

85 years in jail for ex-WorldCom CEO (Thu 17 Mar, 2005)

WARM-UPS

CHAT: Talk in pairs or groups about executives / big companies / dot-com / bubbles / prison / cooking the books / milkman / Wall Street / darling ... Change topic / partner frequently to increase conversation.

PRISON BRAINSTORM: Spend one minute writing down all of the different words you associate with the word 'prison'. Share your words with your partner / group and talk about them.

IN PRISON: In pairs/groups, talk about what it would be like to spend a long time in prison. Write down the five worst things about being in prison. Talk to other partners/groups and share the points you wrote down.

85 YEARS: Decide whether you will be Student A or Student B. Students A get together and write down reasons why 85 years is too long as a sentence for Bernie Ebbers. Students B write down reasons why 85 years is the correct sentence length. Have a courtroom role play defending your arguments and attacking those of the other side.

OPINIONS: In pairs/groups, discuss whether you agree or disagree with the following opinions:

- a. 85 years is too short – 20,000 people lost their jobs and livelihoods.
- b. It's great to see the guys at the top being sent to prison for a long time.
- c. What he did is normal in many companies. Why single him out for punishment?
- d. It is very possible he wasn't aware of the complicated accounting techniques. The jury has made a mistake.
- e. His rags-to-riches story is an inspiration to us all. He should not be punished so severely.
- f. The bigger they are, the harder they fall.
- g. Justice is justice.
- h. Why give such a huge sentence because money is involved? Murderers and rapists can get away with five years in prison. Something is wrong here.

PRE-READING IDEAS

WORD SEARCH: Look in your dictionaries / computer to find collocates, other meanings, information, synonyms ... of the words 'accounting' and 'scandal'.

HUH?: In pairs/groups, look at these expressions from the article. Guess their meaning:

- a. tough at the top
- b. cooking the books
- c. kept in the dark
- d. dot-com bubble
- e. high profile corporate player
- f. the bubble burst
- g. to his doorstep
- h. slippery slope to ruin
- i. Wall Street darling

TRUE FALSE: Guess whether the following statements about the article are true or false:

- a. A CEO was part of the largest financial collapse in US corporate history. T / F
- b. The CEO pleaded guilty to everything in court. T / F
- c. The CEO enjoyed cooking and reading books. T / F
- d. The CEO was locked in a closet and kept in the dark for a long time. T / F
- e. The CEO used to be a milkman. T / F
- f. WorldCom grew to become the largest telecom company in the USA. T / F
- g. The CEO was a high profile player on the WorldCom basketball team. T / F
- h. The CEO was once a Wall Street darling. T / F

SYNONYM MATCH: Match the following synonyms from the article:

- | | |
|--------------------|-------------------|
| (a) tough | boom |
| (b) collapse | deception |
| (c) fraud | failure |
| (d) cook the books | exploded |
| (e) verdict | entrepreneurial |
| (f) coach | difficult |
| (g) corporate | lie |
| (h) bubble | downfall |
| (i) burst | trainer / manager |
| (j) ruin | judgment |

PHRASE MATCH: Match the following phrases from the article:

- | | |
|--------------------|-------------------|
| (a) tough | boom |
| (b) collapse | deception |
| (c) fraud | failure |
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| (j) ruin | judgment |

GAP FILL

85 years in jail for ex-WorldCom CEO

BNE: It's _____ at the top for some. Bernie Ebbers, the former CEO of telecommunications giant WorldCom, was found guilty today for his _____ in the \$11bn accounting scandal that forced the company into bankruptcy. It was the largest financial collapse in US corporate history. Mr. Ebbers, 63, failed to _____ the jury he knew nothing of the financial side of WorldCom's operations and was thus convicted for fraud, conspiracy and _____ documents. He could face up to 85 years in prison. He accused his CFO Scott Sullivan of cooking the books, telling the court he had been kept in the dark about WorldCom's accounts. US Attorney General Alberto Gonzales said the decision was an important one as it showed fraud was found to extend "from the middle management levels of this company all the way to its top executive." Ebbers is protesting his _____ and has been released on bail until the final sentencing on June 13th, during which time his lawyers will be appealing the verdict.

innocence tough convince falsifying part

Ebbers started his career as a milkman, basketball coach and nightclub _____, before investing in a small telecom company called Long Distance Discount Service (LDDS). In 1985 the company changed its name to WorldCom and _____ to become the second largest provider of long distance telephone calls in the USA. The dot-com bubble helped WorldCom and Ebbers become high profile corporate _____. In 1998 the company's stock hit a record \$64 per share high. Unfortunately for Ebbers, the technology bubble burst and at the same time the energy giant Enron _____, also due to fraudulent mismanagement. This brought the Securities and Exchange Commission to his doorstep. They began examining WorldCom's accounts and a \$400m personal loan to Ebbers himself. From then on Ebbers was on the slippery slope to _____ and was no longer a Wall Street darling.

grew collapsed ruin players bouncer

DISCUSSION:

- a. What was interesting in this article?
- b. Were you surprised by anything in this article?
- c. How safe is your job?
- d. Do you feel sorry for Bernie Ebbers?
- e. Is 85 years the correct sentence?
- f. How tough do you think it is at the top?
- g. Is cooking the books such a serious crime?
- h. Have you ever been kept in the dark about anything?
- i. Do you think this judgment will pave the way for more white-collar convictions?
- j. Do you think this judgment will create more honest accounting in future?
- k. Is it easy to be totally honest when lying a little can make billions of dollars in profits?
- l. Would you lie a little to make a billion dollars?
- m. Is the story of Bernie Ebbers an inspirational rags-to-riches one?
- n. What do you remember of the dot-com bubble?
- o. What do you remember of the WorldCom and Enron collapses?
- p. Would you like to be a Wall Street darling?
- q. Did you like this discussion?
- r. Teacher / Student additional questions.

HOMEWORK

- 1. VOCABULARY EXTENSION:** Choose several of the words from the text. Use a dictionary or Google's search field (or another search engine) to build up more associations / collocations of each word.
- 2. INTERNET:** Search the Internet and find information on the WorldCom or Enron corporate collapses. Share your findings with your class next lesson.
- 3. DARLING:** Imagine you are a darling of all of the world's stock exchanges. Write your rags-to-riches story of how you grew from a humble English student to a high profile corporate player in just six months.
- 4. 85 YEARS:** Write a list of questions you would ask someone who is about to spend 85 years in prison. Use these questions for an activity in your next class.

TEXT

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