



**Internal Audit Office**

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**City Manager**  
Tommy Gonzalez

**DATE:** June 25, 2019

**TO:** Margarita M. Muñoz, Comptroller

**FROM:** Edmundo S. Calderon, CIA, CGAP, CRMA, Chief Internal Auditor

**SUBJECT:** Avenu Hotel Occupancy Tax Review – Final Report

The City of El Paso has contracted Avenu Insights & Analytics (formerly MuniServices, LLC) to conduct Hotel Occupancy Tax Reviews in accordance with Contract No. 2015-633R. On April 16, 2019, Avenu Insights & Analytics concluded their review of Hotel Occupancy Tax compliance for 20 El Paso area hotels. The period under review was from October 1, 2014 through September 30, 2018 (48 months). The review of the 20 hotels identified 12 hotels with deficiencies totaling \$45,007.27.

The following table is a summary of the Hotel Occupancy Tax Review of hotels with deficiencies:

#	Hotel Name	Deficiency	Deficiency Amount
1	America's Best Value Inn – El Paso Medical Center	Under Reported Gross Revenue.	\$9,281.97
2	Chase Suites Hotel El Paso	Failure to Collect and Remit Tax on Pet Fees.	\$5,614.29
3	Courtyard by Marriott El Paso East/I-10	Improper Exemptions Allowed for Educational and County Employees.	\$1,812.72
4	Fairfield Inn & Suites by Marriott El Paso Airport	Under Reported Gross Revenue and Improper Exemptions Allowed for Non-Profit Organizations.	\$2,139.70
5	Fairfield Inn & Suites	Under Reported Gross Revenue, Over-Stated Exempt Revenue and Improper Exemptions Allowed for Educational Organizations.	\$2,039.70
6	Home2 Suites by Hilton El Paso Airport	Under Reported Gross Revenue, Failure to Collect & Remit Tax on Pet Fees, and Improper Exemptions Allowed for Businesses.	\$7,473.51
7	La Quinta Inn & Suites El Paso West #4035	Under Reported Gross Revenue and Improper Exemptions Allowed for Religious and Non-Exempt Organizations.	\$4,624.63
8	La Quinta Inn & Suites West #596	Under Reported Gross Revenue and Improper Exemptions Allowed for Non-Profit Organizations.	\$4,305.18
9	Quality Inn Airport East	Failure to Collect & Remit Tax on Pet Fees and Safe Charges.	\$3,616.57

Edmundo S. Calderón – Chief Internal Auditor  
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## Internal Audit Office

#	Hotel Name	Deficiency	Deficiency Amount
10	Quality Suites University	Failure to Report Taxable Revenue.	\$1,149.54
11	Ramada by Wyndham El Paso	Failure to Provide Supporting Documentation for Exempt Guest.	\$1,320.11
12	Springhill Suites by Marriott El Paso	Improper Exemptions Allowed for Educational and Non-Profit Organizations.	\$1,629.35
<b>Total Deficiencies</b>			<b>\$45,007.27</b>

The Office of the Comptroller should work with the above hotels to collect the deficiency amounts owed to the City. For more details on the Avenu Insights & Analytics Hotel Occupancy Tax Review – Final Audit Report please see “Attachment”.

If you have any questions, please feel free to contact me at extension 21365.

cc: Financial Oversight and Audit Committee  
Tomas Gonzalez, City Manager  
Robert Cortinas, Chief Financial Officer



**A V E N U**

INSIGHTS & ANALYTICS

formerly  **MUNISERVICES**

**The City of  
El Paso, TX**

**HOTEL OCCUPANCY TAX REVIEW – FINAL REPORT**



April 16, 2019

Edmundo S. Calderon, CIA, CGAP, CRMA  
Chief Internal Auditor  
City of El Paso  
218 N. Campbell  
5<sup>th</sup> Floor  
El Paso, TX 79901

The City of El Paso commissioned Avenu Insights & Analytics formerly MuniServices to perform on-site reviews for twenty (20) hotels. This report is our Final Audit Report with respect to the Hotel Occupancy Tax Compliance Review.

A detailed summary of key findings, assessments and liability, if any, is included for the completed reviews in addition to relevant property information. As part of our due diligence in conducting the reviews and to support and validate the findings this report identifies detail on the audit performance contacts. Also identified are the documents and records furnished by the respective property for review and as appropriate, if any.

The twenty (20) properties reviewed and completed resulted in total findings of \$45,007.27 .

Enclosed, with this report, you will find an electronic copy of this report, as well as the Commendation / Deficiency Letters (with back-up), that will need to be reviewed by the City, printed on letterhead, signed, and mailed.

This report is organized as follows:

- SECTION I)      SNAPSHOT OF FINDINGS BY HOTEL**
- SECTION II)     HOTEL REVIEW UPDATE**
- SECTION IV)    AUDIT PARTICIPANTS AND REPRESENTATIVES**
- SECTION V)     CONTACTS**
- SECTION VI)    FIELD AUDIT NOTES AND BACK-UP DOCUMENTATION, PER PROPERTY**



**SECTION I) SNAPSHOT OF FINDINGS BY HOTEL**

<b>ESTABLISHMENT</b>	<b>FINDING</b>	<b>ADDITIONAL TAX LIABILITY</b>	<b>REASON</b>
Allstate Motel	Commendation	\$0.00	No Adverse Findings
America's Best Value Inn-El Paso Medical Center	Deficiency	\$9,281.97	Under Report Gross Revenue
Budget Lodge Motel	Commendation	\$0.00	No Adverse Findings
Chase Suites Hotel El Paso	Deficiency	\$5,614.29	Failure to Collect and Remit Tax on Pet Fees
Colonia Motor Hotel	Commendation	\$0.00	No Adverse Findings
Courtyard by Marriott El Paso East/I-10	Deficiency	\$1,812.72	Improper Exemptions Allowed for Educational and County Employees
Fairfield Inn & Suites by Marriott El Paso Airport	Deficiency	\$2,139.70	Under Reported Gross Revenue and Improper Exemptions Allowed for Non-Profit Organizations
Fairfield Inn & Suites	Deficiency	\$2,039.70	Under Reported Gross Revenue, Over-Stated Exempt Revenue and Improper Exemptions Allowed for Educational Organizations
Home2 Suites by Hilton El Paso Airport	Deficiency	\$7,473.51	Under Reported Gross Revenue, Failure to Collect and Remit Tax on Pet Fees, Improper Exemptions Allowed for Businesses.
La Quinta Inn & Suites El Paso West #4035	Deficiency	\$4,624.63	Under Reported Gross Revenue and Improper Exemptions Allowed for Religious and Non-Exempt Organizations
La Quinta Inn & Suites West #596	Deficiency	\$4,305.18	Under Reported Gross Revenue and Improper Exemptions Allowed for Non-Profit Organizations.
Microtel Inn & Suites by Wyndham El Paso Airport	Commendation	\$0.00	No Adverse Findings



Montana Motel	Commendation	\$0.00	No Adverse Findings
Quality Inn Airport East	Deficiency	\$3,616.57	Failure to Collect and Remit Tax on Pets Fees and Safe Charges
Quality Suites University	Deficiency	\$1,149.54	Failure to Report Taxable Revenue
Radisson Hotel El Paso Airport	Commendation	\$0.00	No Adverse Findings
Ramada by Wyndham El Paso	Deficiency	\$1,320.11	Failure to Provide Supporting Documentation for Exempt Guest
Springhill Suites by Marriott El Paso	Deficiency	\$1,629.35	Improper Exemptions Allowed for Educational and Non-Profit Organizations
Super 8 Airport by Wyndham	Commendation	\$0.00	No Adverse Findings
Super 9 Motel	Commendation	\$0.00	No Adverse Findings
<b>Total</b>			
<b>Count</b>	<b>20</b>	<b>\$45,007.27</b>	