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State Auditor Gives Notice of Investigation of Taxation and Revenue Department Officials

SANTA FE – Today, State Auditor Tim Keller provided notice that the Office of the State Auditor (OSA) has conducted an initial investigation into alleged wrongdoing by senior level officials of the New Mexico Taxation and Revenue Department (TRD). An anonymous complaint to OSA’s fraud hotline alleged that senior level officials of the state agency improperly intervened in tax matters.

A preliminary investigation, or “predicate investigation,” was completed by an independent certified forensic and investigative accounting firm. The independent firm determined that the case merits further investigation concerning potential criminal and ethical violations. The conclusions of the independent firm were based on corroborated interviews with TRD employees and audio recordings of meetings involving senior officials.

The independent report found there was a basis for further investigation regarding: 1) whether officials used their positions to pressure TRD employees to obtain differential treatment for a certain taxpayer; 2) whether these actions were taken to protect a high-level official from individual liability stemming from previous work for the taxpayer; 3) whether officials violated professional standards with that conduct; 4) whether the state lost revenue as a result; and 5) whether employees who spoke up against the efforts experienced retaliation.

“There is no place for preferential treatment when it comes to taxpayers. Any abuse of power that costs our state revenue or leads to retaliation against employees who speak up is deeply troubling,” stated Auditor Keller.

The OSA has referred the allegations to the Office of the Attorney General and has provided written notification to the Office of the Governor. Additionally, the OSA may consider further work regarding whether there was a financial impact to the state.

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