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After 20 Years, Missing CEO Reappears

By Robert Frank

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For more than 20 years, tech tycoon William H. Millard was one of the world's most elusive tax exiles, leaving financial footprints in Singapore, Ireland and other locales while racking up an unpaid tax bill of more than $100 million.

William H. Millard in 1985 when he was at ComputerLand Corp. ILLUSTRATION: ED KASHI/VII

The 79-year-old founder of the ComputerLand Corp. retail chain was last seen by tax authorities on the remote Pacific Island of Saipan, where he lived, in August 1990. A few years after selling his company, the man once listed as one of the richest people in America suddenly vanished.

Until now. The U.S. Commonwealth of the Northern Mariana Islands, of which Saipan is a part, has tracked Mr. Millard and his wife to a yellow mansion on Grand Cayman Island in the western Caribbean, according to court filings and attorneys working on the case.

With help from a New York law firm and a small army of private investigators, the commonwealth now is digging into what its lawyers say is a network of more than 50 shell companies, trusts and bank accounts linked to Mr. Millard in hopes of collecting the $100 million.

"This is one of the most sophisticated and complicated cases of offshore asset structuring that we have ever seen," said Michael Kim, a partner of Kobre & Kim, the law firm leading the case. "He's had more than 20 years to move money all over the world."

The discovery of Mr. Millard resurrects one of the most storied and controversial names in technology, even as it moves the cat-and-mouse game between Mr. Millard and the Marianas into a new phase of financial accounts and bank subpoenas.

The breakthrough came last Christmas, when a private investigator spotted Mr. Millard at a holiday dinner with one of his daughters in Florida, according to Northern Mariana Islands government officials.

Reached by phone in Grand Cayman, Mr. Millard declined to comment, saying, "We are private people and have always been very private."

An attorney for Mr. Millard's two daughters declined to comment.

Terry Giles, a longtime former lawyer for Mr. Millard, said his ex-client wasn't made aware he owed a tax bill until just a few days ago, and dismissed as "ludicrous and insulting" the idea that Mr. Millard was hiding. Asked where Mr. Millard was from 1990 until now, Mr. Giles said, "I'm not going to do a single thing that would be helpful to" his pursuers.

Mr. Millard made headlines in the 1970s and 1980s as one of California's visionary tech pioneers. The charismatic college dropout built ComputerLand into the largest computer retailing chain in the 1970s and 1980s, with some 800 stores, and Mr. Millard's stake was valued by investment bankers at one point at $1 billion or more.

He wasn't your typical entrepreneur. A devotee of est, a faddish self-empowerment regimen of that era, he had a fondness for aphorisms ("We're a family, not a company") and a contempt for convention. With his piercing green eyes, Mr. Millard saw himself more as a kind of philosopher king than a businessman, according to two people who worked for ComputerLand.

Mr. Millard left a half-built castle on Saipan, above, when he left in 1990. ILLUSTRATION: COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

He and his wife, Patricia, built a Tudor mansion outside Oakland nicknamed "The St. James" and filled it with antiques, paintings and sculptures. He had a fleet of private jets at his disposal, including a Falcon 50 and a Learjet. He would work 14- and 18-hour days, fueled by peanut-butter sandwiches.

Mr. Millard's unorthodox management style and lavish spending, which included a million-dollar company-sponsored plan to fight world hunger, eventually led to his departure from ComputerLand. After losing a court battle over an early loan to the business, as well as a fight with franchisees and management, Mr. Millard relinquished control in 1986.

Shortly after, he and his family moved to Saipan. He told the news media he chose the island near Guam because it was in Asia, which he predicted would be the next growth region.

"You know the saying 'Go west, young man'?" he told The Wall Street Journal in 1986. "Well, this is about as far west as I could go and still be under the American flag."

Mr. Millard in Switzerland in 2007. ILLUSTRATION: OLIVIA TEMPLE

Saipan's hospitable tax climate may also have played at role. The commonwealth had authority to reduce the tax rate imposed by U.S. law on income sourced in the Northern Marianas, and it did so. Residents in effect got a 95% rebate of the taxes they would normally have owed under U.S. law.

Mr. Millard appeared to be a tax-conscious man. At ComputerLand, he had helped create a complex tax structure using a trust in the Isle of Jersey and a holding company in Panama designed to reduce his income taxes. A former staff member of his company says Mr. Millard kept a copy of the Internal Revenue Service Code on his desk.

In Saipan, he started building a turreted castle on a cliff overlooking the ocean, with a pool and homes for his daughters. Protecting the homes was a 30-foot-high enclosure that locals called "the Great Wall of China."

Lawyers have recently traced him to a Cayman Islands house. ILLUSTRATION: COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

He also launched a utility company aimed at taking over and improving the island's creaky power grid, and hatched plans for real-estate developments.

Mr. Millard made himself unpopular with some on the island. In a speech to business leaders, he complained that certain officials were always asking him for bribes.

Though the government over the years has often faced corruption allegations, his remarks angered some Saipan residents, and a government official says Mr. Millard received death threats.

Mr. Millard made plans in 1986 to sell his remaining stake in ComputerLand. The sale, for an undisclosed price that commonwealth authorities estimated at $200 million to $250 million, wasn't completed until the middle of 1987.

By that time, the commonwealth had changed the generous tax regime under which Mr. Millard sought to pay his taxes. Instead of reducing residents' taxes on locally earned income by 95%, the new law reduced it by only 50% for amounts over $7.5 million and 25% for income over $20 million. Moreover, the commonwealth said he didn't qualify even for those breaks, since ComputerLand was built in the U.S. and thus was subject to U.S. tax rates.

In August 1990, the Millards left Saipan.

The following year, the Northern Marianas' tax department issued a deficiency notice to the Millards and their attorneys in the U.S., according a commonwealth filing in federal courts in the U.S.

Mr. Giles, the former lawyer for Mr. Millard, said he never received such a notice.

"Bill paid his taxes in the Marianas on time and in full based on the tax code. They changed the law or made up some reason retroactively to try to chase Bill off the island," Mr. Giles said.

In 1994, the commonwealth obtained a tax judgment against Mr. Millard and his wife for $36 million in U.S. District Court in the Northern Marianas.

Over the years, commonwealth officials picked up traces of Mr. Millard's movements in Singapore, Ireland, Brussels, Hong Kong and the Caymans, but "we did not have any verifiable information" on his whereabouts, said Benigno Fitial, governor of the Northern Mariana Islands. At some point, according to Mr. Giles, Mr. Millard became an Irish citizen, later giving up his U.S. passport.

William Millard in 1985 ILLUSTRATION: COMPUTER HISTORY MUSEUM

A few years ago, Mr. Fitial says, he pushed to start a search for the family. "The actions by the Millards in these proceedings seemed to reflect an attitude of arrogance that their wealth allows them to disregard the laws of small government," the governor said.

The commonwealth in 2010 hired Kobre & Kim, a New York law firm that specializes in international collections. With its team of tax attorneys, forensic accountants and private investigators, the firm spent months searching for Mr. Millard and his assets, as interest and penalties on his tax bill sent it past $100 million.

Late last December, a private investigator working for the law firm staked out the home of Mr. Millard's daughter Barbara, a former ComputerLand president, near Orlando, Fla. Late in the afternoon on Christmas Eve, the investigator spotted Mr. Millard taking a walk in the yard, according to lawyers working on the case.

They say they kept a close eye on the house and, a few days later, followed Mr. Millard to the airport, where he boarded a flight for Grand Cayman. Another private investigator was waiting in the Caymans when Mr. Millard landed, and secretly followed him to his house.

Finding his money has proved more difficult. The tax judgment was registered in federal courts in Florida and New York in March, and Kobre & Kim started issuing subpoenas to dozens of banks and other institutions with accounts the lawyers believed were linked to Mr. Millard.

The investigation has been covert, the law firm never confronting Mr. Millard.

Investigators worried that if he found out what they knew, he might quickly shift his funds around to get them out of reach. The subpoenas went out under a gag order to prevent financial institutions from disclosing the probe to Mr. Millard or his family.

On Aug. 3, however, J.P. Morgan Chase & Co. sent a copy of a subpoena and gag order to one of Mr. Millard's daughters, according to lawyers and to documents filed in federal court in New York and Florida.

It was a "clerical error," said a letter from J.P. Morgan to the law firm, now also filed in court. A spokesman for the bank declined to comment.

After the disclosure, phone numbers and websites for some institutions the lawyers had linked to Mr. Millard were removed or shut down, according to Kobre & Kim attorneys.

A Computerland advertisement from the 1970s ILLUSTRATION: EVERETT COLLECTION

Still, they say, they have started closing in on dozens of trusts and accounts they believe contain pieces of Mr. Millard's fortune. Situated in Ireland, the Cayman Islands, Hong Kong, Singapore and other countries, the entities have names like Bamba Ltd., Maximum Enterprises and The Diamond Trust.

The attorneys say Mr. Millard's strategy appears to have been to sprinkle his wealth among as many different far-flung accounts as possible and allow the money to trickle back in small amounts.

"I hope he will do the right thing and pay his debts," said Mr. Kim, the law-firm partner. "But most people do not let go of $100 million easily."

The Millard's half-built castle in Saipan sits abandoned. The Northern Mariana government says it plans to foreclose on the property.

"It is out of place on a Micronesian island," said Mr. Fitial, the governor. "Which is probably reflective of his entire stay here."

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