



**Internal Audit Department
Hotel Occupancy Tax Audit – Round# 10
(January 1, 2022 to December 31, 2025)**

Issued by the
Internal Audit Department
April 21, 2026



Internal Audit Department

DATE: April 21, 2026

TO: Margarita Marin, Deputy Chief Financial Officer/City Comptroller

FROM: Adrian Serrano, CPA – Chief Internal Auditor

SUBJECT: Hotel Occupancy Tax Audit – Final Report (Round# 10)

MAYOR

Renard U. Johnson

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Chris Canales

CITY MANAGER

Dionne Mack

The City of El Paso has contracted Avenu Insights & Analytics to conduct Hotel Occupancy Tax (HOT) Reviews in accordance with Contract No. 2025-0191R. On April 21, 2026, Avenu Insights & Analytics concluded their review of HOT compliance for 20 El Paso area hotels. The period under review was from January 1, 2022 through December 31, 2025 (48 months). The review of the 20 hotels identified that nineteen (19) hotels had deficiencies totaling \$1,131,941.83. One (1) hotel did not have any deficiencies.

The following table is a summary of the nineteen (19) hotels that had deficiencies:

#	Hotel Name	Deficiency	Deficiency Amount
1	Days Inn by Wyndham - El Paso Airport East	Under Reported Gross Revenue, Unreported Other Revenue, Over-Stated Exempt Revenue, Invalid Exempt Revenue	\$7,803.66
2	Holiday Inn Express & Suites - Sunland Park	Under Reported Gross Revenue, Unreported Taxable Fees, Over-Stated Exempt Revenue, Invalid Exempt Revenue	\$6,393.88
3	La Quinta Inn by Wyndham - El Paso East Lomaland	Under Reported Gross Revenue, Unreported Other Revenue, Disallowed Exempt Revenue (2022-2023), Invalid Exempt Revenue (Per Extrapolation) (2024 – 2025), Remaining Taxes Due to City (2025)	\$109,783.05
4	Candlewood Suites Building 11193	Under Reported Taxable Revenue (Note: These two hotels reported as one entity)	\$50,007.40
5	Holiday Inn Express Guesthouse		
6	Holiday Inn Express & Suites - El Paso I-10 East	Unexplained Other Revenue	\$13,719.20
7	Stanton House - El Paso Downtown	Unreported Pet Fees, Unreported Smoking Fees, Unreported Cancellation Fees	\$7,635.39
8	America’s Hotel - El Paso Medical Center	Under-Reported Gross Revenue, Understated Exempt Revenue, Invalid Exempt Revenue	\$395.10

Adrian Serrano, CPA – Chief Internal Auditor

Internal Audit Department | 218 N. Campbell | El Paso, TX 79901

O: (915) 212-0069 | D: (915) 212-1365 | Email: SerranoAA@elpasotexas.gov





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#	Hotel Name	Deficiency	Deficiency Amount
9	Hyatt Place - El Paso Airport	Under Reported Gross Revenue, Invalid Exempt Revenue	\$42,904.34
10	Embassy Suites by Hilton - El Paso	Over-Stated Exempt Revenue, Invalid Exempt Revenue	\$49,152.40
11	Holiday Inn - El Paso Airport	Under Reported / Unreported Gross Revenue, Credit for Exempt Revenue to Offset Unreported Periods, Unreported State Recovery Fee, Unexplained Taxable Other Revenue, Invalid Exempt Revenue	\$229,846.22
12	Residence Inn by Marriott - El Paso	Under Reported Gross Revenue, Unreported State Recovery Fees, Unreported Smoking Fees, Invalid Exempt Revenue	\$14,300.28
13	Comfort Inn & Suites - El Paso I-10 Airport	Under Reported Gross Revenue, Reported Damages/Missing Items, Unreported Misc. Revenue, Disallowed Exempt Revenue	\$262,687.65
14	Hilton Garden Inn - El Paso Airport	Under Reported Gross Revenue, Unexplained Misc. Revenue, Overstated Exempt Revenue, Invalid Exempt Revenue	\$96,826.47
15	Homewood Suites by Hilton - El Paso Airport	Invalid Exempt Revenue	\$641.09
16	La Quinta Inn & Suites - El Paso East	Under Reported Gross Revenue, Unreported Other Revenue, Unreported Taxable Fees, Invalid Exempt Revenue (2024- 2025), Disallowed Exempt Revenue (2022 – 2023), and Remaining Taxes Due to City (2025)	\$87,151.08
17	Intown Suites Extended Stay - El Paso	Under Reported Gross Revenue, Over-Stated Exempt Revenue, Invalid Exempt Revenue	\$6,534.30
18	Holiday Inn Express & Suites - El Paso North	Over-Stated Exempt Revenue, Invalid Exempt Revenue	\$12,548.99
19	La Quinta Inn by Wyndham - El Paso Cielo Vista	Under Reported Gross Revenue, Credit for Exempt Revenue 2024 – 2025 to Offset Gross Revenue Assessment, Disallowed Exempt Revenue (2022-2023), Remaining Taxes Due to City (2025)	\$133,611.33
Total:			\$1,131,941.83

Note: The deficiency amounts identified above do not include penalties and interest associated with past-due Hotel Occupancy Taxes owed to the City. Penalties and interest are assessed and tracked by the Office of the Comptroller.

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The Office of the Comptroller should collect the \$1,131,941.83 owed to the City for uncollected Hotel Occupancy Tax from the nineteen (19) 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

Dionne Mack, City Manager

Robert Cortinas, Chief Financial Officer/Deputy City Manager

DRAFT

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HOTEL OCCUPANCY TAX REVIEW – FINAL REPORT



April 21st, 2026

Adrian Serrano - CPA
Chief Internal Auditor
City of El Paso
218 N. Campbell St
5th Floor
El Paso, TX, 79901

The City of El Paso commissioned Neumo, previously Avenu Insights & Analytics, to perform on-site/remote hotel occupancy tax examinations for twenty (20) hotels. This report is our Final Audit Report with respect to the assigned hotel occupancy tax compliance reviews.

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 twenty (20) properties reviewed and completed resulted in total findings of **\$1,131,941.83**.

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	Days Inn by Wyndham El Paso Airport East	Deficiency	\$7,803.66	Under Reported Gross Revenue, Unreported Other Revenue, Over-Stated Exempt Revenue, Invalid Exempt Revenue
2	Holiday Inn Express & Suites El Paso – Sunland Park	Deficiency	\$6,393.88	Under Reported Gross Revenue, Unreported Taxable Fees, Over-Stated Exempt Revenue, Invalid Exempt Revenue
3	La Quinta Inn by Wyndham El Paso East Lomaland	Deficiency	\$109,783.05	Under Reported Gross Revenue, Unreported Other Revenue, Disallowed Exempt Revenue (2022-2023), Invalid Exempt Revenue (Per Extrapolation) (2024 – 2025), Remaining Tax Due (2025)
4	Candlewood Suites Building 11193 / Holiday Inn Express Guesthouse	Deficiency	\$50,007.40	Under Reported Taxable Revenue
5	Red Roof Plus El Paso East	Commendation	\$0.00	N/A
6	Holiday Inn Express & Suites El Paso I-10 East	Deficiency	\$13,719.20	Unexplained Other Revenue
7	Stanton House El Paso Downtown	Deficiency	\$7,635.39	Unreported Pet Fees, Unreported Smoking Fees, Unreported Cancellation Fees
8	America’s Hotel El Paso Medical Center	Deficiency	\$395.10	Under-Reported Gross Revenue, Understated Exempt Revenue, Invalid Exempt Revenue
9	Hyatt Place El Paso Airport	Deficiency	\$42,904.34	Under Reported Gross Revenue, Invalid Exempt Revenue
10	Embassy Suites by Hilton – El Paso	Deficiency	\$49,152.40	Over-Stated Exempt Revenue, Invalid Exempt Revenue



11	Holiday Inn El Paso Airport	Deficiency	\$229,846.22	Under Reported / Unreported Gross Revenue, Credit for Exempt Revenue to Offset Unreported Periods, Unreported State Recovery Fee, Unexplained Taxable Other Revenue, Invalid Exempt Revenue
12	Residence Inn by Marriott El Paso	Deficiency	\$14,300.28	Under Reported Gross Revenue, Unreported State Recovery Fees, Unreported Smoking Fees, Invalid Exempt Revenue
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Total			\$1,131,941.83	