

New Mexico tax unit leader allegedly stole over \$1.2 million, sentenced to eight years

Written by gallupsun

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A former New Mexico Taxation and Revenue employee was allegedly wiring tax refunds to his own bank accounts.

From 2009 through July 16, 2018, George Martinez, 46, of Albuquerque, used his position as the Unit Supervisor/Bureau Chief of the Questionable Refund Unit at the New Mexico Taxation and Revenue Department to fraudulently alter tax refunds and direct them to bank accounts that he controlled. Martinez perpetrated the fraud by copying tax returns that had already been processed or creating new returns in taxpayers' accounts.

He altered information such as taxpayers' Social Security numbers, bank account numbers and withholding amounts in the returns. By changing the withholding amounts, he increased the amounts of the refunds. Martinez fraudulently directed over \$1.2 million into accounts in his control.

Alexander M.M. Ubaldez, United States Attorney for the District of New Mexico, announced on Jan. 24 that Martinez was sentenced to 94 months in prison.

Martinez, pleaded guilty on July 11 to 42 counts each of wire fraud and aggravated identity theft and six counts of money laundering. The Court ordered Martinez to pay over \$1.2 million in restitution, and issued a forfeiture money judgment of almost \$700,000.

"Today's sentence sends a strong message: If you abuse the public trust, you will pay the price," New Mexico Taxation and Revenue Secretary Stephanie Schardin Clarke said in a press release published Jan. 25

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Uballez said that he plans to keep fighting against fraud for the people of New Mexico.

“We will aggressively protect your tax dollars from fraud, especially when driven by the greed of a corrupt government official,” Uballez. said. “Our system of governance depends on the trust and faith of the people we serve. There are few more important pressure points for our democracy than the system that funds it. We work tirelessly with our partners to ensure public dollars serve the public.”

IRS Criminal Investigation Special Agent in Charge Albert Childress also addressed the situation.

“New Mexico taxpayers expect their public servants to be honest, ethical and beyond reproach,” Childress stated. “In this case, the defendant not only violated the public trust, he personally enriched himself by committing identity theft, altering tax refunds and directing nearly \$700,000 of ill-gotten gains to himself.”

FBI Special Agent in Charge Raul Bujanda said he hopes the sentencing serves as a warning to other government employees.

“When a supervisor entrusted with the taxpayers’ money enriches himself like this defendant did, it’s a serious crime that can shake people’s confidence in their government,” Bujanda said. “That’s why the FBI teamed up with IRS Criminal Investigation and the New Mexico Taxation and Revenue Department to aggressively investigate this case and make sure justice was done. We hope today’s sentencing sends a warning to anyone in government who might be tempted to illegally help themselves to the public till: The FBI will come after you and will make sure you pay for every penny you stole.”

Upon his release from prison, Martinez will be subject to 3 years of supervised release.

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The FBI Albuquerque Field Office and the IRS Criminal Investigation Phoenix Field Office investigated this case with assistance from the New Mexico Taxation and Revenue Department's Tax Fraud Investigations Division. Assistant U.S. Attorneys Paul Schied and Jeremy Peña prosecuted the case. Taxation and Revenue has strengthened its internal controls by overhauling system access privileges and updating business procedures. Officials continue to monitor daily business activity for abnormalities and suspicious transactions.