



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, DECEMBER 18, 2007
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

FORMER PRESIDENT OF DOMEQC IMPORTERS INC. SENTENCED TO 10 YEARS IN PRISON

WASHINGTON – The former president and co-owner of Domecq Importers Inc. of Larchmont, N.Y., and Old Greenwich, Conn., was sentenced to serve 10 years in prison for conspiring to commit tax fraud and to defraud Allied Domecq PLC, the Department of Justice announced today. Michael L. Domecq, sentenced today in the U.S. District Court in Manhattan, will serve two consecutive 60 month sentences. Domecq will also pay more than \$4.5 million in restitution.

Domecq, who was originally indicted on Sept. 5, 2000, pleaded guilty to the charges on June 26, 2007, in U.S. District Court in Manhattan. According to the indictment, Domecq and other top executives at Domecq Importers, with the assistance of certain outside vendors of advertising materials and services, diverted more than \$14.6 million from Domecq Importers into their personal offshore bank accounts. The conspiracy took place from at least as early as 1989 until October 1995. Domecq and the co-conspirators also failed to pay income taxes on most, if not all, of the diverted money.

In accordance with the plea agreement, Domecq filed amended tax returns with the Internal Revenue Service (IRS) from 1989 through 1994, as well as original tax returns for 1995 through 2006.

Domecq was extradited from the United Kingdom in 2007 following his 2006 arrest and conviction for possessing a false Spanish passport and illegally obtaining a United Kingdom driver's license. Earlier, Domecq had forfeited a € 600,000 bond when he failed to appear at an extradition hearing in Spain. Formerly a resident of Greenwich, Conn., he moved to Spain in 1997 while the investigation was pending.

“Today’s sentence reflects the seriousness of the offenses and the obstructive conduct committed by the defendant while attempting to escape U.S. jurisdiction,” said Thomas O. Barnett, Assistant Attorney General in charge of the Department’s Antitrust Division.

Three former top executives of Domecq Importers — Chief Financial Officer Alfredo Valdes, Vice President of Marketing Gabriel Sagaz, and Vice President of Sales Thomas Kaminsky — previously pleaded guilty to charges related to the same conspiracy. Valdes was sentenced to five years in prison and ordered to pay \$1.6 million in restitution to the IRS. Sagaz was sentenced to six months in prison and ordered to pay a \$15,000 criminal fine and \$300,000 in restitution to the IRS. Kaminsky was sentenced to three years probation with six months of home confinement. Additionally, two outside vendors of advertising display materials, Mary Burke and Alvin Appel, previously pleaded guilty to related offenses and were sentenced to three years probation.

At the time of the offenses, Domecq Importers imported and distributed numerous brands of liquor, including Sauza tequila, Presidente brandy, Courvoisier cognac, and Beefeater gin. From 1994 through 2005, Domecq Importers was an American subsidiary of Allied Domecq PLC. Pernod Ricard of Paris acquired Allied Domecq PLC on July 26, 2005. Pernod Ricard subsequently sold several former Allied Domecq brands to Fortune Brands of Lincolnshire, Ill.

Today's sentence is the result of a joint investigation between the Antitrust Division's New York Field Office, the U.S. Attorney's Office for the Southern District of New York, the New York office of the Federal Bureau of Investigation, and the New York Office of the Criminal Investigation Division of the IRS. The U.S. Attorney's Office for the District of New Jersey prosecuted Thomas Kaminsky.

###

07-312