

JUSTICE NEWS

Department of Justice
Office of Public Affairs

FOR IMMEDIATE RELEASE

Tuesday, February 2, 2016

SOUTH FLORIDA GOVERNMENT CONTRACTOR SENTENCED TO PRISON FOR TAX FRAUD

A government contractor based in Fort Lauderdale, Florida, was sentenced to 12 months and one day in prison for filing a false income tax return, Acting Assistant Attorney General Caroline D. Ciraolo of the Justice Department's Tax Division announced today.

According to court documents, Maxim Silinsky, 44, owned an aircraft-leasing and parts-supply company called Simplex Corporation. Simplex contracted with the federal government to lease Russian aircraft to the U.S. Air Force for training purposes and to supply parts and equipment to U.S. military forces deployed to Afghanistan.

Silinsky used a complex web of domestic and foreign corporate entities and financial accounts to facilitate his underpayment of both corporate and individual income tax for the years 2007 through 2010. Silinsky filed false corporate tax returns for these years that overstated Simplex's expenses. For the years 2008 through 2010, Silinsky also filed false individual income tax returns on which he understated the amount of income he received from the business. To conceal his fraud from the Internal Revenue Service (IRS), Silinsky transferred approximately \$1.7 million from Simplex to nominee bank accounts that he controlled and disguised the transfers as costs of goods sold, which led to overstated costs-of-goods-sold expenses on Simplex's corporate returns. In 2012, during an audit of Simplex's 2008 corporate return, Silinsky made false statements to the IRS about these expenses. Silinsky also purchased real estate using funds he diverted from the business and titled the property in nominee names to hide his involvement. Additionally, a family member served as a nominee shareholder of a shell corporation that Silinsky established to receive income from Simplex on his behalf, which allowed Silinsky to pay taxes on this money at a lower rate. In the plea documents, Silinsky also admitted that he was involved in making illicit payments to a government contractor and U.S. military personnel.

"All taxpayers are required to provide truthful information to the Internal Revenue Service, whether it be on a tax return, during an audit, or with respect to collections" said Acting Assistant Attorney General Ciraolo. "The Tax Division is committed to pursuing those taxpayers who seek to obstruct or evade the assessment and collection of federal income taxes by lying to the government about their income, expenses or assets."

Silinsky cooperated with federal authorities in the prosecution of a federal government contractor, [Victor Villalobos](#), and a retired senior non-commissioned Air Force officer, [Trevor Smith](#), who have both pleaded guilty in separate cases to government contracting and tax fraud. Smith was sentenced last month to 18 months in prison and Villalobos is set to be sentenced on Feb. 17.

In addition to the prison term, Silinsky was also ordered to pay a \$6,000 fine. Silinsky paid restitution to the IRS prior to his sentencing.

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

Additional information about the Tax Division and its enforcement efforts may be found on the division's [website](#).

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Tax Division

Updated February 2, 2016