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Former Department employee indicted on federal charges

Former Taxation and Revenue Department employee George Martinez, 45, of Albuquerque has been indicted by a federal grand jury in Albuquerque on 42 counts of wire fraud, six counts of money laundering and 42 counts of identity theft, according to the U.S. Attorney's Office in Albuquerque.

According to the indictment, from May 18, 2011, through July 16, 2018, Martinez allegedly used his position as the Unit Supervisor/Bureau Chief of the Questionable Refund Unit at the Taxation and Revenue Department to fraudulently alter tax refunds and direct them to bank accounts that he controlled.

Martinez initially was the subject of an internal investigation in 2018 by Taxation and Revenue Department's Tax Fraud Investigations Division. After completing the internal investigation, TFID agents referred the case to the FBI's Albuquerque office for an independent criminal investigation.

The FBI Albuquerque Field Office and the IRS Criminal Investigation Phoenix Field Office conducted the criminal investigation. It is being prosecuted by the U.S. Attorney's Office in Albuquerque.

"This Department will not tolerate any employee abusing their position for personal gain. We will pursue those who attempt to take advantage of the State and the citizens of New Mexico," said Taxation and Revenue Cabinet Secretary Stephanie Schardin Clarke.

Martinez was placed on leave after the Department began its internal investigation in 2018 and he separated from the Department later that year.

In the interim, the Department has strengthened its internal controls by overhauling access privileges to the Department's tax administration system and updating business procedures. Officials continue to monitor daily business activity for abnormalities and suspicious transactions.

The Tax Fraud Investigations Division also provides training to employees on how to spot potential fraud and operates a hotline for employees and the public to report suspicious activity. Possible fraud can be reported by calling 1-866-457-6789 or by email at Tax.Fraud@state.nm.us.

“The methods bad actors use to gain access to financial systems are constantly evolving. Our Department continually evaluates potential threats to keep state and taxpayer assets secure,” Schardin Clarke said.