

NEWS

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Former Morris County Developer Sentenced to
One Year in Prison for Tax Evasion; \$11.5 Million
in Civil Taxes, Penalties and Interest Paid to Date

(More)

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NEWARK – The developer of a Morris County condominium community was sentenced today to a year in prison for evading corporate income taxes, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

U.S. District Judge Dennis M. Cavanaugh ordered Morton Salkind, 77, of Denville and Aventura, Fla., to turn himself in to the federal Bureau of Prisons on Oct. 5 to begin serving his prison sentence at a facility yet to be determined. Judge Cavanaugh also ordered Salkind to pay a \$30,000 fine and to serve two years of supervised release after leaving prison.

Salkind had previously agreed to pay back civil taxes, penalties and interest on his individual income taxes of approximately \$17 million and to date has paid \$11.5 million. That leaves a balance due the government of nearly \$6 million for which he remains liable.

“The prison sentence is appropriate and just,” said Marra. “Salkind is a 77-year-old man who is going to federal prison and who has already paid the United States \$11.5 million in taxes, penalties and interest. This is a very good outcome thus far.”

“Today’s sentence sends a strong deterrent message that tax evasion is not a victimless crime,” said William P. Offord, Special Agent in Charge of the IRS Criminal Investigation Division. “Honest, hardworking Americans pay the price when others choose to intentionally avoid their tax obligations.”

Salkind pleaded guilty to tax evasion before Judge Cavanaugh on May 28, 2008, and admitted that he made false accounting entries in the books and records of Fox Development, Inc., the company that developed the Fox Hills over-55 residential community in Rockaway Township.

Salkind admitted that the false accounting entries included claiming approximately \$5.7 million in expenses related to the development of Fox Hills that were never incurred. He also admitted that false accounting entries inflated legitimate project expenses by approximately \$136,000. Salkind, who was the Vice President, Secretary and Treasurer of Fox Development, admitted causing the filing of a 2001 Corporate U.S. Income Tax Return that understated Fox Development’s income because of those false accounting entries.

In connection with his plea, Salkind agreed to resolve his and his wife’s personal civil tax liabilities with respect to certain tax years between 2000 and 2005, as well as Fox Development’s tax liabilities for those years.

Marra credited Special Agents of the IRS Criminal Investigation Division, under the

direction of Special Agent in Charge William P. Offord, with the investigation leading to the guilty plea. The case was prosecuted by Seth Kosto of the Criminal Division in Newark.

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Defense counsel: Mark Ruffolo, Esq., Livingston