



Informer

Janet Novack, Matthew Rand, & William P Barrett 05.22.06

And He Didn't Sue

Victor Posner, the Miami corporate raider, convicted tax evader and on-and-off Forbes 400 member, made "substantial gifts" for more than 20 years before his 2002 death but never filed the required federal tax returns, his representatives say. The Posner estate, enmeshed in a long-running probate pitting relatives against his girlfriend over the estimated \$200 million stash, made the disclosure in a new lawsuit against the Internal Revenue Service seeking to apply \$9 million of already paid death taxes toward gift tax and interest. In 1987, after pleading no contest to ten tax fraud counts, Posner got probation and paid \$7 million. He was legendary for looting the firms he ran. During his lifetime we once called him "that old crook" in print. --*Janet Novack*

A Pretty Big Fumble

Computer games pioneer William M. (Trip) Hawkins III--who helped found Electronics Arts, 3DO and, most recently, cell phone game company Digital Chocolate--is suing KPMG for fraud and negligence, saying it sold him two bogus tax shelters. A federal judge's opinion allowing him to pursue the accountancy in a California state court says Hawkins, 52, reaped "substantial capital gains" from stock sales starting in 1996 and sought from KPMG "help in minimizing the taxes." He ended up with Flips and Opis, shelters using offshore entities that the IRS later disallowed as shams. A Hawkins pleading complains he was audited for four straight years and had to cough up \$13 million in interest and penalties atop unspecified back taxes. KPMG has acknowledged peddling illegal shelters but hasn't answered Hawkins' particulars in court and declined comment here. Apple Computer's first marketing boss, Hawkins built Electronics Arts into a big-scoring game vendor, with hits like John Madden Football. --*J.N.*

Special Offer for Forbes.com members -- receive a Free Trial Issue of Forbes Magazine... no risk... no obligation! [Click here for your Free Issue!](#)

Good to the Last Drop

Since the week in April that Vancouver, B.C.'s Continental Minerals and Great China Mining announced a merger they hope to complete in June, the two firms' shares have risen 60%, yielding a joint market cap on paper of \$179 million. This is despite a combined zero dollars in revenues--neither has ever mined one ounce--and \$25 million accumulated deficit. Both outfits claim the same gold mine in the remote Xietongmen region of Tibet in China. But feasibility studies won't be finished until next year. Also at issue: whether China would allow export of big profits from a bonanza. Don't expect any income before 2010, officials of both companies tell us. More background: Great China Mining used to call itself "Vancouver's Finest Coffee." --*Matthew Rand*

Mutiny Over the Bounty

Since starting a bounty program in 1989 to grease tipsters blowing the whistle on insider trading, the U.S. Securities & Exchange Commission has coughed up a total of just \$67,570 in four cases. Individual payments ranged from \$3,500 to \$29,000. Modeled after an IRS plan, the reward is touted on the SEC Web site, but the agency began it reluctantly, after pressure from Congress. Why so stingy? Payouts are limited to 10% of any court-ordered civil penalty received. The SEC has "sole discretion" in setting any award--which otherwise would remain with the agency. --*W.P.B.*

Kudos for Prof. Aardvark

At academe's ten top economics departments, a new *Journal of Economic Perspectives* study suggests, faculty members whose last names begin with letters early in the alphabet are "significantly more likely" to win tenure, admittance to a prestigious organization and prizes. Stanford's Liran Einav and Caltech's Leeat Yariv say that economics, unlike other college disciplines, lists writers of coauthored papers in strict alphabetical order. This creates a p.r. edge for the first-named, like that, they write, of the Los Angeles phone book listing for "A Any Way Bail Bonds." --*William P. Barrett*

All the Unnecessary Offense That's Fit to Print

The Sulzbergers and their ancestors have famously controlled the New York Times since 1896. Yet their family name regularly gets mangled as "Sulzburger" in prominent publications—including their own. -W.P.B.

PUBLICATION	DATE	CONTEXT
New York Times	Apr. 19, 2006	description of paper's ownership
Los Angeles Times	Mar. 26, 2006	comparison of two newspaper dynasties
New Yorker	May 26, 2003	discussion of journalist scandals at the Times
New York Times	Nov. 5, 2000	obituary mention of official holding endowed title
Columbia Journalism Review	March-April 1999	review of book about an ex-Times editor
Chicago Tribune	Sept. 20, 1995	publication of manifesto by Unabomber killer
American Journalism Review	March 1992	ascension of paper's new publisher
New York Times	June 22, 1984	attendees at society soiree
Washington Post	Sept. 19, 1982	profile based on book about an ex-Times official

Special Offer: Get a Free Trial Issue of Forbes Magazine!