



# Internal Audit Department

**MAYOR**  
Oscar Leeses

**DATE:** August 12, 2024

**TO:** Margarita Marin, City Comptroller

**CITY COUNCIL**

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

**District 1**  
Brian Kennedy

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

**District 2**  
Dr. Josh Acevedo

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 August 8, 2024, Avenu Insights & Analytics concluded their review of HOT compliance for 19 El Paso area hotels. The period under review was from January 1, 2020 through December 31, 2023 (48 months). The review of the 19 hotels identified:

**District 3**  
Cassandra Hernandez

- Fourteen hotels with deficiencies totaling \$1,073,001.83.
- Five 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**  
Art Fierro

| # | Hotel Name                                    | Deficiency   | Deficiency Amount |
|---|---|--|-------------------|
| 1 | Best Western El Paso Airport<br>Entrada Hotel | Unreported Pet Fees, Over-Stated Exempt Revenue, Invalid Exempt Revenue                                    | \$14,159.33       |
| 2 | Courtyard by Marriott El Paso East I-10       | Incorrectly Reported Banquet Room Revenue, Unreported Misc Revenue, Invalid Exempt Revenue                 | \$5,544.93        |
| 3 | El Paso Chase Suites Hotel                    | Under-Reported Gross Revenue, Unreported Misc Revenue, Under-Stated Exempt Revenue, Invalid Exempt Revenue | \$64,610.31       |
| 4 | Extend-A-Suites UTEP                          | Under-Reported Gross Revenue, Unreported Misc Revenue, Disallowed Exempt Revenue                           | \$131,844.37      |
| 5 | Extended Stay America Select Suites – El Paso | Disallowed Exempt Revenue  | \$263,258.45      |
| 6 | Fairfield Inn & Suites El Paso Airport        | Under-Reported Gross Revenue, Over- Stated Exempt Revenue, Invalid Exempt Revenue                          | \$110,921.79      |

**District 7**  
Henry Rivera

**District 8**  
Chris Canales

**INTERIM CITY  
MANAGER**  
Cary Westin

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

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# Internal Audit Department

**MAYOR**

Oscar Leaser

**CITY COUNCIL**

**District 1**

Brian Kennedy

**District 2**

Dr. Josh Acevedo

**District 3**

Cassandra Hernandez

**District 4**

Joe Molinar

**District 5**

Isabel Salcido

**District 6**

Art Fierro

**District 7**

Henry Rivera

**District 8**

Chris Canales

|               |  |  |                       |
|---------------|--|--|-----------------------|
| 7             | Hilton Garden Inn<br>El Paso University                          | Under-Reported Gross Revenue,<br>Disallowed Exempt Revenue (2022/2021),<br>Over-Stated Exempt Revenue (2022/2023),<br>Invalid Exempt Revenue (2022/2023) | \$209,309.06          |
| 8             | La Quinta Inn &<br>Suites by<br>Wyndham El Paso<br>West Bartlett | Disallowed Exempt Revenue  | \$22,848.46           |
| 9             | La Quinta Inn &<br>Suites by<br>Wyndham El Paso<br>West          | Under-Reported Gross Revenue,<br>Disallowed Exempt Revenue   | \$4,271.20            |
| 10            | Quality Inn<br>Airport East                                      | Under-Reported Gross Revenue,<br>Unreported Taxable Fees, Invalid Exempt<br>Revenue, Over-Stated Exempt Revenue  | \$224,795.42          |
| 11            | Quality Suites   | Under-Reported Gross Revenue, Under-<br>Stated Exempt Revenue, Unreported Pet<br>Fees, Unreported Misc Changes, Invalid<br>Exempt Revenue                | \$1,659.74            |
| 12            | Radisson Hotel   | Invalid Exempt Revenue   | \$11,682.45           |
| 13            | Ramada Suites  | Over-Stated Exempt Revenue, Invalid<br>Exempt Revenue  | \$5,744.84            |
| 14            | Super 8 Airport  | Under-Reported Gross Revenue, Under-<br>Stated Exempt Revenue, Invalid Exempt<br>Revenue   | \$2,351.48            |
| <b>Total:</b> |  |  | <b>\$1,073,001.83</b> |

**INTERIM CITY  
MANAGER**

Cary Westin

The Office of the Comptroller should collect the \$1,073,001.83 owed to the City for uncollected Hotel Occupancy Tax from the fourteen 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

Cary Westin, Interim City Manager

Robert Cortinas, Deputy City Manager of Support Services & Chief Financial Officer

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

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**A V E N U**

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DATA. BEHAVOR. TOGETHER.

**The City of  
El Paso, TX**

**HOTEL OCCUPANCY TAX REVIEW – FINAL REPORT**



August 8<sup>th</sup>, 2024

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

The City of El Paso commissioned Avenu Insights & Analytics to perform on-site/remote reviews for nineteen (19) 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 details 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 nineteen (19) properties reviewed and completed resulted in total findings of **\$1,073,001.83**.

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  |
|----|---|--------------|--------------------------|---|
| 1  | Best Western El Paso Airport Entrada Hotel              | Deficiency   | \$14,159.33              | Unreported Pet Fees, Over-Stated Exempt Revenue, Invalid Exempt Revenue   |
| 2  | Colina Motor Hotel                                      | Commendation | \$0.00                   | No Adverse Findings   |
| 3  | Courtyard by Marriott El Paso East I-10                 | Deficiency   | \$5,544.93               | Incorrectly Reported Banquet Room Revenue, Unreported Misc Revenue, Invalid Exempt Revenue  |
| 4  | El Paso Chase Suites Hotel                              | Deficiency   | \$64,610.31              | Under-Reported Gross Revenue, Unreported Misc Revenue, Under-Stated Exempt Revenue, Invalid Exempt Revenue                                      |
| 5  | Extend-A-Suites UTEP                                    | Deficiency   | \$131,844.37             | Under-Reported Gross Revenue, Unreported Misc Revenue, Disallowed Exempt Revenue  |
| 6  | Extended Stay America Select Suites – El Paso           | Deficiency   | \$263,258.45             | Disallowed Exempt Revenue   |
| 7  | Fairfield Inn & Suites El Paso                          | Commendation | \$0.00                   | No Adverse Findings   |
| 8  | Fairfield Inn & Suites El Paso Airport                  | Deficiency   | \$110,921.79             | Under-Reported Gross Revenue, Over-Stated Exempt Revenue, Invalid Exempt Revenue  |
| 9  | Hilton Garden Inn El Paso University                    | Deficiency   | \$209,309.06             | Under-Reported Gross Revenue, Disallowed Exempt Revenue (2020/2021), Over-Stated Exempt Revenue (2022/2023), Invalid Exempt Revenue (2022/2023) |
| 10 | La Quinta Inn & Suites by Wyndham El Paso West Bartlett | Deficiency   | \$22,848.46              | Disallowed Exempt Revenue   |
| 11 | La Quinta Inn & Suites by Wyndham El Paso West          | Deficiency   | \$4,271.20               | Under-Reported Gross Revenue, Disallowed Exempt Revenue   |



|                    |                                       |              |                        |   |
|--------------------|---------------------------------------|--------------|------------------------|---|
| 12                 | Quality Inn Airport East              | Deficiency   | \$224,795.42           | Under-Reported Gross Revenue, Unreported Taxable Fees, Invalid Exempt Revenue, Over-Stated Exempt Revenue,                      |
| 13                 | Quality Suites                        | Deficiency   | \$1,659.74             | Under-Reported Gross Revenue, Under-Stated Exempt Revenue, Unreported Pet Fees, Unreported Misc Charges, Invalid Exempt Revenue |
| 14                 | Radisson Hotel                        | Deficiency   | \$11,682.45            | Invalid Exempt Revenue  |
| 15                 | Ramada Suites                         | Deficiency   | \$5,744.84             | Over-Stated Exempt Revenue, Invalid Exempt Revenue  |
| 16                 | Springhill Suites by Marriott El Paso | Commendation | \$0.00                 | No Adverse Findings   |
| 17                 | Super 8 Airport                       | Deficiency   | \$2,351.48             | Under-Reported Gross Revenue, Under-Stated Exempt Revenue, Invalid Exempt Revenue   |
| 18                 | Super 9 Motel                         | Commendation | \$0.00                 | No Adverse Findings   |
| 19                 | Towneplace Suites El Paso North       | Commendation | \$0.00                 | No Adverse Findings   |
| <b>Total Count</b> | <b>19</b>                             |              | <b>\$ 1,073,001.83</b> |   |