



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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Federal Government Contractor Sentenced to Prison for Accepting Kickbacks and Tax Evasion

Concealed Receipt of Approximately \$2 Million in Kickbacks from IRS

An Enterprise, Alabama, resident was sentenced today in the Southern District of Florida to 48 months in prison to be followed by three years of supervised release for 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, Alabama. In 2009, Villalobos approached Maxim Silinsky, a Florida-based subcontractor for this company, and solicited illegal kickbacks on the federal subcontracts that Silinsky 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 Silinsky's business relationship with the federal prime contractor and help ensure that he 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 Silinsky. At two separate meetings in 2015, Villalobos accepted envelopes from Silinsky containing cash kickbacks totaling \$60,000. Between June 2009 and February 2015, Villalobos attempted to conceal his receipt of the kickbacks by forming nominee entities and opening nominee bank accounts. Villalobos also admitted that he evaded paying income taxes on the kickback payments by causing false federal income tax returns to be filed with the Internal Revenue Service (IRS).

In addition to his prison sentence, U.S. District Judge Daniel T.K. Hurley ordered Villalobos to pay \$542,562 in restitution to the IRS. As part of his plea agreement, Villalobos also agreed to be permanently debarred from federal government contracting.

Silinsky pleaded guilty to filing a false tax return in November 2015 and cooperated in the investigation and prosecution of Villalobos. Silinsky was sentenced to one year and one day in prison on Feb. 2. Silinsky also cooperated in the investigation and prosecution of Trevor Smith, a retired U.S. Air Force Master Sergeant who pleaded guilty in October 2015 to unlawfully disclosing confidential procurement information and filing a false tax return. On Jan. 28, Smith was sentenced to 18 months in prison.

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

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