

For Immediate Release
January 5, 2012

**FORMER NEW MEXICO STATE CONTRACTOR ARRAIGNED
ON FEDERAL TAX EVASION CHARGES**

ALBUQUERQUE – This morning in federal court, **Shelda Sutton-Mendoza**, 59, of Albuquerque, was arraigned on a five-count indictment charging her with tax evasion. If convicted, Sutton-Mendoza faces a maximum penalty of five years imprisonment, a \$100,000 fine, and three years of supervised release on each of the five counts.

U.S. Attorney Kenneth J. Gonzales said that Sutton-Mendoza entered a not guilty plea to the charges in the indictment during this morning's proceeding. Sutton-Mendoza was released pending trial under pretrial supervision and other conditions of release.

At the time of the crimes alleged in the indictment, Sutton-Mendoza was owner and sole shareholder of NYSNC Environmental, Inc. (NYSNC), an environmental clean-up and testing service established in 2000 and incorporated in October 2003. NYSNC contracted primarily with the New Mexico Environmental Department, where Sutton-Mendoza was employed in the Petroleum Storage Bureau for more than six years before leaving to establish NYSNC.

The indictment alleges that Sutton-Mendoza evaded an aggregate of approximately \$241,132 in federal personal and corporate taxes during tax years 2003, 2004 and 2005 by intentionally filing false tax returns that misrepresented her personal and corporate taxable income as follows:

- * Count 1 alleges that Sutton-Mendoza filed a false tax return stating that she had taxable income of \$1,296 in 2003 when in fact she had taxable income of \$277,955 and thus evaded approximately \$76,660 in federal taxes.
- * Count 2 alleges that Sutton-Mendoza, as owner and sole shareholder of NYSNC, filed a

false tax return stating that NYSNC had taxable income of \$35,349 in 2003 when in fact NYSNC had taxable income of \$107,019 and thus evaded approximately \$19,685 in federal taxes.

* Count 3 alleges that Sutton-Mendoza filed a false tax return stating that she had taxable income of \$7,167 in 2004 when in fact she had taxable income of \$266,967 and thus evaded approximately \$71,560 in federal taxes.

* Count 4 alleges that Sutton-Mendoza, as owner and sole shareholder of NYSNC, filed a false tax return stating that NYSNC had taxable income of \$10,277 in 2004 when in fact NYSNC had taxable income of \$64,638 and thus evaded approximately \$9,618 in federal taxes.

* Count 5 alleges that Sutton-Mendoza filed a false tax return stating that she had taxable income of \$0 in 2005 when in fact she had taxable income of \$248,389 and thus evaded approximately \$63,609 in federal taxes.

The case was investigated by the Internal Revenue Service, Criminal Investigation Division, and is being prosecuted by Assistant U.S. Attorney Mary L. Higgins.

Charges in criminal complaints, indictments and informations are only accusations. All criminal defendants are presumed innocent unless proven guilty beyond a reasonable doubt.

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