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Crime Boss Who Stole \$150,000 Through False New Mexico Income Tax Returns & Millions More From IRS Sentenced To Over 18 Years In Prison On Federal Charges

SANTA FE – The ring leader of a crime syndicate accused of filing false New Mexico personal income tax returns worth \$900,000 was sentenced to 18 years and four months in prison last week in Chicago on federal tax fraud conspiracy charges.

Marvin Berkowitz pled guilty earlier this year to orchestrating a group of family members and others who tried to obtain at least \$65.8 million in fraudulent federal and state income tax refunds using the identities of at least 2,900 prisoners and deceased persons, according to federal prosecutors.

In New Mexico, Berkowitz and his associates, including his two sons and a son-in-law, are accused of filing 381 false personal income tax returns worth \$900,000 with the state Taxation & Revenue Department from 2003 through 2009. They received \$150,000 of those false tax refunds, but the Department was able to intercept \$750,000 refund checks before being processed and mailed.

“We’re pleased that his criminal enterprise has been put out of business,” said Demesia Padilla, Cabinet Secretary for the New Mexico Taxation & Revenue Department. “We will pursue every legal avenue possible against this crime family to get back what has been stolen from our taxpayers.”

The involvement of Berkowitz and his associates in the New Mexico tax fraud scheme came to light in 2009. They have been filing false income returns with the state since 2003, but the Department’s Tax Fraud Investigations Division has intercepted 307 false returns filed by this group.

The New Mexico Taxation and Revenue Department has implemented several security and audit measures which assisted the Tax Fraud Investigations Division in identifying and stopping the fraudulent returns submitted by Berkowitz to the State of New Mexico.

The New Mexico Tax Fraud Investigations Division assisted the Chicago IRS-Criminal Investigations Division by securing evidence for use in the government's case against Berkowitz. The Tax Fraud Investigations Division works with 41 other states to share information to help identify fraudulent refund schemes.

Berkowitz fled the United States for Israel in 2003 and settled in Jerusalem. He was extradited back to the United States in January 2010.

Berkowitz directed a fraud ring that obtained at least \$3.7 million in actual tax refunds from the Internal Revenue Service and then an additional \$6.5 million from the tax agencies of at least 33 states. In imposing the 220-month sentence in Federal Court in Chicago, U.S. District Judge Virginia Kendall noted the complexity and breadth of Berkowitz's scheme, his history of committing tax fraud spanning more than 20 years, and his arrogance and attitude that he was above the law.

Berkowitz faced an advisory federal sentencing guideline range of 188 to 235 months in prison. He was ordered to pay restitution to the IRS and various states totaling \$10,232,800 and he was also ordered to forfeit \$5 million.

Berkowitz, two of his sons, a son-in-law, and seven other defendants were indicted and arrested in 2009. After being returned from Israel, Berkowitz pleaded guilty in January 2011 to one count of conspiracy to defraud the IRS and to commit mail and wire fraud, and one count of mail fraud. Eight defendants, including all of Berkowitz's family members, have either pleaded guilty or been convicted at trial; charges remain pending against two other defendants and one is a fugitive.