



# Internal Audit Office

**MAYOR**  
Oscar Leaser

**DATE:** September 8, 2021

**TO:** Margarita Muñoz, City Comptroller

**CITY COUNCIL**

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

**District 1**  
Peter Svarzbein

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

**District 2**  
Alexandra Anello

The City of El Paso has contracted Avenu Insights & Analytics to conduct Hotel Occupancy Tax (HOT) Reviews in accordance with Contract No. 2020-780R. On September 2, 2021, Avenu Insights & Analytics concluded their review of HOT compliance for 20 El Paso area hotels. The period under review was from January 1, 2017 through December 31, 2020 (48 months). The review of the 20 hotels identified that:

**District 3**  
Cassandra Hernandez

- Twelve hotels had deficiencies totaling \$111,209.04.
- Eight hotels had no findings.

**District 4**  
Joe Molinar

**District 5**  
Isabel Salcido

The following table is a summary of the hotels that had deficiencies:

**District 6**  
Claudia L. Rodriguez

**District 7**  
Henry Rivera

**District 8**  
Cissy Lizarraga

**CITY MANAGER**  
Tommy Gonzalez

#	Hotel Name	Deficiency	Deficiency Amount
1	Comfort Inn & Suites	Improper Exemptions w/ Extrapolation and Under-Reported Pet Fees	\$1,792.57
2	Days Inn by Wyndham – EP Airport East	Under-Reported Pet & Smoking Fees, Over- Stated Exempt Revenue, and Improper Exemptions w/ Extrapolation	\$796.70
3	Embassy Suites – EP Airport	Over- Stated Exempt Revenue	\$224.10
4	Hampton Inn & Suites	Over- Stated Exempt Revenue, Untaxed Smoking Fees, and Invalid Exemptions w/ Extrapolation	\$7,798.06
5	Holiday Inn – EP Airport	Over- Stated Exempt Revenue and Disallowed Exemptions	\$48,364.22
6	Holiday Inn Express – Ft. Bliss	Under-Reported Pet & Smoking Fees and Over- Stated Exempt Revenue	\$4,436.32
7	Intown Suites – EP Airport	Under-Reported Gross Revenue and Over- Stated Exempt Revenue	\$798.71
8	La Quinta #4034	Under-Reported Gross Revenue	\$791.05
9	La Quinta Inn #165	Under-Reported Gross Revenue and Over- Stated Exempt Revenue	\$7,875.31

**Edmundo S. Calderon, CIA, CGAP, CRMA – Chief Internal Auditor**  
Internal Audit Office | 218 N. Campbell | El Paso, TX 79901  
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**CITY COUNCIL**

**District 1**  
Peter Svarzbein

**District 2**  
Alexandra Anello

**District 3**  
Cassandra Hernandez

**District 4**  
Joe Molinar

**District 5**  
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**District 6**  
Claudia L. Rodriguez

**District 7**  
Henry Rivera

**District 8**  
Cissy Lizarraga

**CITY MANAGER**  
Tommy Gonzalez

10	La Quinta Inn #452	Under-Reported Gross Revenue	\$1,251.67
11	La Quinta Inn #507	Under-Reported Gross Revenue, Over- Stated Exempt Revenue, and Invalid Exemptions w/ Extrapolation	\$17,352.57
12	Residence Inn – El Paso	Invalid Exemptions w/ Extrapolation	\$19,727.76
<b>Total:</b>			<b>\$111,209.04</b>

The Office of the Comptroller should collect the \$111,209.04 owed to the City for uncollected Hotel Occupancy Tax from the twelve hotels above. For more details, please see the attached Avenu Insights & Analytics Hotel Occupancy Tax Review – Final Audit Report.

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, Deputy City Manager of Support Services & Chief Financial Officer

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**A V E N U**

INSIGHTS & ANALYTICS

formerly  **MUNSERVICES**

**The City of  
El Paso, TX**

**HOTEL OCCUPANCY TAX REVIEW – FINAL REPORT**



September 2<sup>nd</sup>, 2021

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 to perform remote/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 tax findings of **\$111,209.04**.

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 III)    AUDIT PARTICIPANTS AND REPRESENTATIVES**
- SECTION IV)    CONTACTS**
- SECTION V)     FIELD AUDIT NOTES AND BACK-UP DOCUMENTATION, PER PROPERTY**



SECTION I) SNAPSHOT OF FINDINGS BY HOTEL

ESTABLISHMENT	FINDING	ADDITIONAL TAX LIABILITY	REASON
Comfort Inn & Suites	Deficiency	\$1,792.57	Improper Exemptions w/ Extrapolation, Under-Reported Pet Fees
Days Inn by Wyndham El Paso Airport East	Deficiency	\$796.70	Under-Reported Pet & Smoking Fees, Over-Stated Exempt Revenue, Improper Exemptions w/ Extrapolation
Embassy Suites El Paso Airport	Deficiency	\$224.10	Over-Stated Exempt Revenue
Hampton Inn & Suites	Deficiency	\$7,798.06	Over-Stated Exempt Revenue, Untaxed Smoking Fees, Invalid Exemptions w/ Extrapolation
Hilton Garden Inn El Paso Airport	Commendation	\$0.00	No Adverse Findings
Holiday Inn El Paso Airport	Deficiency	\$48,364.22	Over-Stated Exempt Revenue, Disallowed Exemptions
Holiday Inn Express & Suites I-10 East	Commendation	\$0.00	No Adverse Findings
Holiday Inn Express Fort Bliss	Deficiency	\$4,436.32	Under-Reported Pet & Smoking Fees, Over-Stated Exempt Revenue
Homewood Suites by Hilton El Paso Airport	Commendation	\$0.00	No Adverse Findings
Hyatt Place El Paso Airport	Commendation	\$0.00	No Adverse Findings
Intown Suites El Paso Airport	Deficiency	\$798.71	Under-Reported Gross Revenue, Over-Stated Exempt Revenue
La Quinta #4034	Deficiency	\$791.05	Under-Reported Gross Revenue
La Quinta Inn #165	Deficiency	\$7,875.31	Under-Reported Gross Revenue, Over-Stated Exempt Revenue
La Quinta Inn #452	Deficiency	\$1,251.67	Under-Reported Gross Revenue



La Quinta Inn #507	Deficiency	\$17,352.57	Under-Reported Gross Revenue, Over-Stated Exempt Revenue, Invalid Exemptions w/ Extrapolation
Red Roof Inn	Commendation	\$0.00	No Adverse Findings
Residence Inn El Paso	Deficiency	\$19,727.76	Invalid Exemptions w/ Extrapolation
Studio 6 #6001	Commendation	\$0.00	No Adverse Findings
Woodspring Suites El Paso	Commendation	\$0.00	No Adverse Findings
Wyndham El Paso Airport	Commendation	\$0.00	No Adverse Findings
<b>Total Count</b>	<b>20</b>	<b>\$111,209.04</b>	