



## Film producer indicted for multi-decade tax conspiracy

The J5 welcomed the indictment of a film producer and an Australian accountant by a federal grand jury.

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The Joint Chiefs of Global Tax Enforcement (J5) welcomed the indictment of a film producer and an Australian accountant by a federal grand jury 13 September 2024, for crimes related to their roles in a multi-decade conspiracy to defraud the United States by concealing the movie producer's income and assets offshore.

According to the indictment, which notes all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law, Nigel Sinclair is a film producer who founded several successful movie production companies and Anthony Stewart is an accountant in Australia. In 2000, Sinclair co-owned Intermedia, a film production company he co-founded. He held half of his Intermedia shares in the name of a Maltese nominee entity that he controlled. When the company was listed on a foreign stock exchange, Sinclair caused his shares held by the Maltese company to be sold for approximately \$25 million. He and Stewart then conspired with others to conceal these proceeds by depositing them into nominee bank accounts in Switzerland. Over the years, Sinclair used these proceeds to fly on private jets, purchase an \$800,000 guitar owned by a famous rock musician, fund his next production company and build himself an 8,000 square foot vacation home in the Jackson Hole area of Wyoming. Stewart and others, among other things, used corporate entities and created fake documents to disguise the true ownership and source of the funds Sinclair used to do so.

In 2004, one of Sinclair's co-conspirators was arrested in Australia and his laptop seized. The laptop contained files related to Sinclair and other individuals' offshore financial dealings. The seizure of the laptop

was the impetus for a significant tax evasion investigation in Australia, code-named Project Wickenby. As the investigation progressed, and concerned about a possible IRS inquiry as well, Sinclair, Stewart and their co-conspirators took steps to avoid detection by authorities, including by moving Sinclair's assets into the name of new nominees, destroying potentially incriminating documents by flushing them down the toilet, talking in code and communicating on burner phones.

In 2015, Sinclair tried to use the IRS' Streamlined Domestic Offshore Procedures. Under those procedures, the IRS offered taxpayers with undisclosed foreign assets the opportunity to make timely, accurate and complete disclosures to resolve their non-compliance and limit their criminal exposure. A taxpayer who certified under penalties of perjury that their failure to comply was non-willful – usually defined as the result of negligence or mistake – could pay significantly reduced penalties. In his disclosure Sinclair made several false statements about his foreign assets and underreported their value. In addition, despite admitting in his 2015 voluntary disclosure that he had a foreign bank account, Sinclair did not report that bank account on Reports of Foreign Bank Account and Financial Accounts (FBARs) that he filed with the U.S. Treasury Department for 2016 or 2017.

Lastly, in 2020 Sinclair encouraged one of his co-conspirators to tell a false narrative to U.S. authorities as part of a grand jury investigation. Sinclair is alleged to have caused a tax loss to the IRS of more than \$5 million.

'These indictments are significant examples of the steps in which individuals will go to cover up greed and criminal activity', and said U.S. Chief Guy Ficco, head of Internal Revenue Service Criminal Investigation (IRS-CI). 'Even after it became clear that a criminal investigation was looking into their alleged criminal activity, they took steps to cover their tracks to ensure they could continue to reap the proceeds of that criminal activity. The partnership between the ATO and the J5 continues to pay dividends and this case is yet another example.'

'This indictment and extradition demonstrates the ATO led Serious Financial Crime Taskforce's ongoing commitment to working with our J5 partners. The collaboration between the SFCT and J5 alliance shapes and strengthens our operational, tactical and strategic response', said Australian Chief John Ford, Deputy Commissioner at the Australian Taxation Office (ATO). 'The SFCT played a key role in this outcome through the provision of a variety of unique intelligence

and investigation activities. With new approaches to data analytics, information sharing and collaboration across multiple jurisdictions and countries, our global response is stronger than ever.'

Sinclair and Stewart were charged with conspiracy to defraud the United States. Sinclair was also charged with filing false tax returns, filing false FBARs and obstruction of justice. If convicted, Sinclair and Stewart face a maximum penalty of 5 years in prison for conspiracy. Sinclair also faces a maximum penalty of 3 years in prison for each filing a false tax return charge, a maximum penalty of 5 years in prison for each false FBAR charge and a maximum penalty of 20 years in prison for the obstruction charge.

IRS-CI is investigating the case with assistance provided by the ATO as part of the J5. The J5 works together to gather information, share intelligence and conduct coordinated operations against transnational financial crimes. The J5 includes the ATO, the Canada Revenue Agency, the Dutch Fiscal Intelligence and Investigation Service, His Majesty's Revenue and Customs from the United Kingdom, and IRS-CI from the U.S.

For more information about the J5, please visit [www.irs.gov/j5](http://www.irs.gov/j5).

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