



NEW MEXICO HUMAN SERVICES DEPARTMENT  
P.O. Box 2348  
Santa Fe, New Mexico 87504-2348

**Bill Richardson**  
*Governor*

**Pamela S. Hyde, J.D.**  
*Secretary*

*For further information contact Betina Gonzales McCracken  
Communications Director 505-827-6245*

### **Human Services Department Puts a Halt to “Inappropriate” Contract Practices**

*Santa Fe, February 7, 2003* – Human Services Secretary Pamela S. Hyde cancelled two state contracts after determining that taxpayer dollars were not being spent efficiently. Secretary Hyde scrutinized the contracts as part of a broader effort, spearheaded by Governor Bill Richardson, to save money and overhaul the way the state does business.

“I promised during the campaign last year to be accountable to the people of New Mexico, cut spending and save taxpayer dollars,” Governor Bill Richardson said. “With that philosophy in mind, I asked my Cabinet Secretaries to work closely with the professionals in the Department of Finance and Administration to scrutinize every penny we are spending and to put a hold on contracts as a first step in initiating my performance review of every state agency. I want to make sure taxpayers are getting their money’s worth.”

Secretary Hyde said she cancelled two contracts that raised red flags.

“In our effort to “Crack Down, Clean Up, and Crank Up” within the Human Services Department, we have uncovered some questionable contract practices,” said Human Services Secretary Pamela S. Hyde.

Those practices have resulted in the cancellation of two price agreements this week, each at \$199,999. The Attorney General, by law, must review all state contracts worth more than \$200,000.

“The value of the contracts are just \$1 under the \$200,000 mark, which appears to have been an effort to avoid the need for review by the AG,” Hyde added. In some cases, the price agreement procurements have accumulated to millions of dollars in contract expenses, without proper review or scrutiny by the AG’s office.

“The cancellation of the contracts however, does not mean the services have come to an end, it means HSD is working smarter,” said Deputy Secretary for Finance Tom Romero. “Instead of going through a middle-man HSD is working directly with contractors, saving thousands of dollars,” Romero added.

###