

Gambling ‘a horrible addiction’

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Many private business embezzlement cases spurred by gambling are never prosecuted. (Roberto E. Rosales/Albuquerque Journal)

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The story is an old one.

Long before Secretary of State Dianna Duran faced criminal charges for alleged misuse of campaign funds, New Mexicans – ranging from public officials to private employees to grandmothers – have been accused of turning to crime to pay for gambling habits.

Cases that grab headlines typically are those that involve thefts of public money. But fraud by addicted gamblers also takes its toll on New Mexico businesses and families, often with little or no public attention.

Private employers often choose not to prosecute fraud because they don't want the facts known to the public. And family members of compulsive gamblers often cover the costs with huge credit-card debts – knowingly and unknowingly.

Help for compulsive gamblers

The New Mexico Council on Problem Gambling was formed in 1998 to help compulsive gamblers and their families. The nonprofit operates a 24-hour crisis hotline and provides counseling for compulsive gamblers. Call the hotline at 1-800-gambler (1-800-426-2537), or 1-800-572-1142. For more information, visit nmcpg.org.

For other resources for problem gamblers, visit the New Mexico Gaming Control Board's website at nmgcb.org and click the link for "problem gambling."

The New Mexico Council on Program Gambling is supported by New Mexico's casinos and racinos, which by law, and under tribal gaming compacts, are required to pay 0.25 percent of their net win to fund programs for the treatment and prevention of compulsive gambling. That figure totaled \$662,724 for the fiscal year ending in June 2015.

The stories often involve respected professionals with spotless records who become criminals in a desperate effort to pay mounting gambling debts.

One of New Mexico's largest public fraud cases was that of Kathy Borrego, 51, who pleaded guilty in 2010 to embezzling \$3.4 million from the impoverished Jemez Mountain School District, where she worked as a business manager.

Borrego was found asphyxiated in an apparent suicide two days before her sentencing hearing, when she would have faced up to 41 years in prison.

"These charges were the only thing on her record," said Michael Jones, a Santa Fe attorney who represented Borrego.

Jones recalled Borrego as "a nice, normal, hardworking person," beloved by friends and family.

"She was a very nice woman with a horrible addiction," he said.

Borrego frequented casinos in the Española area and stole money from the district for at least five years to feed her growing addiction.

"Gambling addiction escalates because it doesn't stop," he said. "You need more and more money."

A case that garnered national attention in 2003 was that of Karen Yontz, a 50-year-old criminal investigator for the New Mexico Attorney General's Office.

Yontz died in a shootout with police in 2003 after she attempted to rob an Albuquerque bank to cover her gambling debt.

Federal prosecutions of fraud

Fraud cases that involve theft of federal funds are prosecuted by the U.S. Attorney's Office. They include:

- Robin Cash of Albuquerque, who was sentenced last year to 24 months in federal prison on embezzlement and tax charges for making unauthorized withdrawals of about \$203,000 at casinos in New Mexico and Las Vegas, Nev., U.S. Attorney Steven Yarbrough's office said. The funds were drawn from the bank account of La Pasada Halfway House in Albuquerque, where Cash worked as executive director.

- Jeffrey Wright, who was sentenced to eight years in federal prison in 2006 for embezzling \$4.97 million from Union Savings Bank in Albuquerque, where he served as vice president and chief financial officer. His attorney told a federal judge that Wright, then 32, stole the money from 2000 to 2005 to finance his gambling addiction. Wright also was ordered to pay restitution of \$3.1 million to the Federal Deposit Insurance Corp. and \$1.1 million to Union Savings Bank.

Under the radar

Although it seems New Mexico has more than its share of high-profile, gambling-caused tragedies and crooks, the problem is actually far deeper than that.

Most criminal cases involving addicted gamblers receive little or no public attention.

“They almost never make the press unless it’s a huge amount, or it’s someone in the public eye, like Dianna Duran,” said Dr. Guy Clark, chairman of Stop Predatory Gambling New Mexico.

An example is the case of Molly Martinez, 63, of Las Vegas, N.M., who pleaded guilty last March to charges that she embezzled more than \$200,000 from Rogers Mortuary in Las Vegas from 2005 to 2011.

State investigators said Martinez’s gambling activities totaled \$785,653 since 2002, despite her average salary of about \$26,000 a year, the Las Vegas Optic reported.

Agencies including the Office of the Attorney General, the state Department of Health and the Bernalillo County District Attorney’s Office said they keep no data on what crimes are committed due to gambling debts.

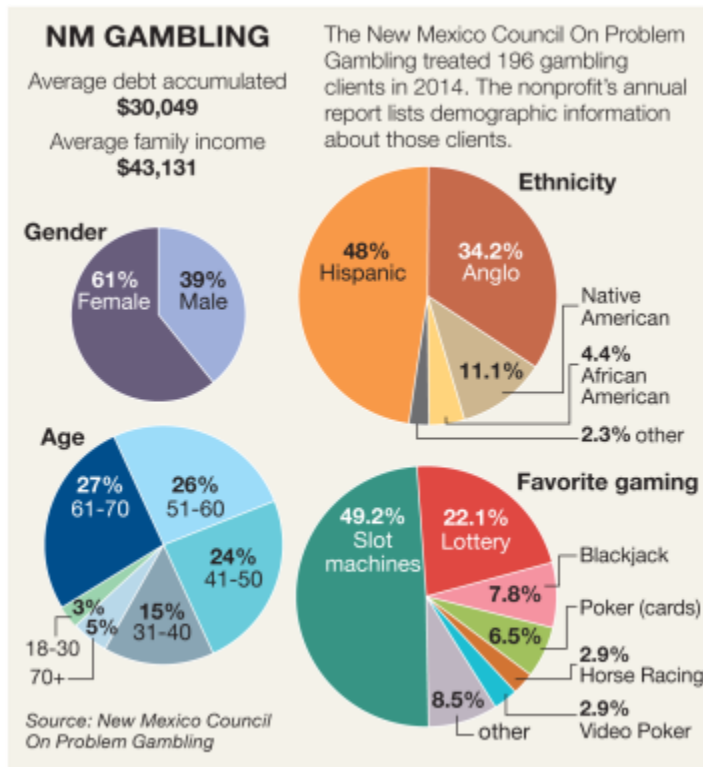
But they see plenty of it.

In July, a Bernalillo County jury convicted Nora Chee, 61, and Karl Candelaria, 51, on 38 counts of fraud, embezzlement and other charges for stealing \$270,000 from ATC Healthcare Staffing Services, said Kayla Anderson, a spokeswoman for the Bernalillo County District Attorney’s Office.

Chee had worked as an accounts-payable bookkeeper for the New York-based company. Records in the case show that many of the withdrawals were made at casinos, Anderson said.

Family members of addicted gamblers often are the first victims of fraud, said Kandace Blanchard, clinical director of the New Mexico Council on Problem Gambling, a nonprofit group that treats addicted gamblers.

Compulsive gamblers often borrow or steal money from family members, take out a second mortgage on the family home, remove money from a child's trust fund, or obtain credit cards in the name of a spouse or a child without their knowledge, she said.



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Some gamblers turn to shoplifting to support their addiction, she said.

“They are robbing Peter to pay Paul, and they’ll keep it going until it blows up,” Blanchard said.

Police and district attorneys often are reluctant to prosecute fraud in private companies, Blanchard said. Authorities consider theft by employees a failure of internal controls by employers, she said.

“Most of the clients that I see, they are not prosecuted,” Blanchard said. “If they are not high-profile, or if it doesn’t involve public money, from what I’ve seen, it goes without being prosecuted.”

Anderson said her office prosecutes embezzlements “when there is sufficient evidence,” whether from a public or private employer.

“However, many businesses do not want to prosecute and want only restitution,” she said. “If they are unwilling to prosecute, we can’t move the case forward. Many businesses don’t want others to know they have suffered losses due to embezzlement.”