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PRESS RELEASE

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**For Immediate Release**

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**CARLSBAD PHYSICIAN AND WIFE**  
**CONVICTED ON FEDERAL TAX CHARGES**

United States Attorney Kenneth J. Gonzales announced that, at approximately 9:00 p.m. on September 29, 2010, a federal jury sitting in Albuquerque, New Mexico convicted Mark and Sharon Hopkins of seven counts of tax evasion and one count of conspiracy. The Hopkins had been indicted by a federal grand jury in April 2009. Dr. Hopkins is an emergency room doctor at the Carlsbad Medical Center. Mrs. Hopkins is an owner of My Favorite New Mexico Foods, LLC, which manufactures and sells traditional New Mexico foods throughout the United States. Prior to moving to Carlsbad in 2001, the couple resided in Roswell, New Mexico.

According to the allegations in the Indictment and the evidence adduced at trial, the Hopkins had not filed accurate personal tax returns since tax year 1997. They filed a "zero" tax return for tax year 1996 which reported no wages and requested a refund of all withholding. Since January 1, 1996, Dr. Hopkins has earned over \$3,000,000 in income from working as an emergency room doctor and paid \$21.25 in federal income taxes on this money. According to the Indictment, the Hopkins owe about \$1,300,000 in back

taxes for 1996 to 2007. The Hopkins also failed to file or pay state income tax to the New Mexico Department of Taxation and Revenue during this time period.

At trial, the Hopkins claimed that Dr. Hopkins's income from his employer is not taxable because it is simply an "exchange" of labor for time. The evidence at trial showed that the Hopkins used a number of "tax defier" schemes such as directing Dr. Hopkins' income to a purported religious entity, named Shalom Enterprises. The Hopkins paid a number of personal expenses such as their mortgage, credit cards, a timeshare in Mexico, out of the Shalom Enterprises bank account. They also titled bank accounts and their home in the names of "pure trusts." The IRS has previously issued warnings about the frivolity of these arguments and the use of these types of tax evasion schemes. <http://www.irs.gov/taxpros/article/0,,id=159932,00.html>. As shown at trial, Dr. Hopkins was previously pictured on the front page of the April 16, 2007 Carlsbad Current Argus standing outside the post office the previous day protesting the payment of federal income taxes.

United States District Judge M. Christina Armijo remanded Dr. and Mrs. Hopkins into the custody of the United States Marshals Service and they will be detained pending sentencing, which has yet to be scheduled. Dr. and Mrs. Hopkins each face up to 40 years imprisonment and a maximum \$2,000,000 fine.

Upon learning of the conviction, United States Attorney Kenneth J. Gonzales said:

*No matter how much Dr. and Mrs. Hopkins disagree with our tax system, they simply cannot excuse themselves from obeying the law. The type of manipulation and deception by these two educated and skilled professionals who know better will not be tolerated, pure and simple. These defendants' repeated and protracted deception over several years resulted in a substantial loss of funds to the public coffers. This type of criminal behavior is insulting and harmful to the honest, hard-working citizens of the New Mexico who pay their taxes earnestly and honestly, year in and year out.*

Assistant U.S. Attorney Paul H. Spiers and U.S. Department of Justice, Tax Division, Trial Attorney Jed M. Silversmith prosecuted the case, which was investigated by the Phoenix Field Office of the Internal Revenue Service Criminal Investigation.