



## *U.S. Department of Justice*

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### **NEWS RELEASE**

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**For Immediate Release  
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#### **Albuquerque Dentist Pleads Guilty to Tax Crime in IRS Probe**

A continuing IRS probe into illegal offshore tax shelters resulted in another guilty plea today. Albuquerque dentist Ruben J. Martinez pleaded guilty before United States District Judge William Johnson to an information charging him with filing a false tax return, a felony. Martinez admitted that he intentionally filed a false tax return for the year 1999.

During the plea hearing, it was revealed that Martinez and his accountant used an offshore tax shelter in order to file the false return. The shelter was a fictitious Costa Rican business called Compania Ruma Dental that was alleged to have suffered losses of \$922,393. These nonexistent losses were used to offset Martinez' 1999 income, reducing his taxable income from \$389,083 to zero. The tax loss to the government from the 1999 false return was \$124,433. It was also revealed at the plea hearing that Martinez and his accountant had prepared false returns for each year from 1994 through 1999. The total tax loss to the government for all six years was \$599,305.

United States Attorney David C. Iglesias noted that this was the second guilty plea in recent months in which a taxpayer admitted to using a phony Costa Rican tax shelter. On February 14, 2003, noted New Mexico attorney Chris Key pleaded guilty to filing a false tax return and to claiming phony losses from a Costa Rican corporation. Key awaits sentencing.

Iglesias praised the work of the IRS and thanked the New Mexico Department of Taxation and Revenue, which first investigated the Costa Rican tax shelters and brought the cases to the attention of the IRS and the Department of Justice.

“These guilty pleas, and the continuing probe into illegal Costa Rican tax shelters, are the result of close cooperation between state and federal law enforcement,” Iglesias said.