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PROFESSIONAL GOLFER PLEADS GUILTY TO INCOME TAX VIOLATIONS

Orlando, Florida - United States Attorney A. Brian Albritton announces that Jimmie L. Thorpe, a/k/a Jim Thorpe (age 60, of Heathrow, Florida) today pleaded guilty to two counts of failing to pay income taxes. Thorpe faces a maximum penalty of two years in federal prison and a \$4,125,152.54 fine. The court will schedule a sentencing hearing.

According to the plea agreement, Thorpe was a professional golfer on the Professional Golf Association (PGA) Champions Tour, formerly known as the PGA Senior Tour. During 2002, 2003, and 2004, Thorpe earned income playing in PGA events, as well as from various endorsements, including Harrison Sports and Callaway Golf, and from various sponsors, including Foxwoods Casino. Thorpe was also the sole officer and director of JLT, Inc. a Florida corporation incorporated in September 1998.

Although Thorpe filed with the Internal Revenue Service (IRS) requests for extensions of time in which to file both his personal income tax returns and his corporate income tax returns on behalf of JLT, Inc. for the tax years 2002, 2003, and 2004, Thorpe never made any payments for personal income taxes within said extensions. Indeed, he did not file individual income tax return for those years until after he was confronted by IRS Special Agents. Thorpe also did not timely file his corporate income tax return for JLT, Inc.

In addition, Thorpe made no estimated tax payments during the three tax years and only had taxes withheld in the amount of approximately \$2,991.42, despite that his accountant had discussed with him the necessity of paying estimated taxes during the year.

In 2002, 2003, and 2004, Thorpe received gross income of approximately \$1,610,460.01, \$1,916,209.13, and \$1,838,485.31, respectively, on which he owed, but did not pay, income taxes in the amount of \$659,286.74, \$717,384.18, and \$685,905.35, respectively. The total amount of unreported income for the three years, therefore, is \$5,365,154.45, and the total tax loss is \$2,062,576.27.

During 2002, 2003, and 2004, Thorpe also won and lost at gambling a total of at least \$1,700,000.00; he used his winnings to continue gambling instead of paying the income taxes he owed.

Previously, IRS Criminal Investigation, in Buffalo, New York, investigated Thorpe because he had significant income for the calendar years 1993 and 1994, but the IRS had no record of Thorpe filing tax records for those years. Thorpe asserted in relation to that investigation that: (a) he had two accountants, and (b) he thought that his tax matters were being handled by the accountants. Thorpe was not criminally prosecuted.

The case was investigated by special agents of the Internal Revenue Service and is being prosecuted by Assistant United States Attorney I. Randall Gold.