



Lawrence F. Alwin, CPA  
State Auditor

July 5, 2004

Members of the Legislative Audit Committee:

An investigation by the State Auditor's Office Special Investigations Unit (SIU) led to the indictment of Jesse Joe Garcia by a Travis County Grand Jury on April 22, 2004. The indictment charged Mr. Garcia with one count of Theft by a Public Servant, a third-degree felony; one count of Tampering with Governmental Record; and one count of Abuse of Official Capacity, both state jail felonies.

The SIU investigation was prompted by allegations of fraud that the School for the Blind and Visually Impaired (School) recognized as a result of an internal control. The School's procedure requires the payables accountant to match invoices to authorized requisitions or receiving reports before making payments. For payments to three vendors, the payables accountant did not have requisitions or receiving reports. The SIU investigation confirmed that Mr. Garcia used his position as a purchasing clerk to fabricate purchase orders and purchase order numbers to order supplies from the three vendors for his personal sandblasting business. The Theft by a Public Servant charge involved one vendor, with a loss of \$2,666.30. The other two vendors had a total loss of \$735.69.

In addition, Mr. Garcia owes the School \$577.35 because the School paid him for sick leave and annual leave that he had not earned. The School handles these types of overpayments by deducting the amount owed from the employee's next paycheck in accordance with Chapter 666 of the Texas Government Code. Mr. Garcia was terminated before earning his next paycheck. The overpayment totaled \$677.35; Mr. Garcia paid \$100 and promised to pay the remainder upon receiving proceeds from a reimbursement of his retirement benefits. The Employees Retirement System verified that Mr. Garcia was refunded \$2,114.18 on April 22, 2002. However, as of May 2004, he had not paid the outstanding balance owed the School.

If you have any questions, contact Linda Newsom, Senior Investigator, or John Weber, Manager, State Auditor's Office Special Investigations Unit, at (512) 936-9500.

Sincerely,

Lawrence F. Alwin, CPA  
State Auditor

cc: Ms. Susan Roberts, Assistant District Attorney, Public Integrity Unit, Travis County District Attorney's Office  
Dr. Philip H. Hatlen, Superintendent, Texas School for the Blind and Visually Impaired

The Texas School for the Blind and Visually Impaired provides opportunities for children and youth who are visually impaired, including those with additional disabilities, to develop the skills necessary to lead vocationally, personally, and socially satisfying lives. The School, established as part of the public education system, serves as a special school in the continuum of statewide alternative placements for students who have a visual impairment. It is also a statewide resource to professionals and parents who serve these children.

The School is located in Austin, Texas, and serves students throughout Texas. Outreach services are provided on a statewide basis by linking with regional education service centers.

Source: <http://www.tsbvi.edu/>

The Special Investigations Unit investigates reports of illegal activity involving state agencies and universities.

Texas Government Code §321.022 requires state agencies and universities to report suspected fraud or unlawful conduct to the State Auditor's Office if there are facts that point to fraud or unlawful conduct.

To report suspected illegal activity, call 1-800-TX-AUDIT (1-800-892-8348), send a fax to (512) 936-9400, visit [www.sao.state.tx.us](http://www.sao.state.tx.us), or mail information to the State Auditor's Office, Attn: SIU, P.O. Box 12067, Austin, Texas 78711.

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