

CALL THE GUINNESS PEOPLE

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Every single time I see a politician or Attorney General holding some ridiculous “pat myself on the back” press conference I get nauseous. Case in point, Alan Hevesi, New York State Comptroller telling all who would listen that the \$2 billion WorldCom settlement he had just negotiated with J.P. Morgan Chase “represented a substantial recovery for the people we represent.”

Neil Weinberg of Forbes Magazine asks this question:

“Who do you represent? It doesn’t seem to be New York taxpayers who have entrusted Hevesi with the \$120 billion pension fund for state and local employees.”

The numbers speak for themselves in this case. This deal by Hevesi brings the entire kitty up to \$6 billion that he has gotten out of Citigroup, Bank of America, J.P. Morgan Chase and others. Unfortunately, very little of that fat wad of cash will be placed back into the pension, even though the pension was the lead plaintiff in the case.

When all was said and done, after the bond holders were paid back, the New York pension fund received \$11 million. That amounts to three pennies on the dollar. The real winners here are the law firms, \$330 million in fees. A \$6 billion settlement in favor of the lead plaintiff, and they only received \$11 million. Call the Guinness people! That has to be a record.