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Nail salon owner makes payment in tax fraud case

SANTA FE — The New Mexico Taxation and Revenue Department today announced it has received more than \$60,000 in taxes, penalties and interest from the owner of a Las Cruces nail salon as part of a pre-prosecution diversion agreement.

The department's Tax Fraud Investigations Division on Jan. 18, 2019 obtained an arrest warrant for Davan Nguyen, 46, on 40 counts of tax fraud. According to an affidavit for the warrant, investigators determined Nguyen had under-reported gross receipts taxes due on sales at the Asian Nails salon in Las Cruces for 40 monthly reporting periods between May 1, 2014 and Nov. 30, 2017.

The arrest warrant was quashed after Nguyen appeared in Dona Ana Magistrate Court on Jan. 22, 2019.

Nguyen on April 16 provided the District Attorney's Office of the 3rd Judicial District with a cashier's check for \$60,262.36 under a pre-prosecution agreement. Charges against a defendant are dropped upon successful completion of the pre-prosecution diversion program.

The Tax Fraud Investigations Division began investigating the case after one of the department's forensic auditors found discrepancies in the defendant's tax filings.

"Taxation and Revenue Department employees work hard to ensure that New Mexico's tax laws are enforced fairly and fully. We stand ready to take action when taxpayers deliberately fail to meet their obligations," said Secretary Stephanie Schardin Clarke.

The case was prosecuted by the 3rd Judicial District Attorney's Office in Las Cruces.

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