



STATE OF NEW MEXICO
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FOR IMMEDIATE RELEASE
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Silver City Tax Preparer Indicted on Fraud and Embezzlement Charges for Filing False Tax Returns

SANTA FE – A Silver City tax preparer serving prison time on federal tax fraud charges has been indicted on 56 counts of fraud and embezzlement for allegedly stealing over \$72,000 from the State by filing fraudulent tax returns on behalf of acquaintances and total strangers after stealing their identities.

A grand jury for the First Judicial District Attorney’s Office in Santa Fe on Tuesday returned the indictment against Douglas Jeffrey Kuester on 28 counts of tax fraud and 28 counts of embezzlement. Kuester, 44, allegedly stole the identities of 18 New Mexico residents, some of whom he knew, to file fraudulent returns claiming nonexistent withholdings from oil and gas proceeds.

“This is a habitual offender who has been stealing money both from the federal and state governments for a while,” said Demesia Padilla, Cabinet Secretary for the New Mexico Taxation and Revenue Department. “We hope the consequences of his actions send a strong message to those who intend to file fraudulent tax returns. We will aggressively pursue these cases.”

Kuester filed 18 fraudulent tax returns for the 2009 tax year in 2010, and 10 fake tax returns for the 2010 tax year in 2011. He requested over \$92,000 in fraudulent returns. Kuester used different bank accounts and prepaid debit cards to deposit the fraudulent returns.

Kuester is facing 44 counts of third-degree felonies, each count carrying a maximum penalty of three years in prison and up to \$5,000 in fines. He also has been charged with 12 counts of fourth-degree felonies, each count carrying a maximum penalty of 18 months in prison and up to \$5,000 in fines.

In November 2012, Kuester sentenced to four years in prison for filing false federal claims and aggravated identity theft in an Albuquerque federal district court.

Officials with the U.S. Justice Department and the Internal Revenue Service have said that Kuester also was ordered to pay \$911,000 in restitution to the federal government.

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