



State of New Mexico Office of the State Auditor

FOR IMMEDIATE RELEASE

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Update on CRRUA Investigation: Allegations Remain Unfounded

Santa Fe, NM -- The Office of the State Auditor (OSA) concluded its investigation into the Camino Real Regional Utility Authority (CRRUA) following a request by the New Mexico Environment Department (NMED) on March 14, 2024. The investigation focused on potential fraud, waste, and abuse of \$5.3 million in public funds awarded by the Water Trust Board in June 2013 for the construction and operation of the Santa Teresa Arsenic Community Treatment Plant.

As part of its investigation, the OSA sought clarification from NMED on the specific funds in question. NMED identified Water Trust Board funding provided for the plant's construction, stating that the system's improper operation and maintenance from 2021 to 2024 raised concerns regarding the use or misuse of the funds, alleging, in part, that "...the money was not spent for the purpose it was granted, or it was not spent at all..."

The OSA has completed its review of documentation provided by the New Mexico Finance Authority (NMFA) and CRRUA. The results of the review confirm that all disbursements related to the \$5.3 million, including both loan and grant components, were specifically allocated for the costs of construction of the Santa Teresa Arsenic Community Treatment Plant, between August 2015, and July 2017. All CRRUA's draw requests and requisitions to NMFA were approved by NMED at the time of disbursement, with no documentation to support allegations of misuse by CRRUA of these specific funds. Also, the OSA has no oversight role in the operations of this water treatment plant.

While the investigation's limited scope pre-dates NMED's specified period of concern (2021-2024), the OSA's determination concludes that the allegations regarding the misuse of funds from the Water Trust Board remain unsubstantiated because the entirety of the \$5.3 million was disbursed for earmarked construction costs between 2015-2017.

The Office of the State Auditor helps government work better by providing transparency and accountability for government spending; informing policy choices; and tackling fraud, waste and abuse. OSA is an independently elected executive agency responsible for examining the use of public dollars in New Mexico.

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