

APPENDIX A: Corporations Embroiled in Scandal and Fees Paid to Accountants

Fees in millions (\$)	2000	% of fees for consulting	2001	% of fees for consulting	Accountant	Scandal in Brief
Adelphia Communications	\$ 3.5	62%	n/a	n/a	Deloitte & Touche	Investigations by the SEC and 2 grand juries
<i>auditing</i>	1.3		n/a			
<i>non-audit and consulting</i>	2.2		n/a			
Bristol Myers Squibb	25.7	89%	41.3	93%	PricewaterhouseCoopers	Under investigation by the SEC
<i>auditing</i>	2.8		2.7			
<i>non-audit and consulting</i>	22.9		38.6			
Cendant Corp.	27.9	80%	32.4	79%	Deloitte & Touche	Former Chairman indicted for accounting scheme
<i>auditing</i>	5.6		6.9			
<i>non-audit and consulting</i>	22.3		25.5			
CMS Energy	3.9	60%	5.6	71%	Arthur Anderson	Embroiled in energy trading/accounting scandal
<i>auditing</i>	1.6		1.6			
<i>non-audit and consulting</i>	2.3		3.9			
Computer Associates International	2.9	42%	n/a	n/a	KPMG	Paid fine to Justice Dept, under investigation by SEC
<i>auditing</i>	1.7		n/a			
<i>non-audit and consulting</i>	1.2		n/a			
Dollar General Corp.	1.4	7%	1.3	8%	Ernst & Young	settled a class-action lawsuit for \$162 million for accounting problems
<i>auditing</i>	1.3		1.2			
<i>non-audit and consulting</i>	0.1		0.1			
<i>auditing</i>	0.7	67%	Deloitte & Touche was dismissed as the auditor in September 2001		Deloitte & Touche	
<i>non-audit and consulting</i>	0.2					
<i>non-audit and consulting</i>	0.5					
Duke Energy	15.2	78%	15	78%	Deloitte & Touche	Investigations by the SEC, CFTC over trading and accounting problems.
<i>auditing</i>	3.4		3.3			
<i>non-audit and consulting</i>	11.8		11.7			
Dynegy	7.3	56%	8.0	59%	Arthur Anderson	Investigations by the SEC, CFTC over trading and accounting problems.
<i>auditing</i>	3.2		3.2			
<i>non-audit and consulting</i>	4.1		4.7			
El Paso	5.9	68%	12.3	65%	PricewaterhouseCoopers	Embroiled in energy trading/accounting scandal
<i>auditing</i>	1.9		4.3			
<i>non-audit and consulting</i>	4.0		8.0			
Enron	52.0	52%	n/a	n/a	Arthur Anderson	Took advantage of lax regulations to defraud consumers & investors
<i>auditing</i>	25.0		n/a			
<i>non-audit and consulting</i>	27.0		n/a			

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Global Crossing	14.2	84%	n/a	n/a	Arthur Andersen	Under investigation by the FBI and SEC for accounting fraud.
<i>auditing</i>	2.3		n/a			
<i>non-audit and consulting</i>	12.0		n/a			
Halliburton	51.5	86%	26.5	73%	Arthur Anderson	In May the SEC began investigating Dick Cheney's role in \$100 million in
<i>auditing</i>	7.4		7.2			
<i>non-audit and consulting</i>	44.1		19.3			
IMClone Systems	0.2	63%	0.4	58%	KPMG	CEO arrested for insider trading, Martha Stewart also under investigation.
<i>auditing</i>	0.1		0.2			
<i>non-audit and consulting</i>	0.1		0.2			
Kmart	12.8	91%	Filed for bankruptcy 8 days before they would have been required to disclose for 2001		PricewaterhouseCoopers	Under investigation by the SEC for accounting fraud.
<i>auditing</i>	1.1					
<i>non-audit and consulting</i>	11.7					
Lucent Technologies	Did not disclose for 2000		62.6	88%	PricewaterhouseCoopers	Under investigation by the SEC for accounting fraud.
<i>auditing</i>			7.6			
<i>non-audit and consulting</i>			55.0			
Martha Stewart Living Omnimedia	1.0	69%	0.8	64%	Arthur Andersen	Martha Stewart is under investigation by the SEC for insider trading.
<i>auditing</i>	0.3		0.3			
<i>non-audit and consulting</i>	0.7		0.5			
Merck & Co	6.3	33%	6.5	34%	Arthur Andersen	Shareholder lawsuits concerning accounting problems.
<i>auditing</i>	4.2		4.3			
<i>non-audit and consulting</i>	2.1		2.2			
MicroStrategy	2.1	62%	1.4	36%	PricewaterhouseCoopers	Settled a suit brought by the SEC for accounting fraud.
<i>auditing</i>	0.8		0.9			
<i>non-audit and consulting</i>	1.3		0.5			
Mirant	13.5	84%	13.1	77%	Arthur Anderson	Embroiled in energy trading/accounting scandal
<i>auditing</i>	2.2		3.0			
<i>non-audit and consulting</i>	11.3		10.1			
Network Associates	5.0	71%	4.0	61%	PricewaterhouseCoopers	Under investigation by the SEC for accounting fraud.
<i>auditing</i>	1.5		1.6			
<i>non-audit and consulting</i>	3.5		2.4			
Peregrine Systems	1.0	82%	n/a	n/a	Arthur Andersen	Under investigation by the SEC for accounting fraud.
<i>auditing</i>	0.2		n/a			
<i>non-audit and consulting</i>	0.9		n/a			

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PNC Financial Services Group	19.1	85%	18.8	79%	Ernst & Young	Forced to restate \$155 million after SEC investigated.
<i>auditing</i>	2.9		3.9			
<i>non-audit and consulting</i>	16.2		14.9			
Qwest Communications	7.9	86%	11.8	89%	Arthur Andersen	Under investigation by the SEC for accounting fraud.
<i>auditing</i>	1.1		1.4			
<i>non-audit and consulting</i>	6.8		10.5			
Reliant Energy	22.1	84%	33.2	87%	Deloitte & Touche	Embroiled in energy trading/accounting scandal
<i>auditing</i>	3.6		4.3			
<i>non-audit and consulting</i>	18.5		28.9			
Rite Aid	20.6	50%	7.9	37%	Deloitte & Touche	Indicted by the SEC for accounting fraud.
<i>auditing</i>	10.4		5.0			
<i>non-audit and consulting</i>	10.2		2.9			
Tyco	n/a	n/a	34.9	62%	PricewaterhouseCoopers	Under investigation by the SEC for accounting fraud.
<i>auditing</i>	n/a		13.2			
<i>non-audit and consulting</i>	n/a		21.7			
Waste Management	79.0	39%	23.3	41%	Arthur Andersen	Fined by the SEC for accounting fraud.
<i>auditing</i>	48.0		13.7			
<i>non-audit and consulting</i>	31.0		9.6			
WorldCom	26.7	86%	16.8	74%	Arthur Andersen	Under investigation by the SEC for accounting fraud.
<i>auditing</i>	3.8		4.4			
<i>non-audit and consulting</i>	22.9		12.4			
Xerox	18.8	40%	n/a	n/a	KPMG	Paid a \$10 million fine to the SEC for accounting fraud.
<i>auditing</i>	11.3		n/a			
<i>non-audit and consulting</i>	7.5		n/a			
TOTALS, Corporate Scandals	\$ 448.3	67%	\$ 377.9	75%		
<i>auditing</i>	\$ 149.1		\$ 94.2			
<i>non-audit and consulting</i>	\$ 299.1		\$ 283.7			