

Socorro Electric Cooperative Investigates ‘Financial Irregularities’

Journal Staff

Co-op’s general manager and office manager-accountant placed on administrative leave without pay

SOCORRO — Socorro Electric Cooperative’s general manager and office manager-accountant have been placed on administrative leave without pay while an investigation into “financial irregularities” is being conducted.

Polo Pineda Jr. has served as general manager since 2003. Kathy Torres has been with the co-op in an administrative capacity for 22 years.

The action came following a two-hour special meeting of the board of trustees addressing personnel matters on Friday night (Aug. 13).

A statement issued by the trustees on that date read: “A committee was appointed by the President of Socorro Electric Cooperative to investigate certain financial irregularities reported under the whistle blower policy of the cooperative.

“Two SEC employees have been placed on unpaid leave for an indefinite period while the investigation proceeds.”

Co-op President Paul Bustamante appointed a committee to look into the matter three weeks ago, after an anonymous letter written on company stationery and mailed using the co-op’s postage meter was sent to the individual trustees.

Pineda did not return phone calls to El Defensor Chieftain on Monday and Tuesday. Torres could not be reached for comment.

According to IRS 990 forms, Pineda earned a salary of \$102,151 in 2008 and another \$35,990 in estimated compensation from the organization and related organizations.

Torres’ salary could not be verified by Chieftain press time on Tuesday.

Trustees Donald Wolberg and Luis Aguilar serve as chairman and co-chairman, respectively, for the inquiry committee. They said in an interview on Monday (Aug. 16) that they’ve probably spent 120 hours investigating the allegations, examining records and conducting interviews with employees.

“The purpose of the committee is to continue to work to understand what happened — and what may have happened — and to make sure it doesn’t happen again,” Wolberg said, and added that he couldn’t be too specific about what kind of irregularities were being investigated. “We don’t want to violate anyone’s rights, or impair the integrity of the process, because we’re not done. We’re doing everything we possibly can to ensure we take a reasonable, rational and lawful approach.”

“True or not, it’s the responsibility of the committee to make sure everything is done correctly and to

determine if (the allegations) are true or not," added Aguilar.

The committee is also made up of trustees Leroy Anaya, Leo Cordova and Prescilla Mauldin. As president, Bustamante sits on the committee ex-officio.

Over the weekend, security guards were stationed outside the co-op office on East Manzanares Street.

"The building was secured to preserve the integrity of records and documents and to make sure they're being taken care of," Wolberg said.

Wolberg said the co-op wanted to be as forthcoming it could about the matter to suppress the rumor and innuendo that was going around. He wanted to make sure member-owners and employees knew that the matter was being addressed and that there would be no disruption in co-op operations.

"The board feels that members are entitled to reporting and candor surrounding this matter and that's the responsibility of the committee," he said. "The members have to be taken care of first."

In the meantime, co-op management has undergone a shift. Operations Manager Richard Lopez moves over to fill the role as general manager and Line Superintendent David Montoya fills Lopez's position.

Administrative Assistant-Payroll Clerk Eileen Latasa is now doing the duties of office manager, while Senior Billing Clerk Frances Herron has taken over accounting. Supervisor of Engineering Services Sophie Chavez steps in to fill Montoya's role.

Wolberg pointed out that all of them have been with the co-op for many years.

"We have great confidence in their abilities. Our main concern is for a seamless transition," he said.

Wolberg said the committee is sensitive to the concerns of the 36 or so employees.

"The priority is members have to be taken care of first, then the employees to make sure they are secure, safe and appreciated," he said, adding that he appreciated the cooperation and frankness exhibited by employees during the investigation.

The management shake up is a new gyration in what are turbulent times for the Socorro co-op.

In April, member-owners passed a bevy of new bylaws aimed at reforming the way the co-op goes about its business. The board of trustees later decided to challenge in district court three of the bylaws that address transparency of governance. In order to do so, the co-op filed a lawsuit against "all unnamed members of the Socorro Electric Cooperative Inc.," which includes approximately 13,000 member-owners.

The matter is still pending.

Last month, Kathy Torres filed papers with the Equal Employment Opportunity Commission claiming sexual and racial discrimination against trustee Charlie Wagner, a leader in the reform movement.

Amongst other things, she claimed that Wagner accused her of committing fraud.

Trustee Aguilar said an air of anxiety and discomfort has lingered in the co-op offices as a result of all the turmoil. He's hopeful that will soon be dispelled.

"I truly believe this is an opportunity for the Socorro Electric Cooperative to continue to move forward and improve," he said.

Suggested Reading:

- [Las Vegas, N.M., Official New GM of Mora-San Miguel Electric Cooperative](#)
 - [8:45am — Ex-ACORN Worker in El Paso Claims Irregularities](#)
 - [Socorro Man New Member of Miners' Hospital Board](#)
 - [6:30am — Gaming Board Investigates Internet Cafe](#)
 - [Eastern N.M. Telephone Cooperative Gets \\$11M Federal Grant](#)
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