The Conventional An Industry Outsider Cuts Against the Grain At General Dynamics

Chadjara Avotsok Satellites, Glitzy Missile Defense, Focuses on Tanks, Ships

A Rainy Night Test of Mettle. By Avon Mora Koenig

The Contrarian

Business and Finance

ANNE RACIO against former Treasury undersecretary for domestic affairs. The Senate's Finance Committee is set to vote on the nomination of Anne M. Racio, a long-term Treasury official, to become special envoy to Afghanistan. Ms. Racio has been nominated to a position that is expected to be a tough one, given the political climate in Afghanistan. Ms. Racio has served in several high-level positions within the Treasury Department, including as assistant secretary for international affairs. She has also been a key figure in the development of the U.S. financial system, and is known for her expertise in international economic policy. Ms. Racio's appointment is expected to be confirmed by the Senate, although some critics have raised concerns about her lack of experience in dealing with the complex political situation in Afghanistan.

Global Crossing's accounting was questioned in a report released on Monday. The company's books were examined by the Public Company Accounting Oversight Board, which oversees the accounting of publicly traded companies. The report found that the company had not adequately disclosed its exposure to hedge funds, and that it had failed to properly account for its obligations to these funds. The company's stock price fell sharply on the news, and its CEO, Stephen D. Case, stepped down. The report was critical of the company's accounting practices, and raised questions about its ability to continue as a going concern. It also recommended that the company file a restatement of its financial statements.

Today's Journal

Insider's Report

The Wall Street Journal

What's News

World Wide

OPEC is expected to leave production unchanged at its next meeting in June, a decision that could result in higher oil prices in coming months. OPEC, which meets on June 5 and 6, is likely to keep its output at the same level as in May, at 35.5 million barrels per day. This will keep a lid on prices, which have been rising sharply since the start of the year. The organization's production is expected to remain below the level of demand, which is increasing due to stronger economic growth in many countries. The market is focusing on the possibility of a further increase in demand, which could push prices higher if OPEC does not act to reduce output.

OIL MARKETS

OPEC's production cuts may have been a factor in the price rise, but other factors are also at play. The U.S. economy is picking up, which is driving demand for oil. In addition, the Middle East is a source of supply uncertainty, with tensions between Iran and the West continuing to escalate. The U.S. and its allies are also increasing their military presence in the region, which could lead to further instability. The International Energy Agency (IEA) has said that it expects oil prices to rise further in the coming months, with the price of oil for delivery in July hitting $60 per barrel.

OPEC and other producers have been trying to avoid a repeat of the price spike that occurred in 2008, when prices rose from $70 to $140 per barrel. This was due to a combination of factors, including production cuts by OPEC, a sharp increase in demand, and political turmoil in the Middle East. OPEC is currently producing at about 35 million barrels per day, which is below the level of demand. This is keeping prices relatively low, but it is also raising concerns about the ability of the market to absorb more supply. The organization is expected to continue to monitor the situation closely, and to act if necessary to keep oil prices in check.

TODAY'S TOPICS

REGIONAL

LATIN AMERICA

- The situation in Venezuela is tense, with the government and opposition activists locked in a bitter struggle over the future of the country. The authorities have imposed a state of emergency, and have called for a national strike to be held on February 28. The opposition has responded by calling for a similar strike, and has vowed to continue its protests until the government agrees to hold a new election. The situation is volatile, with reports of clashes and arrests.

Europe

- The European Union is due to hold its annual summit this week, with leaders from the 27 member states expected to discuss a range of issues, including the eurozone crisis, the debt crisis in Greece, and the situation in Syria. The EU is also due to announce its decision on whether to extend the sanctions against Russia, which were imposed in response to the annexation of Crimea.

Asia

- The situation in the Middle East is complex, with tensions between Iran and the West continuing to escalate. The U.S. and its allies are increasing their military presence in the region, which could lead to further instability. The International Energy Agency (IEA) has said that it expects oil prices to rise further in the coming months, with the price of oil for delivery in July hitting $60 per barrel.

The Wall Street Journal

What's News

Law & Money

A day after the Federal Reserve raised its benchmark interest rate for the first time since 2006, the market was focused on the potential for further rate hikes at future meetings. The Fed's decision was seen as a sign that it was confident in the economic recovery and was willing to raise rates to keep inflation in check. However, some market participants were concerned that the Fed's decision could lead to higher borrowing costs for consumers and businesses.

Markets

- Stocks: The Dow Jones Industrial Average was down 173.96 points, to 18,170.61, while the S&P 500 was down 27.59 points, to 2,139.42. The Nasdaq Composite was down 72.78 points, to 5,061.61. The Dow Jones Transportation Average was down 67.47 points, to 7,555.41. The Chicago Board Options Exchange Volatility Index (VIX), often called the "fear gauge," rose 19.6% to 15.81.

- Bonds: The yield on 10-year Treasury notes was up 3.3 basis points, to 1.945%, while the yield on 30-year Treasury bonds was up 4.4 basis points, to 2.772%. The yield on 2-year Treasury notes was up 3.7 basis points, to 0.907%.

- Commodities: The price of gold was up $12.20, to $1,212.20 per ounce, while the price of oil was down $2.94, to $56.74 per barrel.

- Currencies: The euro was down 0.02%, to $1.0964, while the yen was up 0.01%, to 103.32 per dollar.

- Exchange rates: The British pound was up 0.14%, to $1.2844, while the Australian dollar was down 0.12%, to $0.7637.

- Stocks: The S&P 500 index was up 0.4%, to 2,139.42, while the Dow Jones Industrial Average was up 0.8%, to 18,170.61.
**MARKETPLACE**

**THE WALL STREET JOURNAL**

**FRIDAY, APRIL 12, 2002**

**Science**

**What Distinguishes Us From the Chimps?**

**ACTUALITY OF DIFFERENCES IN...**

Between the species doesn’t prompt surprised expressions from day care workers, regional Federal Parental Council. “It’s completely comparable,” said one of them. “The differences are minor, which..."-

**By James Sanders**

**Medicine**

**A Growing Split Between the Two...**

A consensus among the scientists...or it is thought to be independent of the..."-

**Science Journal**

**Bert Kish and His Business**

**Bernie Ebbers Bet the Ranch—Really on WorldCom Stock**

By Pauline Sebastian Redon

**Big Tooth? Suit Says Dentsply Has a Monopoly**

**By Pauline Sebastian Redon**

**Partials**

**Titanic’s Love in Litigation**

By Berenice Breslau and Allen Brooks

**How Bigelow’s ‘Peasant’ Beer Became ‘Premium’ in U.S.**

**By Loretta Ting-Strickland**

**Inside Industry**

**A Strong March For Discounters**

**By Charles E. Wilson, Jr.**

**Health**

**Shots in the Dark**

**By James R. Sheehan**

**Stella Artois’s Shrewd Marketing**

**By Eric J. Schiffer**

**Dossier**

**From Sunken Linerat Auction**

By Brooks Barnes

**Interbrew, in many ways, is playing copycat to..."-

**By Pauline Sebastian Redon**

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**From Sunken Liner at Auction**

By Brooks Barnes
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The agreement, announced Tuesday, won't close the gap with Wal-Mart, which is not

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April Sales Likely to Soften: Department Store Results Continue to Be Sluggish

By ANNE ZOHREH

An early Easter holiday and feature and event marketing have had mixed results for retail-

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WorldCom CEO Resigns As Firm's Fortunes Fall

"We are committed to doing the right thing for our customers," said Mr. Ebbers, who is also chairman and chief executive. "We will work hard to get back to the customers that we love and with whom we have had a long tradition of success." Mr. Ebbers said that he had no role in the accounting issues and was "surprised" that a new SEC investigation had been opened. Mr. Ebbers said that he had not planned a press conference or any other announcement before May 1.

Reliant Energy

Reliant Energy Inc. posted a first-quarter profit of $1.17 a share, well below the $1.22 a share that it had projected in February as it was trying to rebuild its信誉 after an accounting scandal that forced it to change its chief executive and chairman.

The quarter, which ended March 31, was the first quarterly profit for the utility since it was created in October 2000 as part of the breakup of Texas' electric monopoly. Reliant, which serves an estimated 1 million customers, has more than 2.4 million customers in California and about 1 million customers in New England. The company's stock was down 8 cents to $12.79 in early trading.

The company said it expected to meet its earnings targets for the second quarter, but said it was cutting its earnings outlook for the year to $1.30 a share, from $1.50 a share. Reliant said it expected to earn $1.30 a share in the second quarter and $1.40 a share in the third quarter.

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In the Shadows
A CEO's Secret: His Long Battle With Depression
After Years of Hiding Illness, Atlanta Business Leader Insiders Report NYSE

Mr. Gellerstein's Ivy Hands

By GEORGE MILLER

ALBANY, N.Y. — The last time the streets were clear, the man who runs the state's third largest hospital and nursing facility had been diagnosed with a rare form of depression. The patient's condition had progressed to the point where he could no longer work or speak to the public. His name was Mr. Gellerstein, and he was 51 years old. He had been married 15 years and was the father of two daughters. The state hospital, where he worked, was a state-of-the-art facility, equipped with the latest technology and staffed by some of the most skilled medical professionals in the country. But Mr. Gellerstein was not a patient. He was the administrator of the hospital. He had been diagnosed with depression and had been trying to treat it on his own, with no success. The hospital offered him a position as a consultant, which he accepted. He had been working at the hospital for 10 years, and he had never been known to suffer from depression. The diagnosis came as a shock to everyone, including Mr. Gellerstein himself. He had always been known as a hard worker, and he had always been able to handle stress. But depression is a disease, and it is a disease that can affect anyone, regardless of their background or their occupation. Mr. Gellerstein's story is not unique. There are many people who suffer from depression, and many of them are in positions of power and influence. They are the people who make the world go round, and they are the people who are least likely to seek help. They are the people who are the hardest to treat. Mr. Gellerstein's story is a reminder of that. He was a man who had it all, and he was a man who was suffering from a disease that he could not control. He was a man who was fighting to stay alive, and he was a man who was fighting to be heard. He was a man who was fighting to be seen.
WorldCom Admits $3.8 Billion Accounting Error

WorldCom Inc. said Wednesday it understated its earnings and overstated its revenue by $3.8 billion over the past three years, by recording payments to other companies as revenue rather than as capital expenses. The company is preparing to restate its financial statements, which would likely cause its stock to tumble. The company said it is also proposing a 1-for-2 reverse stock split in hopes of avoiding bankruptcy. The company's stock has already fallen more than 40% since the accounting error was discovered.


U.S. Probes British Bankers

Greenwich NatWest, a British bank, is under investigation for its role in a complex series of transactions that could have cost WorldCom Inc. as much as $6 billion. The bank was accused of helping WorldCom hide losses by misreporting the value of its stakes in other companies, a practice known as "creative accounting." The investigation has also led to the arrest of several executives, including WorldCom's former Chief Financial Officer Andrew Fastow. The bank has denied any wrongdoing.


WorldCom's Chief Financial Officer Andrew Fastow was arrested in 2002 for his role in the accounting scandal.


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In Bankruptcy, Getting Laid Off Hurts Even Worse

Continued From Page 1

Some laid-off workers eligible for unemployment benefits were also filing for bankruptcies. Kari Haskins, an employee of Foamex International Inc. in Pittsburgh, filed for Chapter 7 bankruptcy protection recently to help pay off her $1,300 credit card bill. "Every time you think you're on top of things, " she said, "you get hit with something new." The U.S. Bankruptcy’s Office of the Eastern District of Pennsylvania reported that bankruptcies increased from 180,000 in 1996 to about 260,000 in the first six months of this year. The number of bankruptcy filings has jumped since 1994, when the federal bankruptcy law was rewritten to make it easier to file for bankruptcy.

Some economists believe the increase is linked to the surge in unemployment. "About 10 years ago, there was a lot of talk about an increase in bankruptcy owing to the post-1982 recession, " said David K. Leonard of the Federal Reserve Bank of Cleveland. "But the number of bankruptcies didn’t go up then, it went down. "

In October 1899, a violent snowstorm struck the city of Chicago. People who had seen the storm coming tried to return to their homes, but the city was covered in snow and ice. The roads were slippery and difficult to navigate, and many people got lost or stranded. The city was plunged into chaos, and the storm lasted for several days. Eventually, the city was able to recover, but the memories of the storm were never forgotten. The storm is known as the "Great Snow Storm of 1899."
Bound for Baghdad
Despite Restraints, Iraq Gets Winstons; Who's to Blame?

By Steve Mollenkopf.

BURLINGTON, Vt. —(AP)—The struggle to force Iraq to do more to disarm its weapons of mass destruction is heating up, but one thing seems certain: it will not be a surprise attack like that of Desert Fox.

The new U.S. president, Bill Clinton, is taking a hard look at Iraq and its weapons of mass destruction, and he is not happy.

"The Clinton administration has been clear about its intentions," said Clinton. "Iraq must allow inspections to verify that it has no weapons of mass destruction."
Mr. Sullivan was called a meeting of the SEC at the SEC's headquarters in New York. At the meeting, Mr. Sullivan was asked to explain his role in the WorldCom's accounting scandal. He testified that he had been aware of the accounting irregularities, but had not reported them to his superiors. He also acknowledged that he had been influenced by the WorldCom's management to keep the irregularities secret. Mr. Sullivan was later charged with securities fraud and pleaded guilty to a misdemeanor charge.

The SEC began their investigation into WorldCom in 2001 after receiving a tip from a whistleblower. The investigation revealed that WorldCom had engaged in widespread accounting fraud, including the manipulation of earnings and the creation of fictitious revenue. The fraud resulted in a significant overstatement of the company's financial results, which ultimately led to the company's collapse and the largest bankruptcy in U.S. history.

The witnesses who testified at the SEC hearing included employees of WorldCom who had been involved in the fraud. They testified that they had been pressured by their superiors to engage in the fraudulent activities. Some of the employees testified that they had been threatened with job loss if they reported the fraud.

The SEC's investigation into WorldCom was one of the largest and most complex in U.S. history. It resulted in the conviction of several executives, including And立安, and the imposition of a record $60 million fine on the company. The case served as a wake-up call for the accounting industry and led to the passage of the Sarbanes-Oxley Act, which strengthened financial reporting standards and increased penalties for fraud.

It is ironic that, in the wake of the WorldCom scandal, Mr. Sullivan was arrested for securities fraud. He had been a significant figure in the accounting industry and had been involved in the creation of the accounting standards that are now used to prevent such fraud. The SEC's investigation into WorldCom was a reminder of the importance of maintaining high ethical standards in the accounting profession.
Mr. Ebberts Built an Empire on Mountain of Debt

Ebberts, a wealthy Wisconsin man with a history of investing in real estate and other ventures, once decided to create a large ski resort in the Rocky Mountains. His vision was ambitious, but the construction costs were enormous. To fund the project, Mr. Ebberts turned to debt financing, issuing bonds and taking out loans. Despite warnings from financial advisors, Mr. Ebberts pursued his dream with enthusiasm, building a grand ski resort that was eventually named Ebberts Mountain Resort. However, the costs of construction and maintenance proved to be prohibitive, and the resort struggled to attract enough visitors to cover its expenses. Eventually, the debt became unsustainable, and the resort was forced to close. Mr. Ebberts, having gambled everything on the resort's success, was left with a mountain of debt and a faded dream.