



STATE OF NEW MEXICO
Taxation and Revenue Department
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DIVISIONS
Office of the Secretary
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Administrative Services
(505) 827-0369
Audit and Compliance
(505) 827-0900
Motor Vehicle
(505) 827-2296
Property Tax
(505) 827-0870
Revenue Processing
(505) 827-0800
Tax Fraud Investigations
(505) 841-6544

Bill Richardson
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FOR IMMEDIATE RELEASE
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Santa Fe Woman Handed Sentence of Five Years Probation for Embezzlement and State Tax Evasion

SANTA FE – On Monday, June 4, 2007, Judge Michael Vigil, of the First Judicial District Court, sentenced Donna Patnode to ten years imprisonment, suspended the entire prison sentence, and ordered five years of supervised probation. Patnode’s attorney argued for a conditional discharge, but Judge Vigil ruled against that argument. Judge Vigil said that people who commit this type of crime have incredible recidivism. “I don’t feel you should ever be in a position to take money from others”, Judge Vigil told Patnode.

In May, Patnode pleaded guilty to three counts of third degree felony embezzlement and one count of attempt to evade or defeat her Personal Income Tax, a fourth degree felony. The plea agreement had been entered in connection with Patnode’s alleged embezzlement of between \$100,000 and \$175,000 from Southwest Media LLC dba Santa Fean Magazine. The tax evasion charge was as a result of Patnode’s failure to report the embezzled proceeds on her 2005 New Mexico Personal Income Tax Return.

Patnode had been charged by criminal information with thirty-three counts of embezzlement and one count of tax evasion for failing to report the embezzlement proceeds on her 2005 New Mexico Personal Income Tax Return. The State agreed not to pursue Patnode on criminal tax charges in connection with her 2003 and 2004 Personal Income Tax Returns. According to the Plea and Disposition Agreement, Patnode agreed to file amended New Mexico Personal Income Tax Returns for 2003, 2004, and 2005. The alleged embezzlement took place from 2003 through January 2006.

According to information disclosed during the plea hearing in May, Patnode was the head accountant for the Santa Fean magazine and had signatory authority over the business’s checking accounts. Using that signatory authority, Patnode wrote unauthorized business checks to herself as well as to pay her personal credit card accounts.

The case was a result of an investigation by the Santa Fe Police Department and the New Mexico Taxation and Revenue Department’s Tax Fraud Investigations Division and was prosecuted by the First Judicial District Attorney’s office in Santa Fe.

To report suspected tax fraud against the State of New Mexico, call the Tax Fraud Hotline at 1-866-457-6789.

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