

WorldCom discloses \$3.8b fraud, fires CFO, controller

Affair may eclipse Enron scandal, bringing another corporate disaster to steps of Andersen auditors

AFP, San Francisco

A staggering corporate scandal erupted late Tuesday when troubled telecommunications company WorldCom disclosed company officials had misstated accounting figures in the amount of 3.8 billion dollars.

The affair could eclipse the scandal of US energy giant Enron, bringing another corporate disaster to the steps of the Arthur Andersen auditors -- a company already in the spotlight on charges of criminal

wrongdoing.

According to a statement released by the Clinton, Mississippi-based WorldCom, monies that were actually expenses were booked as capital. This was accomplished outside of generally accepted accounting rules, the company said.

A proper accounting of those funds, the company said, would have resulted a reduced cash flow of 6.3 billion dollars in 2001 and 1.4 billion dollars for the first quarter of 2002, meaning the company would

have reported a net loss in 2001, and for the first quarter of 2002.

In 2001, WorldCom claimed a 1.4 billion dollars in profit, and a 130 million dollars in profit for the first quarter of 2002. Final numbers for those last five quarters won't be available until another audit is conducted, the company said.

WorldCom's Chief Financial Officer Scott Sullivan and controller David Myers have been sacked, the company said.

The company has notified US securities regulators of the impropri-

ety, WorldCom stated, and has retained an outside law firm to investigate the matter.

WorldCom CEO John Sidmore said the company's management team was "shocked by these discoveries."

"We are committed to operating WorldCom in accordance with the highest ethical standards."

As almost an afterthought, WorldCom also stated in its release disclosing the massive scandal that it was laying off 17,000 in a cost-cutting move.

Sidmore said the company, despite these revelations, "remains viable and committed to a long-term future."

The company is asking its recently hired outside auditors, KPMG, to conduct a new survey of the company's books for the year 2001 and 2002. Also, WorldCom said it has received word from Andersen that in light of these revelations, audits for 2001 conducted by Andersen "could not be relied upon."

Andersen said in its own statement that it had acted in accordance to "professional standards at all times" and it had been kept in the dark about the WorldCom CFO Sullivan's actions.

Tuesday's revelations prompted fears of what the future may hold for WorldCom, once a high-flying telecommunications company but now struggling under 30 billion dollars of debt.

The company's stock closed Tuesday on the Nasdaq at 83 cents - in stark contrast to June 1999 figures, when its stock hit a high of 64.50 dollars. At its stock high, the company had a market value of 115 billion dollars. It has since plunged to below one billion dollars.

Bankruptcy now looms in the company's near future, as the company was in negotiations with US banks over a five billion dollars in credit.

WorldCom's news sent Asian stocks tumbling Wednesday. Tokyo's Nikkei Average dropped almost 220 points upon its open.



PHOTO: LOYEDS INS

The Loyeds Insurance Company Limited opened its VIP Road Branch at Purana Paltan in the city recently. GFM Shawkat Ali, managing director of the company, inaugurated the branch. Among others, Md Zakir Hossain, senior general manager and in-charge of the branch, Company Secretary Salim Ahmed and Asstt. General Manager (Audit) Abdullah-Al-Mamoon are also seen in the picture.



PHOTO: ALOOK REFRIGERATION CO.

Acme Laboratories Ltd signed an agreement with Alook Refrigeration Co. Ltd to avail itself of central air conditioning system using 800 ton capacity Dunham-Bush Chillers for Acme Tower in the city on Sunday. Picture shows (from right) AR Sinha, deputy managing director of Acme Laboratories Ltd, Francis Yeo, deputy general manager of Dunham-Bush International, Md Abdul Khaleque, managing director of Alook group, Kazi M. Badruddin, director-finance of Acme Laboratories Ltd, and M. Hamidul Islam, executive director of Alook group, at the signing ceremony.



PHOTO: STAR

US Ambassador to Bangladesh Mary Ann Peters (right) at a function held at the US Embassy yesterday hands over a cheque for Tk 1,135,000 (\$ 19,571) to Aine Fay, country director of Concern Bangladesh. The fund will be used for expanding the health and sanitation infrastructure for 5,000 Rohingya refugees, who are being relocated from Nayapara to Kutupalang Camp near Cox's Bazar.

CURRENCY

Following is yesterday's foreign exchange rate statement by Standard Chartered Bank.

Selling	Currency		Buying		
	TT/OD	BC	TT Clean	OD Sight Doc	OD Transfer
58.5500	58.5800	USD	57.4000	57.2314	57.1629
57.2221	58.2520	EUR	56.1315	55.9666	55.8996
59.1717	89.2173	GBP	86.4444	86.1906	86.0873
34.1698	34.1873	AUD	32.5515	32.4559	32.4171
0.4893	0.4896	JPY	0.4735	0.4721	0.4715
39.5715	39.5918	CHF	38.3972	38.2844	38.2386
6.3752	6.3785	SEK	6.1482	6.1302	6.1228
38.9943	39.0143	CAD	37.8005	37.6894	37.6443
7.5141	7.5180	HKD	7.3524	7.3308	7.3220
33.3144	33.3314	SGD	32.3836	32.2885	32.2499
16.0724	16.0806	AED	15.5026	15.4571	15.4386
15.7354	15.7435	SAR	15.1852	15.1406	15.1225

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.88	60.15	96.115	41.760	75131	0.4964	0.5735

The local interbank foreign exchange market was active Wednesday. Demand for dollar was steady. Demand for BDT for overnight borrowing at call was steady and the call rate ranged between 3.0 and 4.0 per cent for the day.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 26-6-2002

Berth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Imprt disc
J/1	Khaleda	Sugar	Sant	AMBL	18/6	30/6	1131
J/2	Banglar Kallol	GI (Log)	Yang	BSC	13/6	28/6	1545
J/3	Hala	GI	Dilli	Sunshine	20/6	27/6	334
J/4	Paragon Pescadores	GI (Sl. C)	Pana	Everett	25/6	28/6	298
J/5	Jubilee	GI (Log)	Yang	RKship	19/6	26/6	X
J/6	APJ Sushma	C Clink	Krabi	OLM	20/6	30/6	2524
J/7	AVA	Rice (P) GI	Yang	BNSShip	4/6	30/6	533
J/8	Oriental Glory	GI (HR. C)	Sing	OTL	23/6	27/6	6259
J/9	Kariakos-M	C Clink	Birin	SSA	5/6	27/6	495
J/10	Kota Naga	Cont	Sing	Pi (Bd)	23/6	28/6	100/58
J/12	Jurong Bauhinia	Cont	Sing	NOL	21/6	27/6	144/X
J/13	Phumy	Cont	P Kel	PSSL	22/6	29/6	289/40
CCT/1	QC Honour	Cont	P Kel	QCSL	23/6	28/6	272/24
CCT/2	Asimont	Cont	P Kel	Seaborne	20/6	28/6	403/19

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading per
Banga Barta (Cont) 12/6	27/6	Hald	Baridhi	Cont	Col
Banga Bonik (Cont) 17/6	27/6	-	Bdship	Cont	Sing
Galt-2	27/6	-	Rainbow	GI (WT.Cement)	-
Bo Tong Gang	27/6	Tuti	CCNL	Sugar(P)	-
QC Dignity (Cont) 17/6	28/6	PKel	QCSL	Cont	Sing
Orient Freedom (Cont) 17/6	27/6	-	PSSL	Cont	Sing
Jaya Mars (Cont) 17/6	28/6	Sing	RSL	Cont	Sing
Maritime Peace	28/6	Tarj	BSL	C. Clink	-
Banga Bijoy (Cont) 17/6	30/6	-	Baridhi	Cont	Sing
Banga Birol (Cont) 17/6	29/6	-	BD Ship	Cont	Sing
Win Song	29/6	BABB	RK Ship	Bitumeen	-
Tropical Star	29/6	Cebu	RSA	C Clink	Sing
DeepSea-03	10/7	-	SRL	Fishing Trawler	-
Hartford-10	10/7	-	SRL	Fishing Trawler	-
Banga Lanka (Cont) 9/6	10/7	-	BD Ship	Cont	Sing
Jaami (Cont) 23/6	29/6	-	Everbest	Cont	Col
Banga Biraj (Cont) 22/6	1/7	-	BD Ship	Cont	Sing
Kota Cahaya (Cont) 19/6	30/6	Sing	Pii (BD)	Cont	Sing

The above are shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Asian stock markets plunge

AFP, Tokyo

Asian stock markets were sharply lower Wednesday after US telecoms giant WorldCom Inc. admitted to a 3.8 billion dollar accounting irregularity.

The news further dented investors' confidence in the battered US corporate sector, with two of the region's largest markets in Tokyo and Seoul suffering their worst falls since the aftermath of the September 11 terrorist attacks in the United States.

Japanese share prices nosedived 4.0 percent as they were hit by a slump on Wall Street, news of the scandal and a rise in the yen, dealers said.

The Nikkei-225 average of the Tokyo Stock Exchange lost 422.11 points to close at 10,074.56 while the Topix index of all first section shares fell 32.15 points at 984.28.

It was the Nikkei's biggest fall in both percentage and absolute terms since it plunged 504.48 points or five percent to 9,504.41 on September 17.

HONG KONG: Hong Kong share prices closed 2.4 percent lower amid concerns about the US dollar and a bearish outlook for Wall Street could trigger a fresh wave of selling.

The key Hang Seng index lost 253.06 points to close at 10,355.92.

SYDNEY: Australian shares lost 1.5 percent as all sectors suffered in the wake of the latest Wall Street scandal.

The SP/ASX 200 index fell 47.9 points to 3,179.4 and the All

Ordinaries was down 47 points at 3129.7. The SP/ASX 200 figure included a minor adjustment to Tuesday's close of about 0.2 points, the Australian Stock Exchange said.

SINGAPORE: Singapore share prices fell 2.1 percent, with Wall Street losses and the accounting problems at WorldCom overriding any positive reaction to a sharp rise in industrial output figures.

The Straits Times Index lost 33.65 points to 1,532.15 while the broader All-Singapore Equities Index was 8.46 points down at 410.20.

SEOUL: South Korean share prices slumped 7.2 percent on concerns over Micron Technology's disappointing quarterly results and WorldCom's accounting problems.

The composite index closed down 54.05 points at 701.87, off a low of 699.15.

KUALA LUMPUR: Malaysian share prices fell 1.7 percent in line with sharp losses throughout the region over the WorldCom scandal.

The Kuala Lumpur Stock Exchange composite index fell 12.17 points to finish at 705.04.

TAIPEI: Taiwan share prices closed 3.6 percent lower with electronics stocks leading the downturn as Wall Street's declines undermined already depressed sentiment.

The weighted index closed down 193.0 points at 5,123.04.

MANILA: Philippine share prices tumbled 2.8 percent to a six-month low, dragged down by a weaker Wall Street and concerns over the local

economy.

The Philippine Stock Exchange composite index fell 33.40 points to 1,164.49. It was its lowest level since December 27, 2001, when the index closed at 1,152.86.

BOMBAY: Indian share prices dropped one percent on the Bombay Stock Exchange in line with regional falls after news of the accounting scandal at WorldCom.

The 30-share BSE sensitive index shed 33.45 points to close at 3,180.89.

BANGKOK: Thai share prices closed 4.3 percent lower in line with regional falls after the corporate scandal in the US.

The Stock Exchange of Thailand (SET) index closed down 17.32 points at 381.21, while the bluechip SET 50 index fell 1.15 points at 24.62.

JAKARTA: Indonesian share prices closed 2.6 percent lower on heavy sales of blue chips after falls on regional markets amid concerns over the WorldCom accounting scandal in the US.

The Jakarta Stock Exchange composite index ended down 13.459 points at 503.500.

SHANGHAI: China's Shanghai B-shares closed 0.2 percent lower in falling turnover with few retail players willing to sell shares due to the market's positive medium-term outlook.

The Shanghai B-share index dipped 0.25 point to 152.98 while the A-share index edged up 6.78 points or 0.4 percent to 1,788.32.

STOCK