

STATE OF NEW MEXICO  
COUNTY OF BERNALILLO  
SECOND JUDICIAL DISTRICT  
COURT

STATE OF NEW MEXICO,

Plaintiff,

v.

No. D 0202 CR 2019 <sup>ms</sup> 0369

PAUL ROBERT KREBS,  
DOB: [REDACTED] 1956  
SSN: [REDACTED]  
7022 Starshine St. NE  
Albuquerque, NM 87111

CINDY LEOS

Defendant.

**CRIMINAL COMPLAINT AND REQUEST FOR SUMMONS**

**CHARGES:**

1. Fraud (over \$20,000.00) (2nd degree felony) (NMSA 1978, § 30-16-6) (0556);
2. Making or Permitting False Public Voucher (4th degree felony) (NMSA 1978, § 30-23-3) (0778);
3. Tampering with Evidence (4th-degree felony) (NMSA 1978, § 30-22-5) (1557);
4. Money Laundering (4th-degree felony) (NMSA 1978, § 30-51-4) (2585); and
5. Criminal Solicitation: Tampering with Evidence (4th-degree felony) (NMSA 1978, §§ 30-28-3 and 30-22-5) (1560)

**Complainant or Officer:** A. Vargas

**Man #:** 802

**CRIMINAL COMPLAINT**

The undersigned, under penalty of perjury, complains and says that on or about the 1st of, September, 2014 through July 2017 in the County of Bernalillo, State of New Mexico, the above-mentioned defendant did:

**BACKGROUND**

- Paul Krebs is currently the owner of P&M Educational Consultants which offers consulting services offered as an experienced owner with a demonstrated history of working in the higher education industry. Strong business development professional skilled in nonprofit organizations, coaching, event management, team building, and media relations.
- Krebs was named the Vice President for Athletics for The University of New Mexico on March 13, 2006 and began serving in that position on June 1, 2006.

- Krebs earned a bachelor's degree in Business from Bowling Green State University in 1978 and a master's degree in Athletic Administration from Ohio State University in 1981.
- Krebs began his professional career in collegiate athletics as the Assistant Ticket Director at the University of Oklahoma in 1981. He was promoted to Ticket Director in 1983. He worked for the Ohio State University in 1985 as ticket director and was named assistant athletic director in 1987. In 1991 he was promoted to assistant athletic director for administration, a position he held until 1993 when he was named Senior Associate Athletic Director. As such, Paul Krebs coordinated the department's \$58 million budget, directed its long range financial planning and budget oversight/reporting programs. He left Ohio State in 1999 to become the Athletic Director at Bowling Green State University.
- Krebs employment duties as explained by his employment contract stated he was responsible for the leadership and direction of all aspects of the University's intercollegiate athletics program including ensuring compliance with all policies and regulations of the University, the National Collegiate Athletic Association (NCAA) and the Mountain West Conference (MWC) or other conference in which the University may participate. Paul Krebs served as a member of the NCA Competition Oversight Committee and served as the Mountain West Representative to the NCAA Council. He has served on the NACDA Executive Board and he was the Mountain West representative to the I-A Athletic Directors. He formerly was the liaison to the Mountain West football and basketball coaches.
- The Athletics Department is a department within the University of New Mexico responsible for intercollegiate athletic competition. The Lobo Club and the UNM Foundation are separate nonprofit entities that are tasked with supporting fundraising, endowment management, and other services for the University of New Mexico. While The UNM Foundation is responsible for every department within the University, The Lobo Club is solely focused on fundraising efforts for the Athletics Department. Funds received from private donations could be moved between The Lobo Club and the UNM Foundation, and then to the University. The Lobo Club, which has office space located on the University of New Mexico campus, does not employ any staff. It is instead comprised of staff from the UNM Foundation and the University.

## **SCOTLAND GOLF TRIP**

In September 2014, VP of Athletics for the University of New Mexico, Paul Krebs, began discussion with Anthony Travel, a sports travel management company specializing in university athletics, regarding a "fundraising trip" to Scotland. During his communication via email with Anthony Travel, Inc. Paul Krebs mentions that his father-in-law has always wanted to take a trip to Scotland and play golf.

As Vice-President of Athletics, Paul Krebs was only authorized to sign game contracts and contracts for rental of athletic facilities for the University; however, on October 29, 2014, a contract between Anthony Travel and The University of New Mexico was signed by Paul Krebs, acting as a representative of UNM. The signing of the contract appears to be a violation of UNM Contracts Signature Authority and Review Policy 2010. The policy also states that "Each contract must be carefully reviewed by the University employee initiating the contract and a

University contract review officer". The purpose of the contract was to provide golf packages for a "golf tour" in Scotland. The agreement was for twenty-four (24) golf packages; two of which were for two athletics department employees, Paul Krebs and Craig Neal. The signing of the contract placed UNM in debt to Anthony Travel for \$247,176 (24 packages at the single occupancy rate of \$10,299). The following day, on October 30, 2014, Paul Krebs informs Anthony Travel via email that the trip is "good to go" and that a signed contract as well as a check from the UNM "Lobo Club" totaling \$49,500, twenty-five percent (25%) of the estimated total cost, would be sent to Anthony Travel to pay the deposit of the trip.

The UNM Athletics department was unable to fill all twenty-four (24) packages, and was responsible for: (1) refunding the Lobo Club \$13,625.00 (the UNM Athletics Department was forced to pay for one unreserved "golf tour" package plus fees, which was withheld from the Lobo Club deposit in the amount of \$13,625.00); (2) paying Paul Krebs roundtrip airfare of \$1,190.00; (3) as well as paying for the remaining six (6) packages at \$8,189 each (two UNM employees, one UNM Foundation employee, and 3 donors), for a total cost of \$63,949.00. Prior to being made aware that they would be unable to fill all twenty-four (24) packages, the UNM Athletics Department paid Anthony Travel for three participants of the "Golf Tour", participants included: VP of Athletics Paul Krebs, Head Men's Basketball Coach Craig Neal and UNM Foundation employee Kole McKamey. The UNM Athletics Department then paid for three local "donors" to participate in the "golf tour", again at \$8,189 each, which totaled \$24,567.00. Even after paying for the three additional donor packages, the UNM Athletics Department still had not fulfilled the twenty-four (24) tour package commitment.

Multiple interviews were conducted with former employees of Lobo Club. Subjects interviewed disclosed that UNM Lobo Club had no involvement with the Scotland Golf Tour other than paying the deposit to Anthony Travel, Inc. Each subject stated that the funds paid by Lobo Club had to be approved by the Lobo Club Executive Board and Finance Committee during a board meeting. The request was documented and approved by the committee. Another interviewee mentioned that when it was time to close the Lobo Club financial books for the fiscal year, the Lobo Club Executive Board had a discussion with Krebs about the reimbursement for the deposit and was told that Anthony Travel, Inc. would handle it. When the deposit came back to the Lobo Club it was \$13,625 short of the original deposit of \$49,500. The \$13,625 to complete the reimbursement to Lobo Club was transferred from a University of New Mexico banner system "index" also called a "sports enhancement fund". Each of the subjects interviewed stated that Lobo Club had never been asked to help with funds for a trip like this before and had never "fronted" money for any fundraising effort before.

All payments made to Anthony Travel, Inc. from the UNM Athletics Department were made using a UNM purchasing card. Per The UNM Athletics Department Business Manual, purchasing cards utilized by UNM have a set spending limit of \$10,000. Paul Krebs was aware of the purchasing card restrictions and appears to have structured the payments to Anthony Travel, Inc. in a manner that suggests he was trying to avoid needing the required approval from the University. The University of New Mexico employee contract signed by Paul Krebs on June 12, 2014 states "This appointment is governed by applicable policies as stated in the University Regents Policy Manual and The University business Policies and Procedures Manual, as they are amended from time to time, published and distributed by the University, and by relevant federal and state laws and regulations." The contract goes on to say "Mr. Krebs is responsible for maintaining complete knowledge of and full compliance with the policies, rules, and regulations

of the University (particularly those described in the Department of Athletics policies and Procedures Manual) and shall, through the use of diligent, good faith efforts, ensure that all coaches or any other employees for whom he is administratively responsible are knowledgeable and comply with the above policies, rules, and regulations”.

The “golf tour” was purchased at Paul Krebs’ direction using separate incremental payments (\$8,189, \$8,189, \$8,189, \$8,189 and \$8,189 for Raleigh Gardenhire, Kole McKamey, Darin Davis, Paul Gibson, and Craig Neil. \$3,500, \$4,689, and \$1,190 for Paul Krebs) in order to avoid the \$10,000 limit, using his powers and resources of public office to obtain personal benefits or to pursue private interests. Each golf package was purchased separately and on separate dates. The descriptions listed for the purchases were also misleading and appear to be used in order to avoid inquiry. Paul Krebs’ golf package was listed as a trip to a “Men’s Bball Tournament in Ireland”, Craig Neal’s package was shown as a “Trip w/ MBBall”, and Kole McKamey’s package was shown as “VP Travel”. Three purchases for local “donors” were listed as “Donor Cultivation for MBBall”. The University of New Mexico also has a policy stating that any foreign travel requires approval from “the person who is in a position of authority over the traveler”; however, the purchases using the purchasing card were listed as “out-of-state travel” (as opposed to foreign travel), thus circumventing the need for approval of a supervisor.

Through intentional misappropriation by means of fraudulent conduct, practices, or representation, Paul Krebs participated in the Scotland Golf Trip. Paul Krebs was accompanied by his wife Marjori Krebs, his son Jacob Krebs, as well as Marjori’s parents.

In early May 2017, local news stations began to cover the “golf tour” negatively, questioning Paul Krebs’ use of public funds. Several emails between Paul Krebs and fellow UNM employees show his intent to cover up his involvement in the use of public funds for the University of New Mexico to pay for an overseas golfing tour for himself and others.

In an email dated May 6, 2017, Paul Krebs explains that he was “not forthcoming with the press re Scotland”, and “misled them, and our donors on our actual expenses”. Paul Krebs goes on to say “I thought no one would find out. Wrong move.”

On May 11, 2017, Paul Krebs responded to an email from Kaley Espindola, Director of Human Resources for Athletics at the time, referencing then Acting University President Abdallah’s speech to the Board of Regents regarding the Athletics Department’s budget and reinstatement of the Ski Team and suggests “deleting all texts and emails”.

On May 18, 2017, Paul Krebs contacts Larry Ryan, Vice President of University Development, with the UNM Foundation, a nonprofit corporation whose mission is to raise, invest, and manage private donations for the University of New Mexico, and makes a donation using his credit card with the purpose of paying The University of New Mexico Athletics Department back for the cost it incurred from the Scotland Trip. Krebs paid \$25,000 to the UNM Foundation with direction that it be used for the Athletics department.

On May 23, 2017, Paul Krebs made a public statement to the media saying “While it is two years after the fact, it is a situation that has been corrected”. Emails between Paul and Marjori Krebs suggest that the \$25,000 appears to be an attempt to cover up the violations made by then Vice-President of Athletics Paul Krebs.

On May 23, 2017, questions arise from the media regarding the anonymous donation. Several public records requests were made by the media and not met.

On July 25, 2017, the Office of the State Auditor asked for verification of where the donation came from in a meeting with the UNM Foundation.

On July 26, 2017 at 2:01 pm, counsel for the UNM Foundation, Pat Allen, advised that the donor had been contacted and stated that the donation was to be used to "support the stewardship and development efforts associated with the athletic department 2015 fundraising trip to Scotland".

On July 26, 2017 At 2:12 p.m. Paul Krebs emails his wife Marjori Krebs, a UNM employee on her government email, advising her that he needs her to print and deliver a letter to Larry Ryan at the UNM Foundation saying "Larry is expecting this". He gives Marjori directions to the UNM Foundation's office and tells her that there "should be no name, return address or anything associated with us on the letter or envelope. Should not be traceable if public". Paul Krebs also tells Marjori "Delete everything I sent when done so nothing discoverable in IPRA request. Including from your delete file, Thanks".

According to the email sent from Paul Krebs, the letter Marjori was to deliver to Larry Ryan with the UNM Foundation was to say "Larry, I am writing to document the purpose of my \$25,000 donation to the UNM Foundation. The money was given to support the stewardship and development efforts associated with the Athletics Department 2015 fundraising trip to Scotland. Please notify me if you need further explanation or information. Thank you, The Donor".

On August 27, 2018, Affiant met with Mr. Ryan and the UNM Foundation General Counsel, Pat Allen. Mr. Ryan explained that there are several ways to donate to the UNM Foundation. When asked about the specific anonymous donation, Mr. Ryan confirmed that he had direct involvement with the donation. He stated a "donor" called in and asked to make an "unrestricted gift" to athletics to help cover the Scotland "gap". He confirmed that the donor intended the "gift" to support the financial losses from the Scotland Trip. Mr. Ryan stated that the donation was a credit card donation over the telephone. He said he took the credit card information during a phone call he received in the evening, so he gave the information to gift processors, Annette Hazen and Mona Pino, the following morning so they could enter the donation into the UNM Foundation donor database. Mr. Ryan did say that he knew who the donor of the \$25,000 was; however, he could not disclose that information to anyone.

I asked Mr. Ryan if there was ever any contact made other than the phone call or if there was any discussion made in person or if anyone came to the UNM Foundation regarding the anonymous donation. Mr. Ryan said "no, this was just a phone call". This statement contradicted the emails sent from Paul Krebs to his wife Marjori giving her direction on who and where to take his letter explaining his "anonymous donation". I asked Mr. Ryan if he had any involvement with the donation after the initial phone call and he said "no.....no, only when they needed a letter acknowledging the gift for their taxes." He stated the donor asked for a tax receipt directly from Mr. Ryan, via another telephone call, sometime at the beginning of the year in 2018. Mr. Ryan said that the discussion with the donor, and their intention for where the donation was to be sent, was only over the phone and stated there was never anything in writing from the donor, again contradicting the email and letter from Paul and Marjori Krebs. Mr. Ryan confirmed that the \$25,000 donation he took over the telephone and processed the following day at the UNM Foundation was the only donation received for the purpose of compensating UNM or the

Athletics Department for the losses suffered due to the Scotland trip. Pat Allen later provided me a copy of the credit card transaction, but redacted the name of the person who gave the donation. Included with the credit card transaction was a copy of the letter Paul Krebs sent to Marjori that was to be delivered to Larry Ryan explaining the purpose of the \$25,000 donation, despite Mr. Ryan stating there was never anything in writing from the "donor" or him having any contact with the "donor" after the initial phone call. Pat Allen said that the letter from the "donor" was sent as an email so he was asked to provide the date and time stamp from the email. Mr. Allen said he spoke with Larry Ryan and discovered that it in fact was not an email, but was a hand-delivered letter to him from the "donor", again contradicting his earlier statement saying there was nothing in writing referencing the donation and that he had no contact after the initial phone call.

#### **SEARCH WARRANT - UNM FOUNDATION**

A warrant was executed at The University of New Mexico Foundation on September 5, 2018, which revealed that the \$25,000 donation was given by "Paul Krebs". Foundation records show the donor as "anonymous"; however, the letter given to Marjori from Paul Krebs was located attached to the hard copy records of the donation. Vice-President of Development for the UNM Foundation, Annette Hazen, confirmed that she remembered the donation and identified "Paul Krebs" as the donor. She stated she believed that Paul Krebs had contacted Mr. Ryan and provided him with his credit card information. She said Mr. Ryan contacted her in the evening and informed her that Paul Krebs wished to make a \$25,000 donation. Annette also stated that she remembered completing a donation acknowledgment letter for Paul Krebs for tax purposes. She again confirmed that Mr. Ryan called her and informed her that Paul Krebs requested a tax receipt from The UNM Foundation for his taxes.

#### **SEARCH WARRANT - J.P. MORGAN CHASE**

A warrant was executed with J.P. Morgan Chase on October 9, 2018 and confirmed the identity of the person who made the donation to the UNM Foundation as former Athletic Director Paul Krebs. The credit card records showed the payment made from his credit card to the UNM Foundation for \$25,000. It also showed an immediate payment made by Marjori Krebs in order to satisfy the balance owed. The \$25,000 payment to the UNM Foundation was posted to the Chase credit card on May 19, 2017. Two days later, on May 21, 2017 a payment was made from a Bank of the West account in the name of Marjori Krebs, to the Chase credit card account, for the exact same amount of \$25,000 (check #985920). The payment was reversed and a second payment of \$25,000 (check #985921) was made from the same Bank of the West account in the name of Marjori Krebs four days later on May 25, 2017. The payment made to J.P Morgan Chase does not appear to be a personal check, but rather an automated clearing house (ACH) electronic funds payment from Bank of the West to J.P. Morgan Chase. The use of the credit card, and immediate repayment, instead of directly issuing a payment to the UNM Foundation or the University of New Mexico directly appears to be designed to conceal or disguise the nature, source and ownership of the funds.

#### **SEARCH WARRANT - BANK OF THE WEST**

A warrant was executed at Bank of the West on December 3, 2018. Bank records received for Marjori Krebs showed the payment to J.P. Morgan Chase to pay off the balance of their credit card. It appears that the reversal of the initial payment to J.P. Morgan Chase was due to Mrs.

Krebs not having the total amount of funds in their checking account. The payment was then processed when Mrs. Krebs transferred money from their joint savings account which did have sufficient funds to cover the payment which had been moved to their joint checking account.

### **SEARCH WARRANT - LOBO CLUB**

A search warrant was executed at the U.N.M. Lobo Club on December 4, 2018. Records located at the U.N.M Lobo Club include executive committee meeting minutes from October 27, 2014 that confirm the \$49,500 request made by Paul Krebs. Meeting minutes show that Paul Krebs requested the \$49,500 for the purpose of paying the deposit to Anthony Travel, Inc. for the Scotland Golf Trip. According to meeting minute notes seized, Mr. Cates asked for a motion, which was brought by Mr. Dennis and seconded by Mr. Seigel, granting Paul Krebs the funds. Documents confirming the \$49,500 payment were located along with records confirming the refund of \$35,875 received from Anthony Travel, Inc. and also the payment of \$13,625 received from The University of New Mexico to cover the remainder of what the U.N.M. Lobo Club paid as the deposit for the trip.

### **PAUL KREBS INTERVIEW**

In response to a public statement made through his legal counsel Gene Gallegos to the Albuquerque Journal on October 17, 2018 indicating "Mr Krebs and we as his counsel are prepared to and offer provide complete cooperation with your inquiry." "Please let me know if there is any information or assistance you wish that we may be able to furnish." Agents contacted Gallegos and attempted to schedule an interview with his client Paul Krebs. Agents scheduled an interview with Krebs and Gallegos at his law office in Santa Fe, New Mexico for December 19, 2018. Agents arrived as scheduled and ultimately Krebs declined to be interviewed and provided no information.

### **CONCLUSION**

Based on the OAG investigation, affiant concludes that that Paul Krebs, a public officer, used his position as the Vice-President of Athletics for the University of New Mexico to pursue his private interest by planning and participating in a trip to Scotland that was paid for by the University of New Mexico using public money. While planning this trip with Anthony Travel, Inc., Krebs did not use the representative assigned to the University of New Mexico and instead contacted an out of state representative to assist with the process of planning the trip. During conversations with the representative, via email, discussing the trip details, Krebs states that members of his family had a desire to take a trip to Scotland.

Through his fraudulent conduct, Paul Krebs intentionally misappropriated public funds and used them to pay for him and other associates to be a part of the Scotland Golf Tour. Paul Krebs circumvented University of New Mexico policy and signed a contract committing the University of New Mexico to pay up to \$247,176. A total of \$63,949 was paid by the University of New Mexico to cover the cost of the trip.

After the trip was planned, the purchases for the trip had to be made using University of New Mexico purchasing cards held by Paul Krebs' assistant, Rita Chavez. Logs filled out by Rita Chavez show several misrepresentations listed when describing the purpose and location of the golf trip. Paul Krebs permitted several false statements showing the purchases and purpose of the

trip as a men's basketball tournament in Ireland, knowing those statements would be relied upon for the expenditure of public money.

Two years after the trip occurred, questions began to arise concerning the purpose of the trip and funds used to pay for it. Paul Krebs again used his position as a public officer to destroy electronic documents and interfere with the release of public records. He also instructed others to interfere with the release of public records by also destroying electronic documents. Paul Krebs communicated with several other employees of the University of New Mexico and admitted that he was not forthcoming with the press and later suggested that they follow his lead and delete all texts and emails belonging to the University of New Mexico. He also used his University email to communicate with his wife Marjori Krebs, via her University email, and also instructs her to delete "everything" in order to interfere with public records requests.

Paul Krebs then provided a \$25,000 "donation" to the University of New Mexico Foundation as a way to pay back the university and cover the expenses incurred as a result of the Scotland trip. Paul Krebs used the funds as a way to deflect questioning from the public and media. He contacted a University of New Mexico Foundation employee by telephone after business hours in order to move his funds. The funds were moved from the University of New Mexico Foundation to the University of New Mexico "banner" system and used to pay for an expense assigned to the Athletics' Department. Paul Krebs' behavior that suggest his desire was to conceal, and disguise the location and ownership of the funds. Even after questions arise from the State Of New Mexico Auditor's Office regarding the \$25,000 payment, Paul Krebs again attempts to conceal the source of the funds by having his wife Marjori Krebs deliver a note to the University of New Mexico Foundation identifying the source as "anonymous". Paul Krebs ultimately received a tax receipt from the UNM Foundation for the \$25,000.00 "donation" he made. This "donation" was made using his already long established professional contacts and done after hours in a non-traditional manner. This conduct was not done in the advancement of the public interest, rather was done to pursue private interests.

Contrary to Section(s) 30-16-6; 30-23-3; 30-22-5; 30-51-4; 30-28-3 and 30-22-5 NMSA 1978 NMSA 1978

**I SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT THE FACTS SET FORTH ABOVE ARE TRUE TO THE BEST OF MY INFORMATION AND BELIEF. I UNDERSTAND THAT IT IS A CRIMINAL OFFENSE SUBJECT TO THE PENALTY OF IMPRISONMENT TO MAKE A FALSE STATEMENT IN A CRIMINAL COMPLAINT.**

Approved:

*AK*  
A.A.G. Gillian Brennan

Complainant:

*AK*  
Title (if any): Special Agent

Agency: NMAGO

Incident #: 201709-00044

DISTRICT ATTORNEY OR LAW ENFORCEMENT OFFICER

This complaint may not be filed without the prior payment of a filing fee, unless approved by the District Attorney or a law enforcement officer authorized to serve an Arrest Warrant. Approval of the District Attorney or a law enforcement officer is not otherwise required.

METROPOLITAN COURT RULE 7-201 Approved: Supreme Court, October 1, 1974; amended effective September 1, 1990; April 1, 1991; November 1, 1991.



### CASE INFORMATION

OAG file no.:	201709-00044
Metro/Mag. Court no.:	n/a
LEA/RPT no.:	n/a
DOB:	[REDACTED] 1956
SSN:	[REDACTED]
Address:	7022 Starshine St. NE Albuquerque, NM 87111
Arrest no./date:	n/a