



Timothy M. Keller
State Auditor

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

State of New Mexico
OFFICE OF THE STATE AUDITOR

April 18, 2016

K. Lynn Gallagher, Deputy Cabinet Secretary
New Mexico Department of Health
1190 S. St. Francis Drive
Santa Fe, New Mexico 87505

Re: Vivian M. Moore, CPA

Dear Ms. Gallagher:

The Office of the State Auditor (OSA) received allegations related to potential independence and proper payment issues regarding Vivian M. Moore, CPA. This information was routed to the OSA Special Investigations Division.

The allegation suggests that Vivian Moore is contracting with medical cannabis producers for audit engagements, as required by the New Mexico Department of Health, and that she may not be independent because she is the owner of a cannabis producing company. In addition, there is an allegation that Ms. Moore may be paid through the exchange of cannabis product, which may have tax consequences.

We bring this matter to you for your consideration. 7.34.4.23 (B) (2) NMAC states that a licensed non-profit producer shall submit the results of an annual audit to the department within 90 days from the end of the fiscal year and the audit shall be conducted by an independent certified public accountant. If the allegations are true, there are likely material independence issues if Ms. Moore conducts audits for any of the medical cannabis producers. Additionally, any "in-kind" payments of this nature are inherently difficult to value monetarily and thus create tax liability ambiguity. The DOH should address issues of independence, and proper payment, as they relate to audits under the Medical Cannabis Program requirements and take prompt corrective action should these allegations be confirmed.

Thank you for your attention to these matters. If you have any questions, please do not hesitate to contact me directly at 505-476-3820 or at Kevin.Sourisseau@osa.state.nm.us.

Respectfully,

A handwritten signature in black ink, appearing to read "Kevin Sourisseau", followed by a long horizontal line.

Kevin Sourisseau, CPA
Special Investigations Division Director

cc: Ken Groggel, Director, DOH Medical Cannabis Program