

Timothy M. Keller
State Auditor



Sanjay Bhakta, CPA, CGFM, CFE, CGMA
Deputy State Auditor

State of New Mexico
OFFICE OF THE STATE AUDITOR

VIA EMAIL AND U.S. MAIL

May 31, 2017

Chaouki T. Abdallah
Interim President
University of New Mexico
MSC05 3300
1 University of New Mexico
Albuquerque, NM 87131

Re: Designation of the University of New Mexico for Special Audit

Dear President Abdallah:

The Office of the State Auditor ("OSA") has received information raising concerns related to athletic fundraising activities and expenses of the University of New Mexico ("UNM") and its component units.

The OSA is charged with the constitutional and statutory duty to examine the financial affairs of governmental agencies within New Mexico that receive or expend public money. This letter provides notice that the OSA has designated UNM and its component units for a special audit or examination in order to evaluate these concerns.


Pursuant to Section 12-6-3 (C) NMSA 1978 ("Audit Act"), in addition to the agency's annual financial audit, the State Auditor "may cause the financial affairs and transactions of an agency to be audited in whole or in part." Additionally, in accordance with 2.2.2.15 NMAC ("Audit Rule"), the State Auditor may initiate a special audit regarding financial affairs and transactions of an agency or local body based on information it receives. The special audit will be performed by the OSA. Please be advised that UNM is required to bear any costs of the engagement pursuant to Section 12-6-4 NMSA 1978.

In order to conduct the examination, the OSA must have unrestricted access to all documents pertaining to the issue as well as access to UNM staff that may have knowledge and information about the areas of concern. We appreciate your cooperation and will be contacting your staff to discuss next steps.

2540 Camino Edward Ortiz, Suite A, Santa Fe, New Mexico 87507
Phone (505) 476-3800 * Fax (505) 827-3512
www.osanm.org * 1-866-OSA-FRAUD

Please do not hesitate to contact Deputy State Auditor Sanjay Bhakta, CPA, CGFM, CFE, CGMA at (505) 476-3800 if you have any questions regarding this matter.

Respectfully,

A handwritten signature in cursive script that reads "Timothy M. Keller". The signature is written in black ink and includes a long horizontal flourish at the end.

Timothy M. Keller
State Auditor

cc: Hector H. Balderas, New Mexico Attorney General
Robert M. Doughty III, UNM Board of Regents
Marron Lee, UNM Board of Regents
Alex Romero, UNM Board of Regents
Thomas Clifford, UNM Board of Regents
Lt. Gen. Bradley C. Hosmer (Ret.), Board of Regents
Suzanne Quillen, UNM Board of Regents
Garrett Adcock, UNM Board of Regents
David Harris, UNM Executive Vice President for Administration
Manilal Patel, CPA, Director, UNM Internal Audit
Henry Nemcik, President and CEO, UNM Foundation
Kole McKamey, President, UNM Lobo Club