

For Immediate Release
May 17, 2011

**CARLSBAD PHYSICIAN AND WIFE SENTENCED ON
FEDERAL TAX EVASION CONVICTIONS**

Physician Receives 10-Year Sentence And Wife Receives 8-Year Sentence

*Couple Earned More Than \$3 Million Since 1996 And
Paid Less Than \$22 in Federal Income Taxes*

ALBUQUERQUE – United States Attorney Kenneth J. Gonzales and Deputy Assistant Attorney General for Criminal Matters for the Justice Department’s Tax Division, Ronald A. Cimino announced that, this afternoon in federal court in Albuquerque, a United States District Judge sentenced **Dr. Mark E. Hopkins**, 60, to a 120-month term of imprisonment to be followed by three-years of supervised release for his conviction on tax evasion offenses.

Sharon June Hopkins, 60, Dr. Hopkins’ wife and co-defendant, also was sentenced for her conviction on tax evasion charges during this afternoon’s proceedings. Mrs. Hopkins was sentenced to a 97-month term of imprisonment to be followed by three-years of supervised release.

The Hopkins jointly were ordered to pay \$1,744,222.26 in restitution to the Internal Revenue Service (IRS). Upon their release, the couple will be required to make \$2000 monthly payments to the IRS and to cooperate with the IRS in paying their taxes, past and present. Finally, the Hopkins were ordered to pay \$965.84 for the cost of a video deposition taken during the course of the prosecution.

At the conclusion of today’s proceedings, the court remanded the couple into the custody of the United States Marshal’s Service to begin serving their prison sentences.

On September 29, 2010, a federal jury sitting in Albuquerque, New Mexico convicted the Hopkins of seven counts of tax evasion and one count of conspiracy. At the time, Mark Hopkins

was an emergency room doctor at the Carlsbad Medical Center, and Mrs. Hopkins was the owner of My Favorite New Mexico Foods, LLC, a business that manufactured and sold traditional New Mexico foods throughout the United States. Before moving to Carlsbad in 2001, the couple resided in Roswell, New Mexico.

According to the allegations in the Indictment and the evidence presented 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. From January 1, 1996 through December 31, 2007, Dr. Hopkins earned over \$3 million in income from his work as an emergency room doctor and paid only \$21.25 in federal income taxes on this income. At sentencing, the Court determined the tax loss to be \$2,171,018.57 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’ income from his employer was not taxable because it was simply an “exchange” of labor for time. The evidence at trial showed that the couple used a number of “tax defier” schemes such as directing Dr. Hopkins’ income to a purported religious entity, named Shalom Enterprises. However, the Hopkins paid a number of personal expenses such as their mortgage, credit cards, and a timeshare in Mexico, out of the Shalom Enterprises bank account. The couple 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 previously was 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.

After the sentencing, U.S. Attorney Gonzales said: “No matter how much Dr. and Mrs. Hopkins disagreed with our tax system, they were still required to obey the law. The sentences imposed on the Hopkins are appropriate given the type of manipulation and deception in which these two educated and skilled professionals engaged to evade paying taxes.”

Mr. Cimino, Deputy Assistant Attorney General for Criminal Matters, added: “Sentences like the one returned today, send a loud and clear message that those who use illegal tax schemes will be fully punished for their actions.”

Dawn Mertz, Special Agent in Charge of the IRS Criminal Investigation Division, stated, “The severity of the sentences imposed on Mark and Sharon Hopkins should send a clear message to those who are undertaking elaborate steps to avoid paying their income taxes. Mark and Sharon Hopkins are both successful individuals and earned more than \$3 million in income and have paid nothing in federal income taxes. Honest citizens should not foot the bill for people like the Hopkins.”

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 IRS, Criminal Investigation Division.

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