



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **Federal Government Contractor Pleads Guilty to Accepting Kickbacks and Tax Evasion**

An Enterprise, Alabama, resident pleaded guilty today in U.S. District Court for the Southern District of Florida to accepting unlawful kickbacks and tax evasion, announced Acting Assistant Attorney General Caroline D. Ciralo of the Justice Department's Tax Division.

According to court documents and statements made in open court, Victor Villalobos, 47, worked for a federal prime contractor at Fort Rucker in Alabama. In 2009, Villalobos approached a subcontractor for this company and solicited illegal kickbacks on the federal subcontracts the subcontractor held in connection with the federal prime contractor. Villalobos agreed that in exchange for kickback payments he would refrain from conduct that would unfavorably affect the subcontractor's business relationship with the federal prime contractor and help ensure that the subcontractor obtained additional business.

As part of his plea, Villalobos admitted that from June 2009 to December 2014, he received approximately 57 separate wire transfers totaling more than \$1.9 million in kickback payments from various foreign and domestic bank accounts controlled by the subcontractor. At two separate meetings in 2015, Villalobos met with the subcontractor and accepted an envelope containing \$5,000 in cash and a bag containing \$55,000 in cash as kickback payments. Between June 2009 and February 2015, Villalobos attempted to conceal his receipt of the kickbacks by incorporating nominee entities and opening nominee bank accounts. Villalobos also admitted that he attempted to evade income taxes on the kickback payments by causing false federal income tax returns to be filed.

Villalobos faces a statutory maximum sentence of 10 years in prison for accepting the kickbacks and a statutory maximum sentence of five years in prison for tax evasion. He could also be fined up to \$500,000 or twice the gain from his crimes.

Acting Assistant Attorney General Ciralo commended special agents of IRS-Criminal Investigation, the U.S. Air Force's Office of Special Investigations and the Department of Defense's Office of the Inspector General, who investigated this case, and Trial Attorneys Charles M. Edgar Jr. and Jason H. Poole of the Tax Division, who are prosecuting this case. Ciralo also thanked the U.S. Attorney's Office of the Southern District of Florida for their substantial assistance.

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