



Robert W. Wood

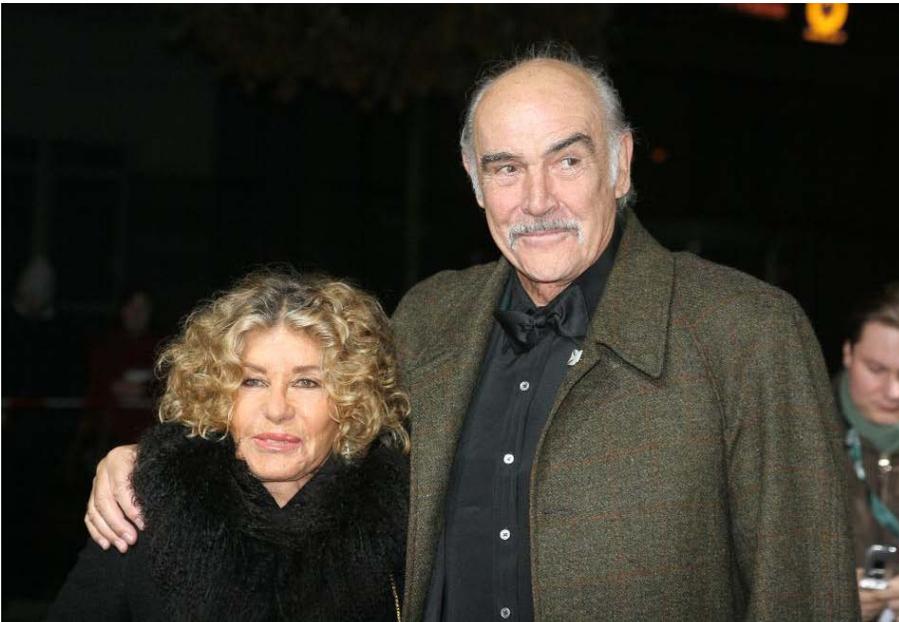
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Sean Connery's Wife Could Face Prison In 'Operation Goldfinger' Tax Case

Sean Connery has not played James Bond for years, but is still a public figure prosecutors might like to attack. He was cleared, but Mr. Connery's wife, Micheline Roquebrune, has been charged with taking part in an alleged plot to [defraud the Spanish treasury of millions in taxes](#). It is still only an indictment, but if she is convicted, she could face a fine of up to \$24 million. She could even go to prison for up to two and a half years. At age 86, that is a daunting prospect.

The fact that Spanish officials seem to be trophy hunting is evidenced by their use of the term '[Operation Goldfinger](#)' to describe the case. It reads like many other tax scandals. They claim that Ms. Roquebrune conspired with lawyers and businessmen to hide profits from a property sale. It sounds not unlike the accusations filed against [Dolce & Gabbana](#). Ms. Roquebrune denies the allegations, which go all the way back to a 1998 sale of her home with Connery.



Sir Sean Connery and wife Micheline Roquebrune

An indictment released by the Marbella state prosecutor accuses Ms. Roquebrune of taking part in a tax fraud relating to the sale of the couple's property in Marbella, Spain. The prosecution claims that lawyers and businessmen helped her to formalise "fictitious legal transactions" that hid the profits. The property was demolished after the sale so luxury flats could be built on the site. Aside from taxes, part of the flap involves a dispute whether there was planning permission for family homes or flats.

The case has been unusually protracted, with each side crying foul. Investigating magistrate, Alfredo Mondeja, blamed Mr. Connery and Ms. Roquebrune for delays. Mr. Connery was cleared only after he *finally* sent in an affidavit two and a half years after it was requested. That was over three years after [Connery and his wife failed to appear in court](#).

Like the tax case Spain lodged against Argentinian athlete [Lionel Messi](#) of Spanish team FC Barca, this one is worth watching. Taxes have become a worldwide spectator sport, and the word of the decade is *transparency*. Much of the impetus for such cases arguably comes from the Swiss banking crisis. In 2009, the IRS and Department of Justice sliced through the Gordian knot of bank secrecy to collect account holder names and a \$780 million penalty from UBS. Many other Swiss banks have fallen into line.

A few closed their doors, and all of the rest now say that Swiss bank secrecy really didn't mean what you thought it meant. Credit Suisse paid a [\\$2.6 billion fine](#), accepting a U.S. felony tax charge, an astounding hit. Spanish prosecutors went after Lionel Messi and his father for tax evasion, focusing on secrecy. Part of the case against Ms. Roquebrune is also about transparency.

With [FATCA](#)—the Foreign Account Tax Compliance Act—transparency is the new normal. It requires foreign banks to reveal American accounts over \$50,000. The world has agreed, even Russia and China, and names are being revealed to the IRS. Already in U.S. administrative cases with the IRS and tax prosecutions, trusts and companies are under fire. The IRS and DOJ use these common devices to enhance the willfulness that may be present. In many ways, the cover-up is worse than the crime. In some cases, such layers can make innocent activity [willful](#).

A key element in many tax prosecutions is the use of shell entities and hidden names. Although celebrities have their own reasons to make their financial

affairs opaque, some governments now want to infer tax avoidance. In that sense, secrecy itself is under attack. For example, the U.K. has moved to make company ownership entirely transparent. The topic of company ownership transparency is being discussed in Brussels too.

Nominee ownership used to be common. Nominees are straw-men listed as owners or directors of a company, but who are acting on behalf of someone else. This once common device is now often seen as a problem that triggers others. From Spanish and other authorities, the message has been a stern one. Whatever happens in Spain, secrecy and willfulness may be linked like never before.

For alerts to future tax articles, email me at Wood@WoodLLP.com. This discussion is not intended as legal advice.