

Name: Alert ID: TMML2024034086595 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. Bernard Ebbers was 78. 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 subordinates to inflate numbers to make 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' conviction in 2006 wrote that WorldCom's fraudulent accounting practices were "specifically intended to create a false picture of profitability even for professional analysts that, in Ebbers' case, was motivated by his personal financial circumstances." Before establishing himself in telecommunications, Ebbers had a diverse career that started in sports. He received a basketball scholarship at Mississippi College, where he majored in physical 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 Texas, as well as a car dealership 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 the day-to-day operations and bought up competitors, transforming LDDS — which was later renamed WorldCom, based in Clinton, Mississippi — into the fourth-largest long-distance company by 1996. 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 Ebbers was "the telephone 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 following his conviction, was 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 problems and said that Ebbers had 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 possible his client might not live 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 hospitalized. "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 running a business." 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 prisoner go to Ebbers' open cell 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 confinement because his "severely 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. Court papers say a Bureau of 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 experienced a "rapid decline" in October, 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 such a move would send "a terrible 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. "Thankfully, Judge Caproni agreed with 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 are deserving of compassionate release to their families."