

# Year of CEO infamy

**W**ith corporate scandals dominating headlines, investor confidence was in short supply in 2002. Big names were added persistently to the list of executives accused of salvaging what they could from their crashing corporations, while employees and shareholders watched their jobs, 401(k) accounts and portfolios shrivel up. The year of exposing corporate misdeeds cost big business the trust of average investors and changed the way companies report earnings.

Enron's former chairman and chief executive, Kenneth Lay, received \$152.7 million in payments and stock in the year leading up to the company's collapse.



Samuel Waksal, ImClone's former chief executive, pleaded guilty to securities fraud and other felonies. His close friend Martha Stewart was implicated in an insider-trading scandal after selling her stake in ImClone.



Former Tyco International CEO Dennis Kozlowski was said to have spent millions of dollars of company money on art and furniture.

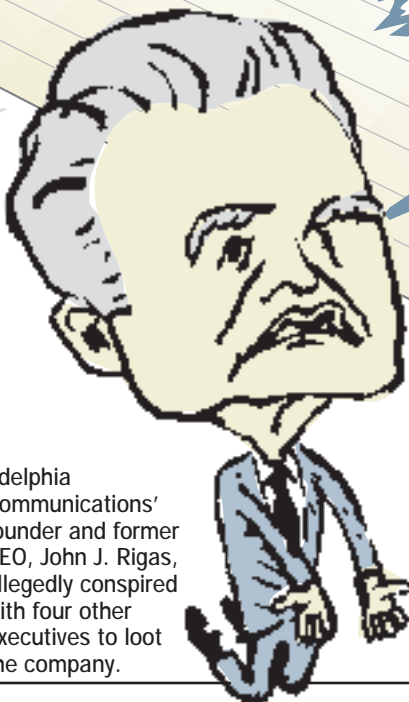


**Jan. 9** – Government confirms it has begun a criminal investigation of Enron Corp.

**Jan. 25** – Shares of ImClone Systems Inc. tumble as the company announces it is being investigated for misleading investors.

**March 27** – Adelphia Communications discloses that \$2.3 billion in loans to executives was kept off the company's balance sheets.

Adelphia Communications' founder and former CEO, John J. Rigas, allegedly conspired with four other executives to loot the company.



**June 15** – Accounting firm Arthur Andersen is convicted of obstruction of justice in the Enron case.

**June 25** – Adelphia files for bankruptcy.

**June 26** – Securities and Exchange Commission files fraud charges against WorldCom.

**June 28** – Xerox Corp. announces it improperly reported \$1.9 billion in revenue over the past five years and will restate those financial results.

**July 21** – WorldCom files for bankruptcy.

**Oct. 15** – Three former Tyco international executives are charged with looting the conglomerate of hundreds of millions of dollars. ImClone founder, Samuel Waksal, pleads guilty to bank and securities fraud.

**Nov. 5** – Government expands its charges against WorldCom. The company raises its estimate of inflated earnings to more than \$9 billion.