

The Many Faces of Corporate Greed



Bernard Ebbers

Former WorldCom CEO

WorldCom admits to improperly booking \$7.2 billion in profits while Ebbers was CEO. Ebbers led a company with 20 million paying customers into the largest U.S. bankruptcy ever (\$107 billion in assets). He received \$408 million in off-the-books company loans and a \$1.5 million a year pension.

Reported Compensation 1999-2001:
\$44 million

L. Dennis Kozlowski

Former Tyco CEO

A New York grand jury has indicted Kozlowski for stealing \$600 million from Tyco through stock fraud, unauthorized bonuses, and falsified expense accounts, all the while bribing board members and employees to keep his illicit activities secret. He used Tyco money to buy a \$17,100 travelling toilet kit and a \$15,000 dog umbrella.

Reported Compensation 1999-2001:
\$332 million



Gary Winnick

Former Global Crossing chairman

Global Crossing is under SEC and DoJ investigation for inflating revenue by swapping network capacity while Winnick was chairman. Although Winnick earned \$735 million on stock options, the day he testified before Congress, he promised to give back a mere \$25 million to workers whose retirements were destroyed.

Reported Compensation 1999-2001:
\$512 million

Kenneth L. Lay

Former Enron CEO

Lay served as CEO while Enron allegedly hid debts totaling more than \$1 billion through off the books partnerships. Enron also allegedly manipulated California and Texas energy markets and bribed foreign officials during Lay's tenure.

Reported Compensation 1999-2001:
\$247 million



Joseph Nacchio

Former Qwest CEO

Qwest has admitted to overbooking \$1.48 billion in revenue using network capacity swaps while Nacchio was CEO. Nacchio cashed out \$230 million in options as Qwest stock fell from \$64 to about \$1 per share.

Reported Compensation 1999-2001:
\$266 million

Al Dunlap

Former Sunbeam CEO

The SEC is investigating "Chainsaw" Al for allegedly using myriad book-cooking tricks, from "channel stuffing" to "cookie jar reserves," to fraudulently boost Sunbeam's profits by \$60 million. Dunlap was rewarded with a \$27 million severance package.

Reported Compensation 1996-1998*:
\$28.5 million

*retired in 1998



Sam Waksal

Former ImClone CEO

Waksal has pled guilty to charges of insider trading, bank fraud and perjury. Friends and family unloaded ImClone stock right before FDA refused to approve or even examine Erbitux, ImClone's much-anticipated cancer drug.

Total Compensation 1999-2001:
\$6.5 million

Jack Grubman

Former Citigroup analyst

NASD has sued Grubman for allegedly writing misleading research on Winstar Communications, one of many telecom companies he touted right up until bankruptcy. While investors lost \$2 trillion in the telecom bubble, Citigroup made \$1 billion in banking fees. Grubman resigned with a \$32 million severance package.

Total Compensation 1999-2001:
\$60 million



Jack Welch

Former General Electric CEO

The SEC has asked for more information on the extensive retirement perks Welch received as outgoing CEO, including a Central Park apartment and extensive travel and entertainment expenses. He has agreed to pay \$2 million a year for these services.

Reported Compensation 1999-2001:
\$232 million

John J. Rigas

Former Adelphia CEO

U.S. attorneys have charged Rigas and two sons with conspiracy, securities fraud, wire fraud and bank fraud. The Rigas family is accused of stealing about \$2.5 billion in debt and other funds.

Reported Compensation 1999-2001:
\$4.4 million



Martin Grass

Former Rite-Aid CEO

U.S. attorneys have charged Grass and other Rite-Aid executives with conspiracy to defraud investors, making false statements, and fraudulent accounting fraud that led to a \$1.6 billion earnings restatement.

Reported Compensation 1998-2000:
\$5 million

Peter R. Dolan

Bristol Myers Squibb CEO

The SEC is investigating whether Bristol Myers improperly inflated 2001 revenue by \$1 billion by strong-arming wholesalers into buying more than they needed.

Reported Compensation 1999-2001:
\$13 million



Some of these corporate barons have been charged, some have been indicted.
None are in jail.