



STATE OF NEW MEXICO
Taxation and Revenue Department
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New Mexico's New Tax Fraud Investigations Division Identifies Six Cases of Tax Evasion

For immediate release

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Santa Fe – Alvan Romero, Director of New Mexico's Taxation and Revenue's Tax Fraud Investigations Division, announced today that six people had been charged with income tax evasion, fraud and making false statements on their tax returns.

All six appeared in Artesia Magistrate Court, without counsel, on February 3 and pleaded not guilty to the state income tax charges at their arraignment. The Tax Fraud Investigations Division (TFID) of the New Mexico Taxation and Revenue Department investigated the cases.

"This is just the tip of the iceberg," said Alvan Romero, director of the TFID, "We are in the process of investigating numerous cases that are similar in nature. The Taxation and Revenue Department is going to aggressively pursue tax cheats. TFID is in the process of identifying areas of tax non-compliance in other state tax programs and will pursue state tax fraud violations with appropriate investigative efforts."

The five educators charged with state income tax evasion and false statements and fraud include two elementary school principals, one employed by the Artesia Public Schools and the other employed by the Hobbs Municipal Schools and an Artesia City Councilor. All six individuals were charged in Artesia Magistrate Court on February 3, 2004 with criminal complaints and warrants for their arrests were previously issued.

- The six individuals are:

Estella A. Carrillo, elementary school principal employed by the Hobbs Municipal Schools.

Leslie A. Catano, elementary school teacher employed by the Artesia Public Schools.

Israel C. Catano, currently employed as an equipment operator by Schlumberger Technology in Artesia.

Kathy F. Kump, elementary school teacher employed by the Artesia Public Schools.

Jimmy C. Lara, elementary school teacher employed by the Artesia Public Schools and is also an elected Artesia City Councilor, District 2.

Norma J. Lara, elementary school teacher employed by the Artesia Public Schools.

According to Romero, none of the six individuals charged filed State of New Mexico Personal Income Tax Returns for two to three years. During the years that they did not file the required State of New Mexico Personal Income Tax Returns they filed false Forms W-4 (Employees Withholding Exemption Certificates) with their employers. As a consequence of the false statements and fraud their employers did not withhold taxes.

If convicted of state income tax evasion, a felony, an individual may be fined not less than \$1,000 nor more than \$10,000, or imprisoned not less than one year nor more than five years, or both such fine and imprisonment, together with the cost of prosecution on each count. Conviction of false statement and fraud, a felony, an individual may be fined not more than \$5,000 or imprisoned not less than six months or more than three years, or both, together with cost of prosecution.

TFID recently announced a new Tax Fraud Hot Line. Individuals can report alleged violations of the state tax laws. The Tax Fraud Hot Line number is 1-866-457-6789. Callers can remain anonymous. The Hotline is answered between 8 a.m. to 4:30 p.m. Monday through Friday. Messages can be left after hours.