

FILED

IN THE UNITED STATES DISTRICT COURT
 FOR THE DISTRICT OF NEW MEXICO

UNITED STATES DISTRICT COURT
 ALBUQUERQUE, NEW MEXICO

APR - 9 2009

UNITED STATES OF AMERICA,

Plaintiff,

vs.

MARK E. HOPKINS and **SHARON**
J. HOPKINS,

Defendants.

MATTHEW J. DYKMAN
 CLERK

CRIMINAL NO. 09-863

Count 1: 18 U.S.C. § 371: Conspiracy;

Counts 2-8: 26 U.S.C. § 7201: Tax
 Evasion.

INDICTMENT

The Grand Jury Charges:

At all relevant times herein:

Introduction

1. **MARK E. HOPKINS** and **SHARON J. HOPKINS**, husband and wife, were residents of the District of New Mexico.
2. From at least 1996 to the present, **MARK E. HOPKINS** worked as an emergency room doctor for various medical staffing companies in New Mexico. Since January 1, 1996, **MARK E. HOPKINS** has earned at least \$3,616,134 in business income from these medical staffing companies, including the Schumacher Group, which paid him for services that he performed as an emergency room physician at hospitals in the region that includes Carlsbad Medical Center.
3. From at least May 13, 2005, **SHARON J. HOPKINS** was a fifty percent owner of My Favorite New Mexico Foods, LLC, which manufactured and sold traditional New Mexico foods, including red and green chile.

4. **MARK E. HOPKINS** and **SHARON J. HOPKINS** have failed to file personal federal tax returns since tax year 1997.

5. To assist in their tax evasion scheme, **MARK E. HOPKINS** and **SHARON J. HOPKINS** created a number of entities that the couple used to conceal their assets, including:

- i) Shalom Enterprises, Inc. ("Shalom Enterprises"), an Oregon corporation, whose officers were **MARK E. HOPKINS** and **SHARON J. HOPKINS**.
- ii) House of Royale, Inc. ("House of Royale"), a Nevada Corporation, whose only officer was **SHARON J. HOPKINS**.
- iii) The Bethlehem Trust, a purported trust whose purported trustees were B.I., V.A. and L.P.
- iv) The Esteem International Trust, a purported trust whose purported trustees were B.I., V.A. and L.P.
- v) The Grace Trust, a purported trust whose purported trustees were V.A. and S.S.
- vi) The Guadalupe Medical Services Trust, a purported trust whose purported trustees were B.I., S.S., and D.P.
- vii) The Maranatha Trust, a purported trust whose purported trustees were B.I., V.A. and L.P.
- viii) The Shalom Trust, a purported trust whose purported trustees were V.A. and S.S.

ix) The Solomon Educational Trust, a purported trust whose purported trustees were B.I., V.A. and S.S.

6. V.A., B.I., L.P., D.P., and S.S., are initials of individuals who were or are relatives or friends of **MARK E. HOPKINS** and **SHARON J. HOPKINS**, whose names have been identified for the grand jury.

7. The Internal Revenue Service ("IRS") was and is a bureau of the United States Department of Treasury responsible for the administration and enforcement of the tax laws of the United States and collecting taxes owed to the Treasury of the United States.

Count 1

8. Paragraphs 1 through 7 are hereby incorporated by reference as if realleged and recited in full.

9. Beginning in or about 1996, the exact date being unknown to the Grand Jury, and continuing thereafter up to and including the date of this indictment, in the District of New Mexico, in Eddy and Chaves Counties, and elsewhere, the defendants, **MARK E. HOPKINS** and **SHARON J. HOPKINS**, with others known and unknown to the Grand Jury, did knowingly and unlawfully combine, conspire, confederate, agree together and with each other to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful governmental functions of the IRS in the ascertainment, computation, assessment, and collection of the revenue: to wit, income taxes.

Manner and Means

Among the manner and means used to achieve the conspiracy were the following:

10. It was a part of the conspiracy for **MARK E. HOPKINS** to direct his business income to a nominee to conceal his income.
11. It was a further part of the conspiracy that **MARK E. HOPKINS** and **SHARON J. HOPKINS** would transfer funds between bank accounts held in nominee names.
12. It was a further part of the conspiracy for **MARK E. HOPKINS** and **SHARON J. HOPKINS** to title real property in the names of nominees to conceal their ownership of the property.
13. It was a further part of the conspiracy that **MARK E. HOPKINS** and **SHARON J. HOPKINS** would send threatening correspondence to IRS employees to impede the ascertainment and collection of the federal income taxes that they owed.

Overt acts

In furtherance of the conspiracy, and to effect the objects thereof, the following overt acts, among others, were committed in the District of New Mexico, and elsewhere:

14. On or about January 17, 1997, **MARK E. HOPKINS** and **SHARON J. HOPKINS** mailed three signed IRS Forms 1040X, Amended U.S. Individual Income Tax Return, for tax years 1993, 1994 and 1995 to the IRS, requesting a refund in the amount of all taxes paid during those years.
15. On or about March 3, 1997, **MARK E. HOPKINS** and **SHARON J. HOPKINS** signed account opening documents at the Bank of Southwest, checking account #xxx9471, to open a bank account in the name of the Esteem International

Trust. On the account opening documents **MARK E. HOPKINS** and **SHARON J. HOPKINS** listed a fictitious taxpayer identification number or employer identification number (collectively "EIN") and falsely claimed Esteem International Trust was exempt from taxation.

16. On or about April 15, 1997, **MARK E. HOPKINS** and **SHARON J. HOPKINS** filed an IRS Form 1040, U.S. Individual Income Tax Return, falsely stating that they had an adjusted gross income of zero and requesting a refund of all federal income tax withheld.

17. On or about April 22, 1997, **MARK E. HOPKINS** filed or caused to be filed with the Chaves County Clerk seven documents, each of which was identified as a "common law contract and declaration", which documents purported to establish the Grace Trust, the Shalom Trust, the Solomon Educational Trust, the Maranatha Trust, the Esteem International Trust, the Bethlehem Trust, and the Guadalupe Medical Services Trust.

18. On or about May 1, 1997, **MARK E. HOPKINS** and **SHARON J. HOPKINS** threatened IRS Revenue Officer P.F. with a lawsuit if he attempted to collect federal income taxes from them.

19. On or about May 14, 1997, **MARK E. HOPKINS** filed an "Affidavit of Citizenship and Domicile" with the Chaves County Clerk, stating he was a citizen of the "Texas Republic," was a nonresident alien of the United States, and was not required to pay federal income tax.

20. On or about May 14, 1997, **SHARON J. HOPKINS** filed an "Affidavit of Citizenship and Domicile" with the Chaves County Clerk, stating she was a citizen of the

"New Mexico Republic," was a nonresident alien of the United States, and was not required to pay federal income tax.

21. On or about June 27, 1997, **MARK E. HOPKINS** and **SHARON J. HOPKINS** recorded or caused to be recorded a Quitclaim Deed transferring the land described as the North 62.5 feet of the South 75 feet of Lot 2 in Block 12 of Alameda Heights Addition in the city of Roswell, to the Bethlehem Trust.

22. On or about August 6, 1997, in response to an IRS levy on his wages, **MARK E. HOPKINS** sent a letter to the Regional Director of the IRS stating that he would file criminal charges against unnamed IRS employees if the IRS continued its attempts to collect federal taxes from him.

23. On or about January 12, 1998, **MARK E. HOPKINS** and **SHARON J. HOPKINS** submitted an "administrative claim" to the IRS for money damages in response to IRS levy actions.

24. In December 1998, **MARK E. HOPKINS** directed his new employer, the Schumacher Group, to pay his business income to Shalom Enterprises.

25. On or about January 25, 1999, **MARK E. HOPKINS** opened a checking account #xxxxxx8409 at Pioneer Bank in the name of the Grace Trust. In the account opening documents **MARK E. HOPKINS** listed a fictitious EIN.

26. On or about January 28, 2000, **MARK E. HOPKINS** sent a letter to IRS employee P.F. telling P.F. that he was exempt from levy.

27. On or about February 10, 2000, **MARK E. HOPKINS** sent another letter to IRS employee P.F. telling P.F. that he was exempt from levy.

28. On or about June 27, 2000, **MARK E. HOPKINS** and **SHARON J. HOPKINS** signed a signature card for the bank account of Shalom Enterprises, account

#xxx2375 at Bank of Southwest. On the signature card **MARK E. HOPKINS** and **SHARON J. HOPKINS** listed a fictitious EIN and stated Shalom Enterprises was exempt from taxation.

29. On or about November 15, 2001, **MARK E. HOPKINS** wrote a check for \$14,589.23 from the Grace Trust account #xxxxxx8409 as a down payment for 601 N. Canyon in Carlsbad, New Mexico. Said property was used as the personal residence of **MARK E. HOPKINS** and **SHARON J. HOPKINS** through the date of this indictment.

30. On or about April 15, 2002, **MARK E. HOPKINS** purchased 607 N. Canyon Road in the name of Shalom Enterprises.

31. On or about October 16, 2002, **MARK E. HOPKINS** purchased 605 N. Canyon Road in the name of Shalom Enterprises.

32. On or about July 28, 2003, **SHARON J. HOPKINS** filed an Amendment to the Annual Report of Shalom Enterprises, Inc. with the Secretary of State for Oregon, listing **MARK E. HOPKINS** as president and **SHARON J. HOPKINS** as secretary.

33. On or about November 14, 2003, **MARK E. HOPKINS** purchased 602 N. Canyon Road as well as 108 and 110 W. Bonbright in the name of Shalom Enterprises.

34. On or about November 14, 2003, **MARK E. HOPKINS** and **SHARON J. HOPKINS** applied for an American Express credit card in the name of House of Royale, Inc.

35. On or about January 30, 2004, **MARK E. HOPKINS** and **SHARON J. HOPKINS** opened a bank account at Wells Fargo Bank, NA in the name of House of Royale, Inc., account #xxxxxx0076.

36. On or about December 29, 2006, **SHARON J. HOPKINS** filed articles of incorporation for the House of Royale, Inc. with the Secretary of State for Nevada.

In violation of 18 U.S.C. § 371.

Count 2

37. Paragraphs 1 through 6, and 14 through 36, above, are hereby are incorporated by reference as if realleged and recited in full.

38. From in or about 1996 up to and including the date of this indictment, in the District of New Mexico, the defendants, **MARK E. HOPKINS** and **SHARON J. HOPKINS**, did willfully attempt to evade and defeat the payment of a large part of the income tax due and owing by them to the United States of America for the tax years set forth below and in the amounts set forth below, by, among other things, using nominees to conceal their income, bank accounts, and ownership of assets.

Tax Year	Taxpayer	Amount of Assessment	Tax Due and Owing with Interest and Penalties
1996	MARK HOPKINS	\$75,440	\$248,889
1997	MARK HOPKINS	\$76,900	\$231,225
1999	MARK HOPKINS	\$26,282	\$68,262
2000	MARK HOPKINS	\$29,528	\$67,809
2001	MARK HOPKINS	\$31,356	\$69,914
1996	SHARON HOPKINS	\$20,523	\$67,586
1997	SHARON HOPKINS	\$29,015	\$47,818

In violation of 26 U.S.C. § 7201.

Counts 3-8

39. Paragraphs 1 through 6, and 14 through 36, above, are hereby incorporated by reference as if realleged and recited in full.

40. For each year set forth below, **MARK E. HOPKINS** and **SHARON J. HOPKINS**, had received taxable income in the amounts set forth below, computed on a community property basis for calendar years 2002 through 2007. Based upon said taxable income, the defendants had a substantial tax due and owing to the United States. I

Knowing and cognizant of the foregoing facts and the legal duty deriving therefrom, **MARK E. HOPKINS** and **SHARON J. HOPKINS**, in the District of New Mexico, did willfully attempt to evade and defeat the assessment and payment of income taxes due and owing by them to the United States of America for each of the following calendar years by committing the following affirmative acts of tax evasion, among others: by failing to file any income tax returns on or before the due date of the tax returns, as required by law; by failing to pay those income taxes, and by, among other things, using nominees to conceal their income, bank accounts, and ownership of assets.

Count	Tax year	Community Property Share of Taxable Income	Tax Due and Owing Per Spouse	Statutory Due Date for the Tax Return
3	2002	\$130,494	\$36,579	4/15/2003
4	2003	\$135,641	\$35,425	4/15/2004
5	2004	\$145,222	\$38,773	4/15/2005
6	2005	\$167,407	\$45,976	4/17/2006
7	2006	\$161,761	\$43,801	4/16/2007
8	2007	\$155,855	\$41,402	4/15/2008

In violation of 26 U.S.C. § 7201.

A TRUE BILL:

/s/
FOREPERSON OF THE GRAND JURY

Assistant United States Attorney

04/08/09 7:35am