

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
v. : Crim. No.
DAVID EVDOKIMOW : 18 U.S.C. § 371 & 26 U.S.C. § 7201
& 18 U.S.C. § 2

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark, charges:

COUNT 1
(Conspiracy to Defraud the United States)

Defendant and His Medical Practice

At all times material to this Indictment:

1. Defendant David Evdokimow, a resident of Harding Township, New Jersey, was a plastic surgeon with an office located in Basking Ridge, New Jersey. Defendant Evdokimow conducted his medical practice in the name of, and through, a corporate entity known as De'Omilia Plastic Surgery, P.C. ("De'Omilia")

2. Defendant received income from two sources for the professional services he rendered: checks that were issued to De'Omilia by health insurance carriers and checks that were issued by patients (either as co-payments or payments in full where a patient was without insurance coverage).

3. Income paid to defendant Evdokimow via De'Omilia from health insurance carriers made up the major part of defendant Evdokimow's income and was required to be, and was, reported to the Internal Revenue Service

("IRS") by the carriers through IRS Form 1099 ("1099 De'Omilia Income"). The carriers also provided the same form and information to defendant Evdokimow for his use in completing federal income tax returns.

4. Defendant Evdokimow deposited the 1099 De'Omilia Income into accounts in the name of De'Omilia Plastic Surgery, P.C. at the various banks, listed below, with defendant Evdokimow in sole control as the only authorized signatory of these accounts:

	Account Dates	Account No. Ending In:	Bank
a)	1/1/06-4/30/06	0804	Bank of America
b)	3/1/06-5/31/07	0692	Bank of America
c)	4/19/06-4/30/07	0786	Bank of America
d)	12/7/06-2/29/08	7656	Wachovia
e)	1/10/07-2/29/08	3505	Washington Mutual
f)	12/6/07-11/30/10	2532	Peapack-Gladstone Bank
g)	12/14/07-12/31/10	5209	JPMorgan Chase

5. Income paid to defendant Evdokimow, via De'Omilia, directly from patients was not reported to the IRS by means of IRS Form 1099 or any other means.

The Internal Revenue Service

6. The IRS, an agency of the United States within the Department of the Treasury, administered the revenue laws of the United States and, among other responsibilities, assessed and collected federal income taxes.

The Conspiracy to Defraud the United States

7. From in or around sometime in 2005, the exact date being unknown to the Grand Jury, and continuing thereafter up to and including the mid-part of 2012, in the District of New Jersey, and elsewhere, defendant

DAVID EVDOKIMOW

did knowingly and willfully conspire, combine, confederate, and agree with other individuals, both known and unknown to the Grand Jury, to defraud the United States by impeding, impairing, obstructing, and defeating the lawful government functions of the Internal Revenue Service of the Department of Treasury to ascertain, compute, assess, and collect income taxes.

Object of the Conspiracy

8. It was the object of the conspiracy for defendant Evdokimow to unlawfully enrich himself by not reporting, and not paying federal income taxes on, a large portion of his income and concealing his failure to do so by the fraudulent and deceptive means and methods described below.

Means and Methods of the Conspiracy

Use of 1099 De'Omilia Income for Personal Purposes

9. It was part of the conspiracy that defendant Evdokimow would and did use funds directly from the seven De'Omilia corporate bank accounts listed in paragraph 4, above, to pay personal expenses such as luxury purchases of designer apparel, jewelry, travel-vacations, artwork, the acquisition and maintenance of multiple residences and other real estate, while falsely

attributing these expenses to De'Omilia's corporate operations and not including these payments as income on his personal tax returns.

10. It was a further part of the conspiracy that, by falsely characterizing personal expenses as corporate expenses, defendant Evdokimow received an additional approximately \$3,123,721 in personal income from the seven De'Omilia corporate bank accounts which he failed to report to the IRS on his federal income tax returns.

Diversion of De'Omilia Income to Shell Corporations

11. It was part of the conspiracy that defendant Evdokimow's coconspirators would and did form numerous corporations for the sole purpose of opening bank accounts in the name of these corporations ("Shell Corporations").

12. It was a further part of the conspiracy that defendant Evdokimow would and did arrange for other individuals to open the bank accounts for the Shell Corporations, with these individuals named as the sole signatories on these accounts so as to conceal any connection between defendant Evdokimow and the Shell Corporations and their bank accounts.

13. It was a further part of the conspiracy that defendant Evdokimow would and did arrange for the individuals named on the accounts to have signature stamps made of their signatures and to then hand over these signature stamps to defendant Evdokimow, thereby giving defendant Evdokimow full access to use and control the bank accounts for the Shell Corporations.

14. It was a further part of the conspiracy that defendant Evdokimow would and did funnel and divert millions of dollars in 1099 De'Omilia Income into the bank accounts in the names of the Shell Corporations as if these corporations provided legitimate goods and/or services to De'Omilia.

15. It was a further part of the conspiracy that defendant Evdokimow would and did then use the diverted 1099 De'Omilia Income for his personal pursuits and purposes without reporting the diverted income to the IRS on his federal income tax returns.

16. It was a further part of the conspiracy that defendant Evdokimow would and did use the 1099 De'Omilia Income diverted to the Shell Corporations and their bank accounts to pay for approximately \$2,407,165 in personal expenses, such as the acquisition and maintenance of multiple residences and other real estate, which defendant Evdokimow failed to report as income on his federal tax returns.

Cashing-Out of Checks from Patients

17. It was a part of the conspiracy that defendant Evdokimow would and did open the bank accounts at the banks listed below and then would and did use these accounts to cash checks received directly from patients for professional medical services rendered to them by defendant Evdokimow:

Dates	Account No. Ending In:	Bank	Account Name
12/2007-5/2010	2540	Peapack Gladstone Bank	David Evdokimow Trust
1/2007-11/2008	3505	Washington Mutual	De'Omilia Plastic Surgery

18. It was a further part of the conspiracy that defendant Evdokimow cashed a total of approximately \$339,465 in checks received from patients which he failed to report on his federal income tax returns.

Overt Acts

19. In furtherance of the conspiracy and in order to effect its object, defendant Evdokimow and his coconspirators did commit the following overt acts, among others, in the District of New Jersey and elsewhere:

a) In or around sometime in 2005, defendant Evdokimow met with coconspirators at the Marriot Marquis Hotel in New York, New York and discussed means by which defendant Evdokimow's assets could be protected from patients' lawsuits and how taxes on his income could be reduced.

b) On or about March 10, 2006, at the direction of defendant Evdokimow, an individual ("Individual One"), opened a bank account, ending in 5965, at JP Morgan Chase Bank, in the name of Med Tech Provisioning, Corp., a corporation previously formed by one of defendant Evdokimow's coconspirators.

c) On or about April 24, 2006, at the direction of defendant Evdokimow, an individual ("Individual Two"), opened a bank account, ending in 5432, at Bank of America, in the name of Finassist Associates, Inc., a corporation previously formed by one of defendant Evdokimow's coconspirators.

d) On or about May 7, 2007, at the direction of defendant Evdokimow, Individual Two opened a bank account, ending in 4131, at WAMU, in the name of Finassist Associates, Inc., a corporation previously formed by one of defendant Evdokimow's coconspirators.

e) On or about August 8, 2007, at the direction of defendant Evdokimow, Individual One opened a bank account, ending in 0716, at Wachovia Bank, in the name of Medico Supply Services, Inc., a corporation previously formed by one of defendant Evdokimow's coconspirators.

f) On or about December 14, 2007, at the direction of defendant Evdokimow, Individual Two opened a bank account, ending in 5291, at WAMU, in the name of Finassist Associates Inc., a corporation previously formed by one of defendant Evdokimow's coconspirators.

g) On or about July 28, 2008, at the direction of defendant Evdokimow, Individual One opened a bank account, ending in 8009, at WAMU, in the name of Med Tech Source, LLC, a corporation previously formed by one of defendant Evdokimow's coconspirators.

h) On or about March 26, 2009, at the direction of defendant Evdokimow, Individual One opened bank accounts ending in:

i) 6124, at JP Morgan Chase Bank, in the name of Med-U-Tech, Inc., a corporation previously formed by one of defendant Evdokimow's coconspirators;

ii) 6132, at JP Morgan Chase Bank, in the name of Finaid, Inc., a corporation previously formed by one of defendant Evdokimow's coconspirators; and

iii) 6140, at JP Morgan Chase Bank, in the name of Globe Concepts Management, Inc., a corporation previously formed by one of defendant Evdokimow's coconspirators.

i) In or around June 2011, after learning that a bank would no longer cash patients' checks for him, defendant Evdokimow opened a new bank account for that purpose at Investors Savings & Loan.

j) Between in or around July 2011 and on or around January 21, 2012, defendant Evdokimow cashed approximately \$152,097 in patients' checks at Investors Savings and Loan.

All in violation of Title 18, United States Code, Section 371.

COUNTS 2 - 5
(Personal Income Tax Evasion)

1. Paragraphs 1 through 6 and 8 through 19 of Count 1 are incorporated by reference as if fully set forth herein.

2. On or about the dates shown below, in the District of New Jersey, and elsewhere, defendant

DAVID EVDOKIMOW

knowingly and willfully did attempt to evade and defeat a substantial part of the income tax due and owing to the United States for the tax years set forth below, in that he signed, filed, and caused to be filed with the Internal Revenue Service the tax returns, Form 1040 listed in the chart below, knowing them to be false and fraudulent in that the taxable income reported by defendant Evdokimow did not include the following income sources:

a) the 1099 De'Omilia Income which defendant Evdokimow used to pay his personal expenses, as described in paragraphs 9 to 10 of Count 1 of this Indictment;

b) the 1099 De'Omilia Income which defendant Evdokimow diverted to the Shell Corporations and their bank accounts and used for his personal expenses and benefit, as described in paragraphs 11 to 16 of Count 1; and

c) for the tax years 2009 and 2010, income which defendant Evdokimow derived from cashing patients' checks and used to pay personal expenses, as described in paragraphs 17 and 18 of Count 1:

Count	Filed on or About	Tax Year	Approximate Amount of Additional/Unreported Income	Approximate Amount of Additional Tax Due and Owing
2	10/20/08	2007	\$2,592,184	\$402,029
3	5/1/09	2008	\$ 563,974	\$ 96,608
4	10/19/10	2009	\$ 842,261	\$137,656
5	10/20/11	2010	\$1,055,270	\$162,578

In violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

COUNTS 6 - 8
Corporate (De'Omilia) Tax Evasion

1. Paragraphs 1 through 6 and 8 through 19 of Count 1 are incorporated by reference as if fully set forth herein.

2. On or about the dates shown below, in the District of New Jersey, and elsewhere, defendant

DAVID EVDOKIMOW

knowingly and willfully did attempt to evade and defeat a substantial part of the income tax due and owing to the United States for the tax years set forth below, in that he signed, filed, and caused to be filed, with the Internal Revenue Service the corporate tax returns, IRS Form 1120, for De'Omilia, described below, knowing them to be false and fraudulent in that the taxable income reported by De'Omilia did not include:

a) the 1099 De'Omilia Income directly used by defendant Evdokimow for his personal expenses and benefit as described in paragraphs 9 and 10 of Count 1 of this Indictment;

b) the 1099 De'Omilia Income diverted by defendant Evdokimow to the Shell Corporations and their bank accounts and used for his personal expenses and benefit, as described in paragraphs 11 to 16 of Count 1; and

c) for the tax years 2009 and 2010, income which defendant Evdokimow derived from cashing patients' checks and used to pay his personal expenses, as described in paragraphs 17 and 18 of Count 1:

Count	Filed on or About	Tax Year	Approximate Amount of Additional/Unreported Income	Approximate Amount of Additional Tax Due and Owing
6	10/7/10	2008	\$ 354,775	\$123,025
7	10/7/10	2009	\$ 842,260	\$288,914
8	9/22/11	2010	\$1,055,270	\$369,345

In violation of Title 26, United States Code, Section 7201 and Title 18,
United States Code, Section 2.

A TRUE BILL



PAUL J. FISHMAN
United States Attorney

FOREPERSON

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

DAVID EVDOKIMOW

INDICTMENT FOR

18 U.S.C. § 371 & 26 U.S.C. § 7201 & 18 U.S.C. 2

A True Bill,

Foreperson

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