



**Adán Delgado – Superintendent**

**Coronado High School – Coronado Middle School  
Gallina Elementary–Lybrook Elementary  
Lindrith Area Heritage Charter School**

**FOR IMMEDIATE RELAEASE  
August 14, 2009**

**Gallina, NM** – On June 4, 2009, The Jemez Mountain School District's Superintendent of Schools, Mr. Adan Delgado, discovered an incident of embezzlement by the District's long-term Business Manager. As required by law, Superintendent Delgado immediately reported his discovery to New Mexico's Office of the State Auditor, the New Mexico Public Education Department and to the Rio Arriba County Sheriff's Office. In the two months following the discovery, the District and the State and local law enforcement agencies have conducted a thorough investigation of the District's finances to determine the extent of the embezzlement. At this point, it is clear that the embezzlement involves several millions of dollars, stretching back some 10 years. "The impact of the embezzlement on the District has been devastating, not only negatively impacting the District's finances, but endangering the District's educational services to its students. Our staff and the Board are still in shock at the apparent actions of our trusted Business Manager. Without a doubt, we are committed to restoring the District's financial integrity and ensuring that the educational program does not suffer as a result of this event," said Superintendent Delgado.

Prior to the discovery of the embezzlement, the Superintendent and Board of Education had worked diligently over recent months to become current on state mandated audits and determine accurate status of the District's finances; this effort was realized in April of 2009, when the District officially became current on State mandated audits. This effort contributed to Superintendent Delgado's discovery of the embezzlement. Since the initial discovery of the embezzlement, the District has worked closely with the New Mexico Public Education Department to restore the seamless fiscal operation of the District and to ensure that the quality of the District's educational program will not be adversely affected. Additionally, the New Mexico Public Schools Insurance Authority immediately paid the District's claim on the Business Manager's surety bond, helping to restore some of the funds lost as a result of the embezzlement. The District greatly appreciates the efforts of these agencies for their cooperation and support in this time of turmoil and need.

The District has fully cooperated with the special audit conducted by State Auditor Balderas and the investigation of the Rio Arriba County Sheriff Department. In the Special Audit conducted by the State Auditor, all District bank accounts back to the year 2001 have been examined. The District is especially appreciative for the efforts of State Auditor Balderas for providing his staff who conducted such an extensive and thorough audit of District records. This Special Audit will serve as the foundation for any criminal proceedings initiated by law enforcement arising out of the embezzlement of our funds and will serve as a foundation for improving the District's financial controls so that this kind of theft does not happen again.

"As superintendent, I acted swiftly to report the embezzlement and to make significant changes in business practices. I implemented financial oversight by an independently contracted C.P.A.,

who also holds a New Mexico School Business Official's License and will assure the highest level of accountability. We have also selected and recommended to the State Auditor the engagement of a new independent auditing firm for the 2009 fiscal year. Finally, the Board and I fully support the Public Education Department's decision to take over the District's board of finance function while our community recovers from this tragedy. The oversight provided by the Public Education Department will serve to ensure the highest possible level of fiscal accountability," said Delgado.

Delgado goes on to say, "despite the tremendous challenges of this situation, the Jemez Mountain School District Board of Education, administration, faculty, staff, students, and community are committed to quickly and fully recovering from this blow to the District. In spite of the tremendous burden caused by the revenue lost over the past decade, the District has thrived. The District has excellent facilities, outstanding staff, state-of-the-art technology, and tremendous students. Recently, the District has aggressively implemented distance-education capabilities, an advanced film industry training program, and innovative standards-based instructional programs. One of the District's teachers was selected as a Golden Apple Teacher for the 2008-2009 school year. As the District begins to put this heartbreak into the past, the people of the District should be optimistic that their schools will overcome this challenge and come back even stronger than before."

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