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**PRESS RELEASE**

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**For Immediate Release**

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**FORMER GOVERNOR OF SANTA ANA PUEBLO ARRESTED**  
**ON FEDERAL EMBEZZLEMENT AND TAX CHARGES**

***Bruce Sanchez and a Real Estate Consultant Charged with Embezzling  
\$3,600,000 from Indian Pueblo Federal Development Corporation***

ALBUQUERQUE – Earlier today, federal agents arrested Bruce Sanchez, 58, and Thomas Keesing, 59, on a 15-count indictment that charges both men with one conspiracy offense and ten embezzlement offenses, and Sanchez with four tax offenses. Sanchez, a member, resident and former governor of Santa Ana Pueblo, made his initial appearance in Albuquerque federal court this morning and is scheduled for a detention hearing this afternoon. Keesing, of Pecos, N.M., will make his initial appearance tomorrow morning.

The arrests were announced by U.S. Attorney Kenneth J. Gonzales, Dawn Mertz, Special Agent in Charge of the Phoenix Field Office of the Internal Revenue Service Criminal Investigation, and Jack L. Rohmer, Special Agent in Charge of the Department of the Interior's Office of Inspector General, Central Division.

According to the indictment, between 2003 and 2009, Sanchez and Keesing conspired to embezzle at least \$3,600,000 from the Indian Pueblo Federal Development Corporation (IPFDC), an Indian tribal organization formed by the 19 Pueblos of New Mexico for the purpose of developing land that once had been the site of the Albuquerque Indian School. During that period, Sanchez was the president and chief executive officer of the IPFDC. Keesing was a commercial real estate developer and the owner of New Mexico Real Estate, Inc. (NMREI), who worked as a consultant for IPFDC in 2002 and 2003.

In announcing the arrests, U.S. Attorney Gonzales said, "The IPFDC was established to develop real estate held in trust for the 19 Pueblos in New Mexico for the purpose of benefiting the members of those Pueblos. Bruce Sanchez, who was entrusted by Pueblo leaders to spearhead that development, is alleged to have embezzled millions of dollars that should have been used for the benefit of the Pueblos for his own personal use. Our Pueblos, and indeed all of our communities, are entitled to, expect and deserve to be served only by the most honest public servants. According to the indictment, Bruce Sanchez allegedly betrayed the people he was duty-bound to serve."

The indictment charges Sanchez and Keesing with a conspiracy to embezzle and ten substantive counts of embezzlement. According to the indictment, from 2003 to 2009, Sanchez and Keesing engaged in a scheme to unlawfully profit from the development of the Albuquerque Indian School property. Pursuant to the scheme, Keesing allegedly submitted false and fraudulently inflated invoices for payment from NMREI to the IPFDC, and Sanchez allegedly approved the invoices even though the payments were vastly in excess of the value of any services provided by NMREI. Keesing allegedly shared the proceeds of the fraudulently obtained IPFDC payments with Sanchez.

The indictment alleges that, between 2003 and 2008 and as a result of Sanchez's and Keesing's illegal scheme, NMREI received \$3,775,000 in payments from the IPFDC, of which at least \$3,600,000 were fraudulently obtained. It further alleges that, during that same period, Sanchez received approximately \$1,722,823.04 from Keesing and NMREI.

Sanchez also is charged with three counts of tax evasion with an aggregate federal tax loss of at least \$655,276, and a misdemeanor count of willful failure to file a tax return. More specifically, in calendar year 2005, Sanchez allegedly claimed taxable income of \$25,997 but failed to report \$391,551 in additional taxable income, thus evading \$138,843 in federal taxes. In calendar year 2006, Sanchez allegedly claimed taxable income of \$150,411 but failed to report \$753,078 in additional taxable income, thus evading \$332,837 in federal taxes. In calendar year 2007, Sanchez allegedly claimed taxable income of \$102,655 but failed to report \$294,643 in additional taxable income, thus evading \$103,034 in federal taxes. Finally, the indictment alleges that, in calendar year 2008, Sanchez had gross income of \$310,554 but willfully failed to file a federal income tax return by Oct. 15, 2009, after an extension.

The conspiracy count and ten embezzlement counts each carry a maximum penalty of five years of imprisonment and a \$250,000 fine upon conviction. The three tax evasion counts each carry a maximum penalty of five years of imprisonment and a \$100,000 upon conviction. The misdemeanor willful failure to file a tax return charge carries a maximum penalty of a year of imprisonment and a \$25,000 fine upon conviction.

"This detailed indictment is the result of a joint investigation by Special Agents with IRS Criminal Investigation and the Department of the Interior's Office of Inspector General. Combining the knowledge, expertise, and resources of two agencies is an extremely effective way to investigate complex white-collar crimes such as conspiracy, embezzlement, and tax evasion," said IRS Special Agent in Charge Mertz.

Special Agent in Charge Rohmer of the Department of the Interior's Office of Inspector General added, "The arrests of Bruce Sanchez and Thomas Keesing represent the success that can be achieved when two agencies such as the DOI-OIG and IRS collaborate to investigate schemes that defraud financial programs that are so important to Indian Country."

The case was investigated by the IRS Criminal Investigation and the Department of the Interior's OIG, and is being prosecuted by Assistant U.S. Attorney Jonathon M. Gerson.

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

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