

3-page special report

JP McManus is one of Ireland's richest men.

A billionaire tax exile and a generous philanthropist.

A legendary gambler – horses, shares, currencies.

Now, a game of backgammon has focused attention on his tax status.

# The Sundance Kid and the IRS

By **Barry J Whyte**

**I**t all ended in a flurry of legalese and American spellings. “Pursuant to the court’s opinion, filed February 24, 2017, denying plaintiff’s motion for summary judgment and granting defendant’s cross-motion for summary judgment, it is ordered and adjudged this date, pursuant to Rule 58, that judgment is entered in favor of defendant.”

And with that, Judge Nancy B Firestone killed off JP McManus’s bid to sue the Internal Revenue Service, America’s tax authority.

McManus, the famous gambler known as the Sundance Kid, was trying to get back \$5.2 million that had been handed over to the IRS by Alec Gores, a private

equity billionaire whom McManus had beaten in a marathon game of backgammon and in the process won \$17.4 million.

McManus’s lawyers argued that the money Gores withheld amounted to “double taxation” on his income, since he already paid a substantial annual levy on his income to Ireland’s Revenue Commissioners.

The case hung on the technicalities of international tax treaties, but it was by no means boring, played out publicly in headline-friendly court filings issued by both sides.

The IRS criticised McManus for “bashing” it with “discourteous attacks” and “aggressive rhetoric”, claiming he had made “personal attacks on the integrity of [the IRS’s] counsel”.

McManus, in turn, implied a conspiracy – in the IRS’s characterisation – against him by the Irish and

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