



THE UNITED STATES
DEPARTMENT *of* JUSTICE

United States Attorney's Office
District of Oregon

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American Expatriate in Monaco Pleads Guilty to Filing a False Tax Return

PORTLAND, Ore.—An American expatriate residing in the Principality of Monaco pleaded guilty today in federal court to filing a false tax return.

Kory Merrill Tarpenning, 59, pleaded guilty to making and subscribing a false federal income tax return.

According to court documents, Tarpenning is a marketing consultant and owner of numerous foreign businesses organized in France and Monaco. His primary line of business is a brand consultant to U.S. companies interested in expanding their business operations to Monaco. Tarpenning also owns several Monegasque consulting companies, including Sirius Group SAM and Sirius Sports Marketing.

In 2014, Tarpenning arranged a sponsorship agreement between Association Sportive de Monaco Football Club SA (AS Monaco), a Monegasque professional soccer club, and Nike European Operations. The agreement was valued at as much as €20 million over its five-year term. Subsequently, AS Monaco executed a contract with Sirius Group to pay Tarpenning a 9% commission on cash payments from Nike and a 6% commission on athleticwear ordered by the team. Between 2014 and 2018, AS Monaco paid Tarpenning at least €2.1 million.

Tarpenning transferred the income from deals with AS Monaco and other companies to joint personal bank accounts in Monaco and the U.S. He used the proceeds to purchase a second home in Eugene, Oregon and to pay for his children's Monegasque private school. In tax years 2014 through 2018, Tarpenning failed to report more than \$1.4 million in wages and business income.

During this same time, Tarpenning also failed to report substantial dividend income from other unrelated business ventures, including companies he owned that operated the Nike Store and Starbucks Coffee in Monaco and a brand consulting firm based in Portland. In tax years 2014 through 2018, Tarpenning failed to report more than \$1 million in dividend income.

Altogether, from 2014 to 2018, Tarpenning's underreporting of income caused a tax loss to the IRS of more than \$670,000.

On August 25, 2021, Tarpenning was charged by criminal information with making and subscribing a false federal income tax return.

Tarpenning faces a maximum sentence of three years in prison; a \$250,000 fine or twice the gross gains or losses resulting from his offense, whichever is greater; and one year of supervised

release. He will be sentenced on January 6, 2022 before U.S. District Court Judge Michael W. Mosman.

As part of the plea agreement, Tarpenning has agreed to pay \$670,851 in restitution to the IRS.

Acting U.S. Attorney Scott Erik Asphaug of the District of Oregon made the announcement.

This case was investigated by IRS-Criminal Investigation. Assistant U.S. Attorney Meredith D.M. Bateman is prosecuting the case.

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