

Congratulations!

You just won millions of dollars in the lottery! That's great.

Now you're screwed.

No, really. You are. You're screwed.

If you just want to skip the biographical tales of woe of some of the math-tax protagonists, skip on down to the next comment, to see what to do in the event you win the lottery.

You see, it's something of an open secret that winners of obnoxiously large jackpots tend to end up badly with alarming regularity. Not the \$1 million dollar winners. But anyone in the nine-figure range is at high risk. Eight-figures? Pretty likely to be screwed. Seven-figures? Yep. Painful.

Perhaps this is a consequence of the sample. The demographics of lottery players might be exactly the wrong people to win large sums of money. Or perhaps money is the root of all evil. Either way, you are going to have to be careful. Don't believe me? Consider this:

Large jackpot winners face double digit multiples of probability versus the general population to be the victim of:

Homicide (something like 20x more likely)

Drug overdose

Bankruptcy (how's that for irony?)

Kidnapping

And triple digit multiples of probability versus the general population rate to be:

Convicted of drunk driving

The victim of Homicide (at the hands of a family member) 120x more likely in this case, ain't love grand?

A defendant in a civil lawsuit

A defendant in felony criminal proceedings

Believe it or not, your biggest enemy if you suddenly become possessed of large sums of money is... you. At least you will have the consolation of meeting your fate by your own hand. But if you can't manage it on your own, don't worry. There are any number of willing participants ready to help you start your vicious downward spiral for you.

Mind you, many of these will be "friends," "friendly neighbors," or "family." Often, they won't even have evil intentions. But, as I'm sure you know, that makes little difference in the end. Most aren't evil. Most aren't malicious. Some are. None are good for you.

Jack Whittaker, a Johnny Cash attired, West Virginia native, is the poster boy for the dangers of a lump sum award. In 2002 Mr. Whittaker (55 years old at the time) won what was, also at the time, the largest single award jackpot in U.S. history. \$315 million. At the time, he planned to live as if nothing had changed, or so he said. He was remarkably modest and decent before the jackpot, and his ship sure came in, right? Wrong.

Mr. Whittaker became the subject of a number of personal challenges, escalating into personal tragedies, complicated by a number of legal troubles.

Whittaker wasn't a typical lottery winner either. His net worth at the time of his winnings was in excess of \$15 million, owing to his ownership of a successful contracting firm in West Virginia. His claim to want to live "as if nothing had changed" actually seemed plausible. He should have been well equipped for wealth. He was already quite wealthy, after all. By all accounts he was somewhat modest, low profile, generous and good natured. He should have coasted off into the sunset. Yeah. Not exactly.

Whittaker took the all-cash option, \$170 million, instead of the annuity option, and took possession of \$114 million in cash after \$56 million in taxes. After that, things went south.

Whittaker quickly became the subject of a number of financial stalkers, who would lurk at his regular breakfast hideout and accost him with suggestions for how to spend his money. They were unemployed. No, an interview tomorrow morning wasn't good enough. They needed cash NOW. Perhaps they had a sure-fire business plan. Their daughter had cancer. A niece needed dialysis. Needless to say, Whittaker stopped going to his breakfast haunt. Eventually, they began ringing his doorbell.

Sometimes in the early morning. Before long he was paying off-duty deputies to protect his family.

He was accused of being heartless. Cold. Stingy.

Letters poured in. Children with cancer. Diabetes. MS. You name it. He hired three

people to sort the mail. A detective to filter out the false claims and the con men (and women) was retained.

Brenda, the clerk who had sold Whittaker the ticket, was a victim of collateral damage. Whittaker had written her a check for \$44,000 and bought her house, but she was by no means a millionaire.

Rumors that the state routinely paid the clerk who had sold the ticket 10% of the jackpot winnings hounded her. She was followed home from work. Threatened. Assaulted.

Whittaker's car was twice broken into, by trusted acquaintances who watched him leave large amounts of cash in it. \$500,000 and \$200,000 were stolen in two separate instances. The thieves spiked Whittaker's drink with prescription drugs in the first instance. The second incident was the handiwork of his granddaughter's friends, who had been probing the girl for details on Whittaker's cash for weeks.

Even Whittaker's good-faith generosity was questioned. When he offered \$10,000 to improve the city's water park so that it was more handicap accessible, locals complained that he spent more money at the strip club. (Amusingly this was true).

Whittaker invested quite a bit in his own businesses, tripled the number of people his businesses employed (making him one of the larger employers in the area) and eventually had given away \$14 million to charity through a foundation he set up for the purpose. This is, of course, what you are "supposed" to do. Set up a foundation. Be careful about your charity giving. It made no difference in the end.

To top it all off, Whittaker had been accused of ruining a number of marriages. His money made other men look inferior, they said, wherever he went in the small West Virginia town he called home. Resentment grew quickly. And festered. Whittaker paid four settlements related to this sort of claim. Yes, you read that right. Four.

His family and their immediate circle were quickly the victims of odds-defying numbers of overdoses, emergency room visits and even fatalities. His granddaughter, the eighteen year old "Brandi" (who Whittaker had been giving a \$2100.00 per week allowance) was found dead after having been missing for several weeks.

Her death was, apparently, from a drug overdose, but Whittaker suspected foul play. Her body had been wrapped in a tarp and hidden behind a rusted-out van. Her seventeen year old boyfriend had expired three months earlier in Whittaker's vacation house, also from an overdose. Some of his friends had robbed the house after his overdose, stepping over his body to make their escape and then returning for more before stepping over his body again to leave.

His parents sued for wrongful death claiming that Whittaker's loose purse strings contributed to their son's death. Amazingly, juries are prone to award damages in cases such as these. Whittaker settled. Again.

Even before the deaths, the local and state police had taken a special interest in Whittaker after his new-found fame. He was arrested for minor and less minor offenses many times after his winnings, despite having had a nearly spotless record before the award. Whittaker's high profile couldn't have helped him much in this regard.

In 18 months Whittaker had been cited for over 250 violations ranging from broken tail lights on every one of his five new cars, to improper display of renewal stickers. A lawsuit charging various police organizations with harassment went nowhere and Whittaker was hit with court costs instead.

Whittaker's wife filed for divorce, and in the process froze a number of his assets and the accounts of his operating companies. Caesars in Atlantic City sued him for \$1.5 million to cover bounced checks, caused by the asset freeze.

Today Whittaker is badly in debt, and bankruptcy looms large in his future.

But, hey, that's just one example, right?

Wrong.

Nearly one third of multi-million dollar jackpot winners eventually declare bankruptcy. Some end up worse. To give you just a taste of the possibilities, consider the fates of:

Billie Bob Harrell, Jr.: \$31 million. Texas, 1997. As of 1999: Committed suicide in the wake of incessant requests for money from friends and family. "Winning the lottery is the worst thing that ever happened to me."

William 'Bud' Post: \$16.2 million. Pennsylvania. 1988. In 1989: Brother hires a contract murderer to kill him and his sixth wife. Landlady sued for portion of the jackpot. Convicted of assault for firing a gun at a debt collector. Declared bankruptcy. Dead in 2006.

Evelyn Adams: \$5.4 million (won TWICE 1985, 1986). As of 2001: Poor and living in a trailer gave away and gambled most of her fortune.

Suzanne Mullins: \$4.2 million. Virginia. 1993. As of 2004: No assets left.

Shefik Tallmadge: \$6.7 million. Arizona. 1988. As of 2005: Declared bankruptcy.

Thomas Strong: \$3 million. Texas. 1993. As of 2006: Died in a shoot-out with police.

Victoria Zell: \$11 million. 2001. Minnesota. As of 2006: Broke. Serving seven year sentence for vehicular manslaughter.

Karen Cohen: \$1 million. Illinois. 1984. As of 2000: Filed for bankruptcy. As of 2006: Sentenced to 22 months for lying to federal bankruptcy court.

Jeffrey Dampier: \$20 million. Illinois. 1996. As of 2006: Kidnapped and murdered by own sister-in-law.

Ed Gildein: \$8.8 million. Texas. 1993. As of 2003: Dead. Wife saddled with his debts. As of 2005: Wife sued by her own daughter who claimed that she was taking money from a trust fund and squandering cash in Las Vegas.

Willie Hurt: \$3.1 million. Michigan. 1989. As of 1991: Addicted to cocaine. Divorced. Broke. Indicted for murder.

Michael Klingebiel: \$2 million. As of 1998 sued by own mother claiming he failed to share the
jackpot with her.

Janite Lee: \$18 million. 1993. Missouri. As of 2001: Filed for bankruptcy with \$700 in assets.