



Top 1000 companies

A special supplement on the winners and losers



DIXIE CHICKS HAVE NO REGRETS ABOUT TAKING ON BUSH ♦ **TheTicket**

DEALING WITH DUNNES: THE WHELAN FOODS CASE ♦ **Business This Week**

NewsDigest

Thousands greet pope on arrival for Polish visit

Pope Benedict XVI was given a thunderous welcome when he arrived in Warsaw yesterday and told Poles he had come to follow in his predecessor's footsteps and "breathe in the atmosphere of faith in which you live". page 11

EU rules to end State aid for firms in Dublin

The Government will no longer be able to give State aid to companies setting up or expanding in Dublin and surrounding counties from next year, following the introduction of stiffer European Union rules. page 9

HomeNews

Vetting checks: Thousands of new teachers, care-takers and other staff with access to children in the education system will face vetting checks by the Garda from this September. page 6

Marriage case: Maura O'Shea, a divorced woman, and her former husband's brother, who have been in a 20-year relationship, have brought a challenge to laws which prevent them marrying while the woman's husband is still alive. page 4



Unions warn on pay deal: Unions are determined to secure a new national pay but will not do so "at any price", the leader of the State's biggest public sector union said yesterday. page 5

BusinessNews

IDA enlist Bono: IDA Ireland has enlisted the support of Bono, the U2 singer, and the artist Louis le Brocqy in a €4 million drive to market Ireland as a prime business location for US multinationals. Business This Week

An Post site sold: Two Dublin property investors have paid €107 million - €27 million above the guide price - for an apartment and office site at the Red Cow Roundabout on the N7/Naas Road in west Dublin. Business This Week

WorldNews

Immigration Bill: The US senate was poised last night to approve a sweeping overhaul of immigration laws that would allow millions of illegal immigrants, thousands of whom are Irish, to remain in the country. page 12

Possible release: The first UN official to visit Burma in two years said he had asked the military government to release opposition leader Aung San Suu Kyi, and that it may be ready to consider it and also to re-engage with the world. page 13

SportsFriday

Golf: Ireland's Peter Lawrie trails the leaders by one shot after an opening round of four-under-par 68 in the BNV Championship at Wentworth. page 18

Soccer: Theo Walcott had his first run in a senior England side when England's World Cup preparations began with a B team selection losing 2-1 to Belarus last night. page 19

Weather

Rain will clear away in the morning with sunshine following. Winds will be westerly at 32kph. Temperatures will reach 17 degrees in places. page 28

Index

Home.....2-10 Features.....15 Sport.....18-23 World.....11-13 Opinion.....16 Bulletin.....28 Arts.....14 Letters.....17 TV.....13

THE IRISH TIMES 10-16 D'Olier Street, Dublin 2 Telephone: (01) 6758000 Fax: Newsdesk 6758036. Sport 6758033. Business 6758048. Advertising 6758002. Online: www.ireland.com The recommended retail price of THE IRISH TIMES in the Republic of Ireland is €1.60 Subscriptions: Tel: 6758273; Fax: 6758023 E-mail: subscribe@irish-times.ie



Volume No. 47291. Friday, May 26, 2006

Disgraced Enron bosses face lifetime behind bars

Former employees celebrate after pair convicted of fraud

DENIS STAUNTON, in WASHINGTON

Former Enron bosses Kenneth Lay and Jeffrey Skilling face a lifetime behind bars after a Texas jury found them guilty of fraud and conspiracy in one of the biggest corporate scandals in American history.

Lay was found guilty of all six counts against him and Judge Sim Lake also convicted the Enron founder on separate charges of bank fraud and he could face up to 165 years in prison. Skilling was found guilty of 19 out of 28 charges of fraud, which could lead to a sentence of 185 years in prison.

The verdict came after only a week of deliberations following a trial that lasted nearly four months. Lay clutched his wife's hand as she sobbed while the verdict was read but Skilling remained impassive.

"We fought a good fight. Some things work and some things don't. Obviously, I'm disappointed. But that's the way the system works," Skilling said as he left the courtroom in Houston.

Both men have been ordered to post a \$5 million bond and Lay has been told to hand in his passport to the court pending sentencing on September 11th. Lawyers for both Lay and Skilling said they would appeal the verdicts.

Once America's seventh largest company, Enron collapsed after it emerged that an estimated \$40 bil-

lion of debts had been hidden in secret accounts to protect the firm's core balance sheet. Enron had more than \$68 billion in market value before its bankruptcy wiped out more than 5,000 jobs and at least \$1 billion in retirement funds.

The jury concluded that Lay and Skilling had repeatedly lied to cover up accounting stratagems and failing ventures at Enron. Jurors rejected Skilling's claim that no fraud occurred at Enron other than that committed by a few executives in secret side deals, and that hostile media coverage and a nervous market combined to bring down the company.

Former Enron employees reacted with delight to the verdict, which Deborah Perrotta, who worked as an administrative assistant in the company, described as fantastic.

"It's a victory to show that corporate America can't get away with misleading the public and employees for their own personal gain," she told CNN.

Debra Johnson, another former Enron employee, said the verdict was about being fair to ordinary working people. "Skilling and Lay thought the money, the power was everything. This will let executives at other corporations know that it can happen to them. This is a milestone. And it's well deserved. We waited long enough. I'm smiling as I talk to you. I wish I'd been able to be there," she said.

The Bush administration also welcomed the guilty verdicts and White House spokesman Tony Snow congratulated the Justice Department and prosecutors on securing the convictions.

"The administration has been pretty clear there's no tolerance for corporate corruption and, furthermore, the Justice Department has been going aggressively after those who are involved in corporate corruption," he said.

The Enron trial was the most high-profile case in a succession of scandals that have rocked corporate America in recent years, which have seen executives from such giants as WorldCom and Tyco sentenced to lengthy jail terms. Christopher Cox, chairman of the Securities and Exchange Commission, said it sent an important message to

RHA EXHIBITION: portrait of artist James Hanley



Artist James Hanley RHA with a portrait of himself by photographer Amelia Stein RHA, which is part of this year's 176th RHA Annual Exhibition in Dublin from May 30th to July 8th. Photograph: David Sleator

businesses and investors alike.

"It is a victory for all Americans whose jobs and economic security depend on the integrity of our capital markets. The verdict makes clear that high-level corporate executives who deceive the investing public for personal gain will be held fully accountable," he said.

The trial pitted former colleagues against one another. The government had secured plea deals with, among others, the former finance chief Andrew Fastow, who will serve a slimmed-down sentence of 10 years in prison after admitting that he helped orchestrate the fraud, skimming off \$45 million for himself in the process.

Among the government's other star witnesses was Sherron Watkins, the mid-ranking accountant whose warnings internally had been ignored, and the former head of investor relations, Mark Koenig.



Kenneth Lay clutched wife's hand as she sobbed at verdict

RTÉ cuts well-known shows in major revamp of schedules

EMMET OLIVER

RTÉ has introduced radical changes to its radio schedules with a number of high-profile broadcasters losing out in the shake-up.

Several long-established programmes are to be scrapped, while a new host will be named shortly for an evening programme, *Drive-time*, to replace *Five Seven Live*.

Programmes such as Myles Dungan's arts show *Rattlebag*, John Kelly's *Mystery Train* and *The John Creedan Show* do not form part of the RTÉ Radio 1 schedule come September. Dave Fanning, for years associated with 2FM, is now moving to RTÉ 1, although he will retain a Sunday slot with 2FM.

Other broadcasters losing their normal slots include Val Joyce, who has hosted *Late Date* for many years. He will be replaced by John Creedan.

Among the main beneficiaries of the changes will be Joe Duffy, whose *Liveline* show is being extended by 15 minutes, and Derek Mooney, who has been asked to host a new programme from 3-5pm called *After-*



Myles Dungan: *Rattlebag* programme to be dropped



John Kelly: *Mystery Train* will not be part of RTÉ's new schedule

noon Ireland, described as "a music and speech magazine programme reflecting the life and times of people throughout the country".

The head of RTÉ Radio 1, Ana Leddy, said the station aimed to appeal to bigger audiences across the whole schedule. John Clarke, head of 2FM, said changes at his station would be "supported with a nationwide search for new talent". RTÉ's rivals last night said the changes were not a surprise. Willie

O'Reilly, chief executive of Today FM, said: "We are just surprised it has taken this long." Elaine Geraghty, chief executive of NewsTalk 106, said RTÉ was abandoning some of its public service remit at a time when competition was at its most intense.

Despite the general upheaval, the early morning schedules on RTÉ 1 and 2FM will remain almost intact. *Radio reshuffle fosters cult of personality*: page 5

Bad debts endanger some credit unions

ARTHUR BEESLEY, SENIOR BUSINESS CORRESPONDENT

A confidential report for the Irish League of Credit Unions has warned that some of its 530 credit unions will probably go out of business because clients are not repaying their loans.

In spite of the warning from the league's own rationalisation committee, the body said yesterday that the three million people who have €12.6 billion in savings with the credit union movement have no reason to be concerned about their funds.

"They should not be worried about their money at all," said the league's executive manager, Pat Fay. A member of the committee himself, he said the league had an insurance fund to protect clients' funds and said no person ever lost money in a credit union.

However, the report said the current degree of delinquency - the failure to repay loans - in some credit unions increased the risk to the movement in terms of its "potential impact" on the insurance fund, known as the Savings Protection Scheme.

It cited a 2003 analysis which said the ratio of loans not being repaid was in breach of the league's own target in 72 per cent of 448 credit unions surveyed.

In a survey for the committee, almost half of the credit unions that were in breach of the target indicated that they had no or limited difficulty with regard to controlling delinquency. "This is worrying because these credit unions are either ignoring their delinquency problems or are not aware of them," the report stated.

"With decreasing trends in loan growth, increasing delinquency and increasing direct competition, it is not unreasonable to think there will probably be some credit union failures in the coming years." Credit union risk: *Business This Week*

Enjoy Stella Artois Sensibly

Of course it tastes better than other beers. We've had over 600 years to get the recipe right. When you've been brewing beer in Leuven since 1366 you witness the odd change or three. For instance our beer is no longer used to ward off the plague, as it was in medieval times. However, some things never change. Stella Artois is still painstakingly brewed with the choicest ingredients. Which is why after 600 years, our customers keep coming back for more of the same.

