Wow! Thanks for all these replies. I have the tools to reproject the
original file now but that would then require modifying the code that
generates the jpeg, which I don't have, unfortunately.

Devin, I discovered the ENVI Build GLT command after I posted this and
it has been working great in reprojecting the jpeg. BUT the images
don't line up with the landscape after displaying in Google Earth.
I've triple checked the lat/lon box coordinates that I wrote into the
kml and they seem to be correct so the only thing I can think of is
I'm using the wrong projection.

So the next question is...What projection does GE want? I've heard the
following:
Mercator
Equirectangular
World Equidistant Cylindrical (Sphere)

Which one is it? I did this over a year ago successfully with
different datasets using GDAL and the World Equidistant Cylindrical
(Sphere) projection, but I also remember reprojecting another MODIS
dataset using ENVI and Equidistant Cylindrical is not an option in
ENVI.

There are plenty of other options, so any suggestions?

Thanks again!
Kasia