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# Dolce & Gabbana Close Over Conviction---Temporary Or Final?

Despite their repeated protestations of innocence, Italy's Judge Antonella Brambilla found Domenico Dolce and Stefano Gabbana [guilty of tax evasion](#). There were already fines and restitution of a hefty €343.3 million. Still, the fashion world and financiers—not to mention the stylish duo themselves—had to worry about jail. And they got it. See [Dolce & Gabbana Get Jail For Tax Evasion](#).



Stefano Gabbana (L) and Domenico Dolce

Prosecutors wanted the pair locked up for a [three-year prison term](#), but they got 1 year and 8 months. See [WWD Report](#). That's more than a fashion season and a grim prospect for the duo. Of course, they may beat it on appeal, which would surely be better for their nearly 30 year old D&G enterprise.

In Italy, two appeals are possible. That means the case isn't over by a long shot. Even more clearly, it won't be their last legal battle. This one started with the sale of the [Dolce & Gabbana](#) label to a Luxembourg-based holding company, Gado. The holding company may have been primarily a tax shelter.

Even if it was, it drew in not only the two founders, but a number of their colleagues as well. Some of the tax charges were dismissed, including those

relating to the valuation of the company at the time of the sale. In some ways, the battle now is also over image.

The D&G brand is worth \$5.3 billion. See [Dolce and Gabbana Become Billionaires Amid Global Spending Spree](#). Sometimes criminal charges against brand leaders have led to surprising results. This is so not only for the brand's figurehead but for the brand itself. Still, D&G might be encouraged by Martha Stewart's post-jail success.

Apart from the formal appeal rights they are pursuing, Dolce & Gabbana have staged a protest. They even closed their Milan stores over being 'pilloried' for their tax evasion convictions. You have to admit that 'closed for indignation' is an unusual reason in any language. See [Dolce & Gabbana close their Milan shops in protest at being 'pilloried' over tax evasion convictions](#).

The public may be behind them, but even that is less clear than it once was. And Italian officials are none too happy. Milan's city administration said D&G would no longer be able to use public spaces for their shows. It's bad for the city's image, the officials claimed.

D&G are said to be furious and struck back with their 'Closed in indignation' retort. When the charges were first made public, Stefano Gabbana condemned the Italian tax authorities. The taxing administrators are 'thieves', he claimed, threatening to leave the country. Now, the [Telegraph](#) reports they will close if their sentence is not overturned.

"If we deserved the sentence, there would be nothing to say. But we do not deserve it, and so, unfortunately, we would have to close," said Gabbana. Dolce added, "What do you want us to do? We will close. We will not be able to deal with it. [It's] impossible." See [Dolce & Gabbana Threatening to Close](#).

Tax evasion is said to cost Italy approximately €200 billion a year. Although the fashion pair may be in the tax collector's crosshairs for now, other Italians have been in the same uncomfortable position. Even beloved opera star Luciano Pavarotti paid 24 billion lira (£8 million) in back taxes in 2000.

Yet in our current endless news and gossip cycle fueled by social media, how D&G as individuals or as a brand will come out of this scuffle is not yet certain. Even their business acumen may be tested as their protests take on more urgency.

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