hours and 0807 hours.



- On June 30, 2019, there was no deposit or notation of any parking fees being collected on the Treasurer's Daily Report of Deposits form and supporting documents. However, on camera, AM-1 is seen leaving the administration area, walking through the parking lot alone, opening the cash boxes and leaning close while reaching inside, locking them, and walking back inside. This occurs between 0810 hours and 0816 hours.

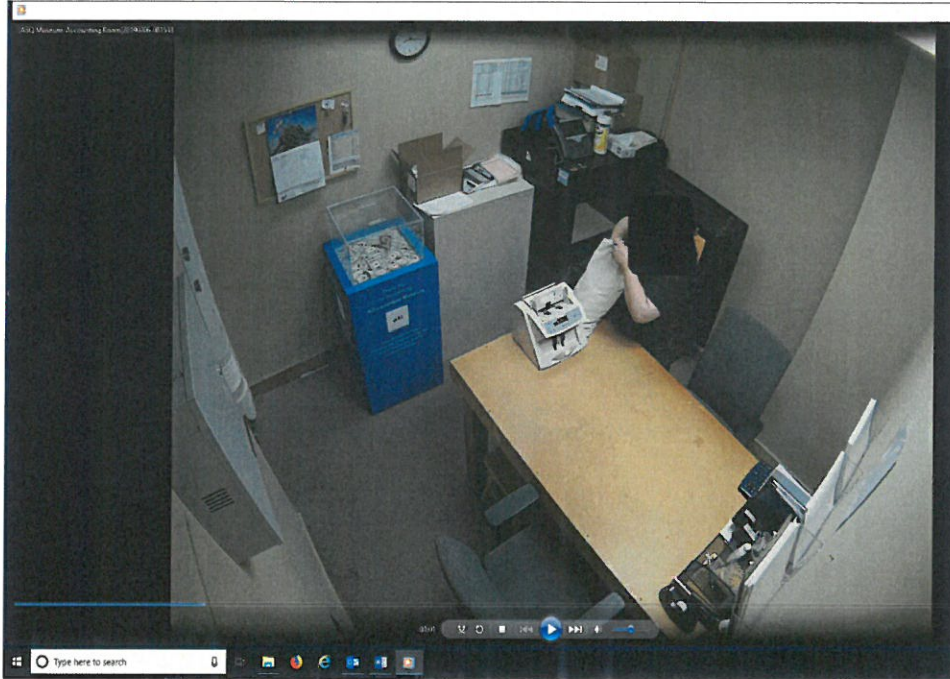


- On July 6, 2019, at approximately 0804 hours, employee AM-1 walks out of the South Dock alone, with a cash bag and is headed toward the parking cash boxes. Once she is near the parking lot/trash can, you can see employee become distracted, and a second person, who appears to be in uniform walks with AM-1 to the parking cash boxes. This second person remains while all cash in collected and walks with AM-1 back to South Dock area and walks away towards the front entrance and AM-1 enters through the staff entrance off of the dock. This person was identified by AM-2 as a temporary employee named AM-3.

On July 6, 2019, a 5 minute and 58 second video shows AM-1, alone in the AM Accounting Room at approximately 0818 hours searching and collecting money from the collection bag, with cash in her hands as she pulls them out and groups them up, and then

places the money into her pocket. Prior to this video and time, AM-1 is on video obtaining key and money collection bag, walking outside to parking cash boxes and opening them alone, and entering cash room.

At approximately 0855 hours, AM-1 enters the room with a second employee, removes the bag from the safe, and begins to count using the proper procedure and log. This second staff member was identified by the Assistant Director to be a part time employee named AM-4.



- On the dates of June 30 and July 7, 2019, AM-1 was observed going to the parking lot cash boxes, alone on video. On these two days, there was no deposit or notation of any

parking fees being collected on the Treasurer's Daily Report of Deposits form and supporting documents. These videos, however, were accidentally removed and not saved from the system. IT-1 reviewed and documented these instances, however, and submitted a memorandum to Investigator Shane which stated:

I did see footage of AM-1 alone at the payboxes on 07/07/2019, 7/13/2019 and 07/21//2019, however due to a miscommunication with my supervisor I did not export those videos. I believed we had enough evidence at that point....

- On July 28, 2019 at 1808, AM-1 entered the accounting room, alone, and opened the safe. From her pocket, she removed a large amount of bills which appear to be \$5.00 bills. She removes a bank envelope from safe, count the \$5.00 for a total which would be \$140.00 (based on her hand movements) and removes larger bills (which is counted out appear to be \$20.00 bills totaling \$ 140.00). Any time monies are changed like this, in addition to having two staff present in the room with safe, a section entitled Change to/From Safe on a 'safe Verification' form needs to be completed. This was not completed on this day.

LRO-1
Senior Personnel/Labor Relations Officer
City of Albuquerque

A telephone interview was conducted with LRO-1, Labor Relations Officer for the City of Albuquerque on September 24, 2019. LRO-1 stated that the process she has, when she receives information such as this, is to contact legal and brief staff there. COA Legal will then call RCI (Robert Caswell Investigations) to initiate an investigation. RCI set up surveillance on the cash box area the following weekend after they were notified (weekend of August 3 and 4, 2019) and did not see any wrongdoing. The RCI Investigator emailed COA staff on Monday, August 5, 2019 with this information.

LRO-1 stated that she then spoke to the fiscal officers, after being presented with the COA internal videos obtained from IT-1 and AM-2. The fiscal staff advised her to call the OIG to see if the COA needed to file a police report.

After the telephone discussion with Investigator Shane and LRO-1, LRO-1 forwarded a follow-up email that stated "Also, when I spoke to the Fiscal Manager and the Director about filing a police report, CS-1, CS Director, did advise to file a police report. It was then that I contacted Diane Kimberle who instructed me to contact the Inspector General's Office and that they would determine if a police report needed to be filed."

AM-3
Temporary Employee
Event Coordinator, Albuquerque Museum

A telephone interview was conducted with AM-3 on September 24, 2019. AM-3 was asked by Investigator Shane if she frequently accompanies COA staff to empty/collect from the parking cash boxes. AM-3 stated that no, that is not her job duty but she recalls doing this on two occasions with a staff member named AM-1.

AM-3 recalled on the first occasion, but she did not remember the date, that she was outside smoking and saw AM-1 walking towards the parking cash boxes with the collection bag. AM-3 recalls telling AM-1 that this was not safe and asked 'aren't two people supposed to go?'. AM-3 recalls AM-1 saying something like "yes, come with me".

On the second occasion, AM-3 was again smoking, and saw AM-1 coming from door on dock. AM-3 stated that nothing was said she just tagged along and talked about normal things.

AM-3 stated that she did not enter the building on either occasion with AM-1 and has no clue where AM-1 went or what she did afterwards.

AM-3 stated that she has always seen two employees go to boxes together and that AM-1 often went alone and AM-1 was the only staff member she ever saw go to the parking cash boxes alone.

AM-4
Office Assistant
City of Albuquerque

On September 24, 2019, a telephone interview was conducted with AM-4, Office Assistant at the AM. AM-4 stated that she has been with the COA for two years.

AM-4 detailed the cash handling process and stated that two staff need to go to the cash box and then two staff (ideally the same two and immediately following collection) count the monies in the accounting room.

AM-4 stated that this typically occurs with the MOD (Manager on Duty) and the Head Cashier. However, she stated, sometimes they may take the receptionist or security if other people are busy.

AM-4 stated that she does recall a couple of times, not many at all, in which someone different would collect from the parking cash boxes and simply place then bags inside the safe and then later, when staff were not so busy, two staff would count. AM-4 did once again state 'this only has happened once or twice before'. AM-4 recalled once a MOD named AM-1 stating something to the effect of 'let's count now because I didn't have time when we collected'. In this instance, the parking cash boxes were already collected and they simply counted together.

Lastly, AM-4 stated that just within the last week, management created a new form whereas the two people who collect from the parking cash boxes each have to initial with each collection.

Conclusion

After reviews of videos and interviews with staff of various levels, it was discovered that some staff did see that the subject was alone and not following procedure, but they failed to report or saying anything because they 'thought it was wrong'. As previously mentioned, in regards to the cash handling procedures by the AM, it is recommended that the site/department specific procedures be clearly outlined for staff and provided in print and through training to each staff member of that facility and upon hiring of additional staff. This manual of AM procedures should be dated and signed by the Director and upon receipt of manual, each staff member should sign an acknowledgment of receipt and understanding of the same. This will ensure that all staff are clearly aware of all processes and cannot claim otherwise. In addition, staff will be clearly aware of what to report, should they see another staff member, regardless of rank, going against the procedures.

It is also recommended that the AM designates dates in which the monies will be collected, so management and security are aware when these will be occurring and it is defined clearly. This will not only assist with accountability, but with staff safety as well.

Concerning the specific staff member and the allegation of possible theft and violation of the cash handling procedures, it is evident that numerous policy and procedural violations did occur. AM-1 was trained in the procedures and in fact, went to some lengths to cover up her wrongdoings after the incidents of theft by bring in a staff member to then conduct a proper money count or collection from the parking pay boxes. While AM-1 is clearly on video removing monies from the collection bag and placing said monies in her pocket, it is unclear of the dollar amount that was taken. It is recommended that law enforcement be notified for possible criminal investigation.

The parking lot is not monitored to see what spaces are filled each day, who has paid and not paid, nor collected daily. Therefore there is no tracking system to determine how much money should be in parking pay box each day, as a check and balance nor to see if visitors are in fact paying to park there.