

News Release

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Sauk Centre couple charged with tax crimes

ST. PAUL, Minn. – The Minnesota Department of Revenue announced that the Kandiyohi County Attorney’s Office recently charged Juan Mejia, 43, and Martha Mejia, 42, both of Sauk Centre, with sales and income tax-related felonies.

Juan and Martha are each charged with seven counts of filing fraudulent returns, eight counts of failing to pay taxes and one charge of failing to file a return for tax years 2008 through 2011.

According to the criminal complaint, the Mejia’s run La Michoacana, a grocery store, restaurant and money transfer business with locations in Willmar and Long Prairie. A review of the couple’s tax history shows they reported and paid little to no income tax, while their business has generated more than \$1 million per year. The business has been open for more than 12 years.

The complaint states that the couple owes an estimated \$238,000 in income tax and \$52,000 in sales tax. Between 2008 and 2011, the Mejia’s failed to report any taxable phone card sales, which totaled \$537,000. They also underreported their income for the same years by \$3.3 million. The complaint also states that records for the business show income as high as \$2.5 million in 2006. Between 2006 and 2011, however, they reported little to no taxable income for those years.

Each charge carries a maximum penalty of up to five years in prison and up to a \$10,000 fine.

The Minnesota Department of Revenue has a 24-hour tip line for anyone who suspects a person or business is violating tax laws. That number is 651-297-5195, or 1-800-657-3500 (TTY users call 711 for Minnesota Relay). Tipsters may remain anonymous and can also email the department at tax.fraud@state.mn.us. In 2013, 85 percent of the department’s criminal case referrals came from citizen tips.

While most taxpayers comply with tax laws voluntarily, the Minnesota Department of Revenue takes enforcement action against noncompliant taxpayers to ensure tax laws are fairly administered.

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