WorkFusion

Adverse Media Monitoring Report

2024-06-11

Entity information

Entity ID	Type	Name	Date of birth	Citizenship	Reside
—	Company	WorldCom	—	United States	—, Un

False Positive

Reviewer Comment

No comment provided.

Batch ID	Transaction ID	Media Provider
f5df95c8-d2f5-4f8e-946e-96daba6caaaa	18b10a76-bb64-4e6c-adb1-5fcc9455a457	Google

Overview of search results - 10

Bernard Ebbers, ex-CEO convicted in WorldCom scandal, dies

February 3, 2020 · Google · False Positive (Score 0.71) cnbc.com

Reviewed by on June 11, 2024

Bernard Ebbers, ex-CEO convicted in WorldCom scandal, dies

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The Rise and Fall of WorldCom: Story of a Scandal

Google · False Positive (Score 0.70) investopedia.com

Reviewed by on June 11, 2024

The Rise and Fall of WorldCom: Story of a Scandal

... WorldCom was in financial trouble and used questionable accounting techniques to hide its losses from investors and others ...

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Ex-WorldCom CEO Bernard Ebbers, 'telecom cowboy' sentenced to 25 years in accounting fraud, dies at 78

February 3, 2020 · Google · False Positive (Score 0.66) fortune.com

Reviewed by on June 11, 2024

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... He was a poor student in college and didn't succeed at much before landing a job as a high school basketball coach. That leadership post led him to become the o Mississippi. He used those assets to finance his initial stake in WorldCom ...

CWA Applauds Investigation into MCI WorldCom Contract Awards

Google · False Positive (Score 0.57) cwa-union.org

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[Bernard J. Ebbers, WorldCom Chief Jailed in Fraud, Dies at 78 (Published 2020)]

February 3, 2020 · Google · False Positive (Score 0.56) nytimes.com

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Bernard J. Ebbers, WorldCom Chief Jailed in Fraud, Dies at 78 (Published 2020)

... Bernard J. Ebbers , who built a modest Mississippi phone company into a telecommunications giant, WorldCom, but later went to jail after its collapse in one of the
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the size of WorldCom. At its peak in 1999, WorldCom employed 80,000 people and had a market capitalization of about $180 billion ...

[Whistleblower who uncovered WorldCom fraud scandal to speak at NMSU]

September 30, 2021 · Google · False Positive (Score 0.48) lcsun-news.com

Reviewed by on June 11, 2024

Whistleblower who uncovered WorldCom fraud scandal to speak at NMSU

... LAS CRUCES - A high-profile whistleblower who uncovered one of the biggest corporate frauds in American history will speak at New Mexico State University Mon
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[Expectations smoothing]

Google · False Positive (Score 0.45) fraud-magazine.com

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Expectations smoothing

... **MANAGED EARNINGS AT WORLDCOM** ...
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[Bernard Ebbers, Former WorldCom CEO Convicted In $11 Billion ...]

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Bernard Ebbers, Former WorldCom CEO Convicted In $11 Billion ...

Feb 3, 2020 ... ... charges, and was sentenced to 25 years in prison. WorldCom entered bankruptcy in 2002 following revelations of the $11 billion accounting fraud—

[WorldComs Bernard Ebbers Wins Early Release From Prison ...]

Google · False Positive bloomberg.com

WorldComs Bernard Ebbers Wins Early Release From Prison ...

Dec 18, 2019 ... Ex-WorldCom Chief Ebbers, in Prison for Fraud, Seeks Clemency · WorldComs Ebbers Reports to Prison for 25-Year Term. WorldCom emerged fro

[From WorldCom to Theranos: The Journey of a Whistleblower](#)

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From WorldCom to Theranos: The Journey of a Whistleblower

Nov 15, 2022 ... ... fraud examination careers and delivers the latest anti-fraud research. ... From WorldCom to Theranos: The Journey of a Whistleblower. From Worl

Article details

Bernard Ebbers, ex-CEO convicted in WorldCom scandal, dies

February 3, 2020 · Google · False Positive (Score 0.71) cnbc.com

Reviewed by on June 11, 2024

collapse convicted victims attack conviction deteriorated died prisoner scandal sentence prisons attack

collapsed dies disease fraudulent imprisoned lost official problems prosecutors scandals securities fraud

Bernard Ebbers, ex-CEO convicted in WorldCom scandal, dies

The former chief of WorldCom, convicted in one of the largest corporate accounting scandals in U.S. history, died just over a month after his early release from prison

The Canadian-born former telecommunications executive died Sunday in Brookhaven, Mississippi, surrounded by his family, according to a family statement.

WorldCom Inc. collapsed and went into bankruptcy in 2002, following revelations of an $11 billion accounting fraud that included pressure by top executives on subor the company seem more profitable. The collapse caused losses to stockholders, including those who had invested through retirement plans.

Ebbers was convicted in New York in 2005 on securities fraud and other charges and received a 25-year sentence. A federal appeals court judge who upheld Ebbers WorldCom's fraudulent accounting practices were "specifically intended to create a false picture of profitability even for professional analysts that, in Ebbers' case, wa financial circumstances."

Before establishing himself in telecommunications, Ebbers had a diverse career that started in sports. He received a basketball scholarship at Mississippi College, wh education. After graduating, he coached high school teams for a year before investing in a hotel; he eventually amassed a chain of Best Westerns in Mississippi and T in Columbia, Mississippi.

Following the advice of friends and knowing little about the phone business, he invested in a small long-distance company, LDDS, in 1983. He eventually took over th bought up competitors, transforming LDDS — which was later renamed WorldCom, based in Clinton, Mississippi — into the fourth-largest long-distance company by 1

He was considered to be a "no-nonsense" man with a brash attitude who preferred jeans to a suit. One analyst cited in an early profile in the late nineties said Bernie equivalent of Bill Gates."

By the time of its collapse over its accounting fraud scandal in 2002, WorldCom was the nation's second-largest long-distance business. Ebbers left that year and follo imprisoned from September 2006 until Dec. 21, when he was released from the custody of the Bureau of Prisons.

In the meantime, WorldCom reemerged as MCI, taken over by Verizon, and relocated to Ashburn, Virginia.

U.S. District Judge Valerie E. Caproni said late last year that it fell within her discretion to order the early release of Ebbers after a lawyer cited severe medical proble experienced severe weight loss. At over 6 feet tall, he had dropped in weight from above 200 pounds to 147 pounds. Attorney Graham Carner told the judge it was po another 18 months.

Among other ailments, Ebbers had heart disease, Carner said. Ebbers was not in court when Caproni announced her ruling on Dec. 18; his lawyers said he was hosp

"While Mr. Ebbers is physically alive ... his quality of life is gone," Carner said in December. "If he was released today, Mr. Ebbers is not going to be playing tennis or r

In court papers in September, his lawyers said Ebbers unintentionally bumped into another prisoner while walking in the facility in September of 2017, only to have the later in the day and physically attack him.

The papers said the attack fractured the bones around Ebbers' eyes and caused blunt head trauma and other injuries. They also said Ebbers was put into solitary cor limited eyesight" made him unable to identify the attacker.

In July 2019, one of Ebbers' daughters submitted a request that her father receive compassionate release from a federal prison medical facility in Fort Worth, Texas. (Prisons official denied that request in August. The family statement said that the Bureau of Prisons "had no diagnosis or treatment plan in place" and Ebbers experien followed by multiple hospitalizations in November and December.

While prosecutors agreed that Ebbers' health had deteriorated in prison, they opposed an early release. Assistant U.S. Attorney Jason Cowley told the judge that suc message to the rule of law" because it would cut Ebbers' sentence in half.

The family statement acknowledged resistance to Ebbers' early release from victims of WorldCom's collapse, but said that many victims also expressed their support.

"Many stockholders and employees lost their investments in the fall of WorldCom. Many of our friends — and many in our family — did too," the statement read. "Tha us — keeping Dad in prison, especially in his unexplained and undiagnosed deteriorated condition, would not bring back anyone's investments."

The family said they would pray for the victims. The statement, which repeatedly praised Caproni, said family members plan to eventually advocate for others "who ar release to their families."

The Rise and Fall of WorldCom: Story of a Scandal

Google · False Positive (Score 0.70) investopedia.com

Reviewed by on June 11, 2024

bankruptcy scandal aggressive concerned convicted emerged frauds fraudulent lost securities fraud sentenc
authorities banned bubble courts debt disclosure emerge evidence investigated investigations jail pena
suspicious

The Rise and Fall of WorldCom: Story of a Scandal

WorldCom was an American telecom company. At its height, WorldCom was one of the largest long-distance providers in the United States. The company is best kno
the largest accounting scandals in the country, which came on the heels of the Enron and Tyco frauds. This came after it was revealed the company cooked its books
one of the largest bankruptcies of all time. The company came out of bankruptcy, rebranded itself, and its network assets were sold to Verizon.

WorldCom was a telecommunications company that was established in 1983 by Murray Waldron, William Rector, and early investor Bernard Ebbers among others.

The company provided discount long-distance services to its customers and pursued an aggressive acquisition strategy that propelled it to the largest company of its

WorldCom was in financial trouble and used questionable accounting techniques to hide its losses from investors and others.

The company filed for bankruptcy because of the scandal, and several key figures were punished, including its CEO and CFO.

WorldCom emerged from bankruptcy, restructured, and was purchased by Verizon.

WorldCom is now a byword for accounting fraud and a warning to investors that when things seem too good to be true, they just might be. The company was founded
Discount Service. It was established after the breakup of AT&T by Murray Waldron, William Rector, early investor Bernard Ebbers, and their business partners. The g
which allowed them to buy the technology to route long-distance calls.

Since courts ordered AT&T to lease its phone lines to new companies at cheap rates, Ebbers, who was the company's chief executive officer (CEO) , could offer his c
allowed him to build the company into one of America's leading long-distance phone companies by acquiring as many as 30 competing telecom companies. At the pe
WorldCom's market capitalization grew to $175 billion.

When the tech boom turned to bust, and companies slashed spending on telecom services and equipment, WorldCom resorted to accounting tricks to maintain the ap
profitability. By then, many investors became suspicious of Ebbers' story—especially after the Enron scandal broke in the summer of 2001.

Shortly after Ebbers was forced to step down as CEO in April 2002, it was revealed that he borrowed $408 million from Bank of America to cover margin calls in 2000
collateral. As a result, Ebbers lost his fortune. In 2005 he was convicted of securities fraud and sentenced to 25 years in prison.

Ebbers was a larger-than-life figure whose trademark was a 10-gallon hat and cowboy boots.

There were several factors that pushed WorldCom into a loss. The company pursued acquisitions aggressively, buying up rival companies in an attempt to gain mark
major drop in revenue and rates, pushed the company into further into the red . Executives needed a way to prove WorldCom was still financially viable to its board a
WorldCom used a series of questionable accounting techniques to hide its financial position, which inflated its profits. This amounted to billions in capital expenditures
books. But this was hardly a sophisticated fraud.

In order to hide its falling profitability, WorldCom inflated net income and cash flow by recording expenses as investments. By capitalizing expenses, it exaggerated pr
$797 million in the first quarter of 2002, reporting a profit of $1.4 billion instead of a net loss .

To hide its falling profitability, WorldCom inflated its net income and cash flow by recording expenses as investments, reporting a profit of $1.4 billion—instead of a ne

Several individuals played a key role in exposing the fraud at WorldCom. These people included Cynthia Cooper, who was vice president of WorldCom's internal aud
another auditor. They became concerned about several inconsistencies in the company's financial records, including:

The use of reserves to boost the company's income

The company's capital expenditures, which another employee questioned and was fired over

Complicated accounting terms (such as prepaid capacity), which were used to hide the movement of capital

The lack of evidence to substantiate certain financial transactions , including a $500 million capital expenditure

Cooper and Morse conducted investigations on their own as well as an audit. They were challenged by the company's chief financial officer (CFO) , Scott Sullivan, wh
delayed. They contacted KPMG, the external auditor that replaced Arthur Andersen, as well as WorldCom's audit committee.

As a result of her diligence, Cooper was named a Person of the Year by Time and was featured on the magazine's cover in 2002. She is now an author, consultant, a
speaker.

The company could no longer keep up once things started to unravel. In fact, WorldCom had to adjust its earnings for the 10-year period from 1992 to 2002 by $11 bil
estimated to be in the neighborhood of $79.5 billion.

Bankruptcy was the only option. WorldCom filed for Chapter 11 bankruptcy on July 21, 2002, only a month after its auditor Arthur Andersen. By this time, the company
as much as $7.7 billion. In its filing, the company noted $107 billion in assets and $41 billion worth of debt.

The filing allowed WorldCom to provide some restitution. Doing so allowed existing customers to continue receiving services. WorldCom was also able to pay its emp
provided some much-needed time to restructure even though it lost its luster within the corporate marketplace.

Some of the key personnel involved in the firm's accounting scandal received harsh punishment for their roles, including:

Bernard Ebbers, who was convicted on nine counts of securities fraud and sentenced to 25 years in prison in 2005. Ebbers was granted early release from prison on
after serving 14 years of his sentence.

Former CFO Scott Sullivan received a five-year jail sentence after pleading guilty and testifying against Ebbers.

Debtor-in-possession financing from Citigroup, J.P. Morgan, and G.E. Capital allowed the company to survive. It emerged from bankruptcy in 2004 and rebranded itse
WorldCom acquired in 1997. Verizon purchased MCI and its assets in 2006. Worldcom's former banks settled lawsuits with creditors for $6 billion without admitting lia
bondholders, with the balance going to former shareholders.

In a settlement with the Securities and Exchange Commission (SEC) , the newly formed MCI agreed to pay shareholders and bondholders $500 million in cash and $
and all of its network assets were acquired by Verizon Communications in January 2006.

This spate of corporate crime led to the Sarbanes-Oxley Act in July 2002, which strengthened disclosure requirements and the penalties for fraudulent accounting. In
stain on the reputation of accounting firms, investment banks, and credit rating agencies that had never quite been removed.

Although no one actually admitted their part in the scandal, there were several players who were at fault—some within the company and others who weren't even emp
Arthur Andersen, an accounting firm that audited WorldCom's 2001 financial statements and reviewed WorldCom's books for Q1-2002, was found to have ignored me
informing them that the company was inflating profits by improperly accounting for expenses.

Key management personnel, including WorldCom CEO Bernie Ebbers and CFO Scott Sullivan, the company's board of directors, and its internal audit team were also
oversight and adherence to accounting principles . Ebbers and his lawyer initially denied any involvement or knowledge of the fraud. These claims were refuted by a
cited internal communications to the contrary.

Wall Street analyst Jack Grubman gave the company consistently high ratings even though the company (along with other telecoms) performed poorly. Grubman was
Smith Barney and was fined $15 million by the SEC. He was also banned from any activity in securities exchanges.

WorldCom was a telecommunications company that provided discount long-distance services to its customers. The company was embroiled in one of the largest acco
States, which led to an equally large bankruptcy filing. The company used questionable accounting practices to cover up its losses by making itself look more profitab
were concerned about fraudulent financial transactions and reported the inconsistencies to authorities. Its bankruptcy helped the company restructure, rebranding itse
sold to Verizon in 2006.

Several key individuals and entities were involved in the WorldCom scandal. Some of the most notable names include its CEO Bernie Ebbers, CFO Scott Sullivan, an
Arthur Andersen. Wall Street analyst Jack Grubman also played a role in providing the telecom company with positive ratings.

Cynthia Cooper was a key player in bringing attention to the company's financial inconsistencies. Together with auditor Gene Morse, Cooper investigated and reporte
accounting practices. She was named a Person of the Year by Time in 2002.

Cynthia Cooper was largely responsible for bringing attention to WorldCom's questionable accounting practices. She discovered several inconsistencies in the compa
reported them to auditors and the company's board. In her book. *Extraordinary Circumstances: The Journey of a Corporate Whistle-Blower* , Cooper said it was a diffi
was awarded by Time by being named a Person of the Year in 2002. She is now a speaker and consultant.

WorldCom was a telecommunications company that prided itself on providing its customers with affordable long-distance services. But an aggressive acquisition strat
company to a downward spiral that would ultimately open the door to one of the largest accounting frauds and bankruptcies in the United States. The company used c
techniques to hide its losses while making itself look more profitable than it was, which helped it retain its place as a darling among investors. Although it managed to
WorldCom's example helped corporate management teams and investors learn a valuable lesson: If something looks too good to be true, it probably is.bankruptcy

Ex-WorldCom CEO Bernard Ebbers, ‘telecom cowboy’ sentenced to 25 years in accounting fraud, dies at 78

February 3, 2020 · Google · False Positive (Score 0.66) fortune.com

Reviewed by on June 11, 2024

convicted bankruptcy died securities fraud sentence sentenced aggressive arrest attorneys crimes debt
frauds imposed imprisonment owed penalty plunged problems protection resigned trial vulnerable

Ex-WorldCom CEO Bernard Ebbers, ‘telecom cowboy’ sentenced to 25 ye accounting fraud, dies at 78

Bernard Ebbers, the ousted chief executive officer at WorldCom Inc. whose corporate malfeasance led to imprisonment, has died, the Associated Press reported. He
The former telecommunications executive died Sunday, the AP said, citing a report on WAPT-TV in Mississippi.

A federal judge ordered Ebbers released in December 2019 for medical reasons after he had served more than 13 years of a 25-year sentence. His health problems
that left him legally blind and a heart condition that made him vulnerable to cardiac arrest, according to his attorneys.

Ebbers, a onetime milkman and bar bouncer, led a fledgling company — originally named Long Distance Discount Service — through the telecommunications revolut
American Telephone & Telegraph's monopoly. Renamed WorldCom Inc. in 1995, the Clinton, Mississippi-based company became the No. 2 U.S. long-distance provic
capitalization of about $185 billion when its shares hit a high of almost $62.

Pushing WorldCom's share price upward was a strategy of aggressive growth through acquisitions, as the company gobbled up dozens of telecommunications firms.
favoring jeans and cowboy boots, Ebbers guided the purchase of firms making fiber optic cable and other key components of the internet.

His 1998 purchase of MCI Communications Corp. for $47 billion put WorldCom right behind industry leader AT&T in size. His expansion plan hit a wall in 2000 when U
opposed his attempt to acquire Sprint Corp., the then-No. 3 U.S. long-distance carrier.

WorldCom's first-quarter profit tumbled 78% in 2002 as rising competition from local-phone companies led to cuts in call prices. By that time shares had plunged more
Ebbers, who had saddled the company with $30 billion in debt from 75 acquisitions, resigned that April.

The CEO who swiftly assembled a behemoth lacked the skills to operate it.

Two months after Ebbers left, WorldCom disclosed it had misreported $3.9 billion in expenses, forcing the company to restate its earnings for all of 2001 and the first
and Exchange Commission called the misstatements 'unprecedented" and in July 2002 WorldCom filed the then-largest bankruptcy in U.S. history.

The company emerged from bankruptcy protection renamed as MCI Inc. and was acquired by Verizon Communications Inc. in 2005.

After Ebbers was forced out as CEO, it was disclosed that he owed the company $408 million, money he had borrowed against his WorldCom stock when it was valu
become a billionaire during his stint as CEO, used the funds to acquire the largest ranch in Canada, timber property in Mississippi, a yacht repair firm and mansions.

In March 2005 he was convicted of multiple charges, including securities fraud. Ebbers claimed he didn't know that subordinates had cooked the books.

"I know what I don't know," Ebbers said during his trial, blaming accounting irregularities on others. "To this day, I don't know technology, and I don't know finance or a

Ebbers, at age 63, was sentenced to 25 years in prison. It was the stiffest penalty imposed on any executive convicted in a spate of accounting frauds at the beginnin
crimes committed by executives at Enron Corp., Adelphia Communications Corp. and Tyco International Plc. His sentence and the size of his fraud were surpassed ir
pleaded guilty to a $17 billion Ponzi scheme and was handed a prison term of 150 years.

Bernard John Ebbers was born on Aug. 27, 1941, in Edmonton, Alberta. His father, John, was a traveling salesman who dealt in hardware and tires. He and his wife K
California when Ebbers was very young, and they lived for a while on a mission post on a Navajo reservation in New Mexico before moving back to Canada when Ebl

The 6-foot-4 (193 centimeters) Ebbers won a basketball scholarship to Mississippi College. He graduated with a bachelor's degree in physical education, having taken
accounting — as his defense lawyer reminded the jury that convicted him of securities fraud.

He was a poor student in college and didn't succeed at much before landing a job as a high school basketball coach. That leadership post led him to become the own
Mississippi. He used those assets to finance his initial stake in WorldCom.

Ebbers was married twice, first to Linda Pigott with whom he had four daughters, two of them adopted: Joy, Faith, Ave and Treasure. After the couple divorced, he ma
daughter, Carlie, from a first marriage. She divorced Ebbers two years after he went to prison.

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CWA Applauds Investigation into MCI WorldCom Contract Awards

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Reviewed by on June 11, 2024

attorneys conviction fraudulent investigate lawfully officers

CWA Applauds Investigation into MCI WorldCom Contract Awards

Washington, D.C. -- The Communications Workers of America praised Sen. Susan Collins (R-Me.), chair of the Senate Governmental Affairs Committee, for her anno
investigate the awarding of contracts to MCI WorldCom. In a letter to Collins, CWA President Morton Bahr noted that MCI WorldCom top officers had admitted to an $
government support of such an operation is not in the public interest. CWA "does not believe that a company that has admitted to the largest corporate fraud in our his
government. There are several other companies, all of whom acted lawfully general in four states indicate movement toward the filing of criminal charges against MCI
these services," he wrote. In enclosed materials, Bahr also noted that the federal government, through the General Services Administration, did debar other law-break
and Arthur Anderson LLP, from future federal contracts, and called for similar action against MCI WorldCom. CWA also has joined with other organizations in a May 2
Administrator Stephen A. Perry, again urging the GSA to suspend WorldCom from bidding on future federal contracts because of its fraudulent business practices. Th
by attorneysconviction on such charges would automatically debar MCI WorldCom from holding federal contracts, the organizations point out.

Bernard J. Ebbers, WorldCom Chief Jailed in Fraud, Dies at 78 (Published 2020)

February 3, 2020 · Google · False Positive (Score 0.56) nytimes.com

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collapse courting death deteriorated died jail scandals sentenced dies jailed

Bernard J. Ebbers, WorldCom Chief Jailed in Fraud, Dies at 78 (Published 2

Bernard J. Ebbers , who built a modest Mississippi phone company into a telecommunications giant, WorldCom, but later went to jail after its collapse in one of the na
died on Sunday at his home in Brookhaven, Miss. He was 78.

His health had sharply deteriorated in recent months, his family said in a statement provided by his lawyer, Graham P. Carner, who confirmed the death. One of his d
in a court filing in October that Mr. Ebbers was "now experiencing full-blown dementia."

Mr. Ebbers, who in 2005 was sentenced to 25 years in prison, was freed from a federal prison in Texas in December , having been granted compassionate release by
months at home.
In what was once considered a great entrepreneurial success story, Mr. Ebbers turned his small company in Mississippi, Long Distance Discount Service, into a telec
earning him the sobriquet "the telecom cowboy."
The company, renamed WorldCom, grew through an astonishing string of more than 40 mergers and acquisitions, including the $37 billion takeover in 1998 of MCI Co
the size of WorldCom. At its peak in 1999, WorldCom employed 80,000 people and had a market capitalization of about $180 billion.
The company's sudden growth presented it with an array of new challenges, including placating federal regulators, courting multinational corporate customers and se
customers.
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Whistleblower who uncovered WorldCom fraud scandal to speak at NMSU

September 30, 2021 · Google · False Positive (Score 0.48) lcsun-news.com

Reviewed by on June 11, 2024

author frauds fraudulent scandal

Whistleblower who uncovered WorldCom fraud scandal to speak at NMS

New Mexico State University
LAS CRUCES - A high-profile whistleblower who uncovered one of the biggest corporate frauds in American history will speak at New Mexico State University Monda
Cynthia Cooper, bestselling author, consultant and internationally recognized voice on ethical leadership, will deliver lectures at three separate speaking engagement
of Business and the Daniels Fund Ethics Initiative at NMSU.
Cooper gained fame in 2002 after exposing the massive accounting fraud at WorldCom, where she served as the vice president of internal audit and led a team of au
company had covered up $3.8 billion in losses through fraudulent bookkeeping. She was one of three whistleblowers named Time magazine's Person of the Year for
book, "Extraordinary Circumstances: The Journey of a Corporate Whistleblower."
More from NMSU: Aggie Power: NMSU and El Paso Electric unveil solar energy and storage project
Cooper will first speak to several business classes on the Las Cruces campus between 9 and 11:30 a.m. in Domenici Hall, Room 109. She will then give a talk during
Convention Center between noon and 2 p.m., and wrap up the day with a second on-campus lecture between 5 and 7 p.m., also in Domenici Hall, Room 109.
The luncheon and evening lectures are open to the general public and business professionals, especially accountants, who may receive continuing education credits
events are free, but registration is required. Registration for the luncheon ends Friday, Oct. 1, and registration for the evening lecture ends Sunday, Oct. 3.
"As a whistleblower, Cynthia saw some major things that turned out to be the largest accounting fraud in U.S. history – and she did something about it," said Erin Bac
Ethics Fund Initiative at NMSU. "In her case, as in most whistleblower cases, it hurt her career. It's unfortunate, but I feel like those are ethics lessons that people nee
the right thing because of potential consequences.
Photos: Rain on our parade: NMSU celebrates homecoming week
"Cooper is the highest-profile figure to engage with NMSU through the Daniels Ethics Fund Initiative during Blaugrund's tenure with the program, Blaugrund said. Coo
through a grant from the Daniels Ethics Fund Initiative – will also mark the first large-scale, in-person event the NMSU program has hosted in 18 months.
"We want participants to walk away with a thought process of ethics is good," Blaugrund said. "We want them to pay attention to those little hairs that stand up on the
something is wrong. We want our students, in particular, to think about principle-based ethics, living a life of integrity and being transparent, and holding themselves a
For more information about Cooper's visit or the Daniels Ethics Fund Initiative at NMSU, contact Blaugrund at erinbaca@nmsu.edu or 915-345-0554, or visit the prog
Carlos Andres Lo#pez writes for New Mexico State University Marketing and Communications and can be reached at 575-646-1955, or by email at carlopez@nmsu.
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Expectations smoothing

Google · False Positive (Score 0.45) fraud-magazine.com

Reviewed by on June 11, 2024

fraudsters lost author litigation abuses attorneys collapse fraudulent fraudulently illegal scandals violat

Expectations smoothing

The devastating financial statement fraud cases of the early 21st century led to thousands of lost jobs and billions in lost market capitalization; however, we may be a
the "cookie jar reserves," which the most infamous fraudsters used during that time.
A term circulates in forensic accounting and auditing circles that often can lead investors to shudder and regulators to perk up: managed earnings. As included in the
Edition , by Dr. Joseph T. Wells, CFE, CPA, founder and Chairman of the ACFE:
Managed earnings refer to various accounting strategies that companies use in preparing their reports to investors. Examples include accounting for mergers, restruc
business divestiture. Amid a series of corporate scandals in which companies were found committing financial statement fraud under the guise of managed earnings,
ironically. In some exchanges, managed earnings are synonymous with financial statement fraud.
MANAGED EARNINGS AT WORLDCOM

Although not illegal by definition, managed earnings — or "earnings smoothing" — abuses can be fraudulent and criminal in their operation. Cynthia Cooper, best kno at WorldCom (at the time, the largest financial fraud in corporate history), spoke at American University in Washington, D.C., for the Kogod School of Business Annua Accounting , which I attended.

In her remarks, Cooper focused on the "normal" nature of the now-vilified fraudsters at WorldCom: They were everyday working people in Clinton, Mississippi, trying t However, management's deliberate, specific decisions —influenced by the need to "meet or beat" Wall Street projections — led those people to stray from their value The WorldCom fraudsters used temporary "cookie jar reserves" to account for shortcomings in company performance, and avoid negative financial results. After Coop responsible, the fraud led to an $11 billion restatement of WorldCom's financials, and eventually to the collapse of the company.

EXPECTATIONS INSTEAD OF EARNINGS

Stashing away accruals for a rainy day (i.e., when a company is going to miss its Wall Street projections) may depart from economic reality and can violate the princip accounting. Judgment from regulators is often swift and severe in cases of fraudulently managed earnings.

There are, however, legitimate environments in which the measured use of managed "earnings" can benefit you — swap out earnings for *expectations* in your everyd In my years as a financial litigation consultant, I've seen a breakdown in many levels of expectations on the cases I've worked. From client to counsel, counsel to cour partner to staff — at each interchange, the players expect certain performances from each other. Breakdowns occur, however, when the participants don't clearly defi expectations.

Counsel might instruct a consultant to "review a deposition" related to their case. Seems clear enough, right? But when the attorneys scoff at a 15-hour task on the bil hour read through, it might be too late to explain to them that your team members read, annotated and cross-referenced the statements and even researched all the a The same goes for any staff on a proposed engagement. A senior partner might submit a project plan that compares thousands of transactions in bank statements ov all that's needed is a quick VLOOKUP (to find a value in an Excel list or table) and a 15-minute quality check of the formulas. An accurate expectation can win or lose

TIPS FOR 'SMOOTHING' EXPECTATIONS

Save up those expectation accruals in a cookie jar for a rainy day in your career and on your projects. Here are some tips for "expectations smoothing" in your work:

Immediately ask for the expected timeline, scope or deliverable upon assignment of a task. Inquire about these components at the time of an assignment so yc "review a deposition" dilemma, and you can clearly communicate their capabilities, capacity and focus to you client or management. Further, you can better prepare y him or her realistic deadlines and quality assurance.

Address any potential ambiguity up front. If applicable, tell your manager or client that the due date might be contingent upon your receipt of documents before yo client immediately if you receive documents in an unexpected format so he or she knows the mix-up could cause potential delays.

Communicate consistently throughout the task. Quickly inform your manager or client if unforeseen issues arise, and don't only operate under ground rules learne you can't complete the work by Friday, your manager or client will be much happier to hear from you on Tuesday morning instead of Thursday at midnight.

Improve the process where possible. If you can finish a specific program or skill in a day instead of three months, do it! Update expectations before, during and afte client with a perfectly formatted deliverable to keep the project ahead of schedule.

Understand the manager or client's schedule. Candidly discuss with your manager or client when he or she will review and return your work so you can plan your t can mean "I need this so I can review over the weekend to file with the court first thing Monday" or "I plan on getting to this next week sometime."

So, it's best to over-communicate when you provide your intended performance related to manager and client's expectations.

Share your tips and stories on "expectations smoothing" in your careers and projects in the comments section below. When is it necessary to dip into your cookie jar r

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Disclosure: The views expressed in this piece are those of the author and aren't necessarily the views of FTI Consulting, its management or its subsidiaries.

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Appendix - search request details

Google API

Entity ID	Type	Name	Date of birth	Citizenship	Reside
—	**Company**	**WorldCom**	—	**United States**	**—, Un**

High-risk countries

Russian Federation NK

Keywords

ACCUSE ARREST BRIBE CONVICT CORRUPT COUNTERFEIT CRIME EMBEZZLEMENT FRAUD GUILT INVESTIGATION KICKBACK MONEY LAUNDERING NARCOTIC PENALTY SANCTION SENTENCED EVASION TE TRAFFICKING VIOLATION

Article Language(s)

Any

Search time period

10 Years

Report Explanation

Case Status: the recommendation based on the analyst''s findings. Possible values are Further investigation needed, True positive or False Positive. Th
name.

High-Risk Countries: shows flagged countries which were found within the article(s). Note that additional countries that were not found within the article
screening.

Keywords: shows keywords found within the article(s) that are commonly associated with a True Positive alert. Note that additional keywords that were n
may have been used in the screening.

Article Title: the name of the article returned by the search parameters. Clicking the name of the article title in the Summary section will navigate you to t
article details section.

Article Status: a risk-based category assigned to an article. Possible values are "Needs Investigation", "False Positive", "True Positive". Articles that wer
Positive" by the model are automatically assigned "Needs Investigation" unless a human team member changes the status during the review process.

Score: a model-based assessment that determines the relevance of the entity and a risky activity and/or crime. It is given on a 0.00 to 1.00 scale, with 1.

Reviewer: the name and ID of the final analyst who reviewed the article and updated its status and/or comment. Possible values are the name and ID of
or "Auto" if it was processed automatically by the digital worker Evelyn. It is possible for different articles to be reviewed by different analysts within the sa

Comment: articles are first analyzed by the machine learning model. If the model dispositioned the article as False Positive, you''ll see the reasoning liste
comments made by analysts during their manual review in this section.