

107TH CONGRESS
2^D SESSION

H. CON. RES. 434

Expressing the sense of the Congress regarding the economic collapse of
WorldCom Inc.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2002

Mr. SHOWS submitted the following concurrent resolution; which was referred
to the Committee on Financial Services

CONCURRENT RESOLUTION

Expressing the sense of the Congress regarding the economic
collapse of WorldCom Inc.

Whereas executives at WorldCom Inc. hid \$3,850,000,000 in
expenses by improperly transferring certain costs to cap-
ital accounts in order to falsely portray WorldCom Inc.
as a profitable business in 2001 and the first quarter of
2002;

Whereas the economic collapse of WorldCom Inc. will cause
the layoff of thousands of WorldCom employees;

Whereas WorldCom is the second largest long distance pro-
vider in the United States, with stock that was valued at
\$64 per share in June 1999;

Whereas the collapse of WorldCom and the resulting decline
in its stock price, valued at \$0.21 per share on June 26,

2002, has hurt thousands of investors throughout the United States who were misled by WorldCom's inaccurate financial disclosures;

Whereas Standard & Poor's 500 stock index lowered WorldCom's long-term corporate credit rating to junk status on May 10, 2002, and dropped WorldCom from its index on May 14, 2002;

Whereas the combined downfall of Enron, WorldCom, telecommunications firm Global Crossing, and other major corporations has seriously affected consumer confidence in the telecommunications industry and in the integrity of corporate transactions and reporting;

Whereas the United States Securities and Exchange Commission has already filed civil fraud charges against WorldCom; and

Whereas the Congress has a responsibility to protect investors, workers, and innocent victims, including children and families, from fraudulent investment practices, and to ensure the independence of financial analysts and auditors: Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
2 *concurring)*, That it is the sense of the Congress that—

3 (1) a timely and thorough investigation should
4 be undertaken into the alleged wrongdoings related
5 to the economic collapse of WorldCom Inc.; and

6 (2) any person, including any auditor, financial
7 analyst, WorldCom executive, accounting company,
8 or other company or partnership, who is found to
9 have illegally withheld information or disseminated

1 misleading information regarding WorldCom's finan-
2 cial condition should be held accountable to the full-
3 est extent of the law.

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