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### **Spain's Princess Cristina Faces Trial For Tax Evasion, Could Get Four Years**

Spain's Princess Cristina, age 49, youngest daughter of former King Juan Carlos, has been ordered to stand criminal trial for tax evasion. She is sixth in line to the Spanish throne. With serious charges against both the Princess and her husband, her once fairy tale wedding to professional handball player Inaki Urdangarin now seems considerably less story book. Jail is at stake.

In fact, the indictment went against a prosecutor's recommendation that Princess Cristina should just be fined, with only her husband being criminally tried. If she is convicted, Princess Cristina could face up to four years in prison. In a civil case, a far-right group called Manos Limpias ("Clean Hands") had hoped for an eight-year prison sentence for the princess and 26.5 years for her husband.

But a possible 4 years for Cristina and up to 19 years for Mr. Urdangarin are still high by any standard. The princess' trial with her husband relates to a company they owned called Aizoon. Mr. Urdangarin is accused of embezzling millions in public funds with a former business partner. It should be an unprecedented criminal trial given the pending two counts of tax fraud.



Mr. Urdangarin is charged with fraud, falsifying documents and embezzlement. The former Olympic handball player later ran the charitable Nóos Institute, which is accused of siphoning 5.8 million euros in public funds and funneling it into private companies and offshore tax havens. Both Cristina and her husband have denied wrongdoing.

Cristina's brother, Felipe is [on the throne of Spain](#) and promised an "honest and transparent monarchy." In late October, 51 people including six mayors [were arrested for bribery and embezzlement](#). Another 86 politicians and bankers are being investigated over racking up personal charges from groceries to safaris. The royals are a big catch, even bigger than [Lionel Messi](#) who earns \$50 million a year is [#4](#) on Forbes' list of the 100 highly paid athletes.

A key element in Messi's case is the clandestine nature of a tiered arrangement, with money routed through U.K. and Swiss companies, then to companies in Uruguay and Belize to make it opaque. In a sense, secrecy itself is under attack. The U.K. has moved to make company ownership entirely transparent. The topic of company ownership transparency is being discussed in Brussels too.

As for Princess Cristina, the prosecutor thinks Mr. Urdangarin used his royal credentials to divert millions of euros from contract fees toward companies and offshore accounts he and his business associates controlled. Transparency is the new universal goal, and to achieve it, there will clearly be some fallout. Juan Carlos was admired for a transition to democracy after Francisco Franco, but was then widely criticized and eventually abdicated.

There is certainly some anti-royal sentiment to the case, including allegations the royal couple may have used company funds to cover expenses at their Barcelona home. In that sense, this tax case could be similar to many others in which defendants are accused of not maintaining a division between business and personal. That is a common tax problem among entrepreneurs, and has recently been mentioned in connection with Reverend Al Sharpton's tax woes.

It also remains one of the most important lines in the tax law. Many tax disputes come down to the fundamental divide between business and personal. In this case, this trial will be very public too.

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