

## 1 SENATE RESOLUTION

2 WHEREAS, MCI WorldCom, Inc., formerly known as WorldCom  
3 Inc., is a corporation headquartered in the State of  
4 Mississippi and doing business in the State of Illinois; and

5 WHEREAS, WorldCom Inc., the nation's second-largest  
6 long-distance carrier, filed for Chapter 11 bankruptcy  
7 protection in 2002 after reporting \$3.8 billion, later  
8 accurately adjusted to \$7.1 billion, in bogus accounting; and

9 WHEREAS, This filing became known as the biggest  
10 bankruptcy scandal in U. S. history, affecting thousands of  
11 Illinois retirees and resulting in a collective loss of over  
12 \$84 million from the Illinois State University Retirement  
13 System, the Illinois Teachers Retirement System, and the  
14 Illinois State Board of Investment; and

15 WHEREAS, According to the Wall Street Journal, amidst  
16 this scandal, the Chief Executive Officer of WorldCom Inc.,  
17 was rewarded with a sweetheart severance package that  
18 includes a loan of \$408 million with an annual payment of one  
19 and one half million dollars plus lifetime use of the company  
20 jet; and

21 WHEREAS, The Washington Post newspaper reported on May 3,  
22 2003 that MCI WorldCom Inc. has already collected a refund of  
23 nearly \$300 million in overpayments from the Internal Revenue  
24 Service based on the company's fraudulent inflation of their  
25 earnings over the past few years; and

26 WHEREAS, The United States Senate Finance Committee is  
27 planning to ask the Justice Department to investigate  
28 companies requesting the Internal Revenue Service for refunds  
29 of taxes they paid on fake profits; and

30 WHEREAS, Pursuant to the Illinois Telecommunications  
31 Rewrite Act of 2001 MCI WorldCom has entered the Illinois

1 local telecommunications market by accessing the facilities  
2 and infrastructure built by the incumbent carrier; and

3 WHEREAS, The Illinois incumbent carrier offers to its  
4 competitors the lowest wholesale prices in the country; thus  
5 effectively subsidizing MCI WorldCom, Inc. in its entry into  
6 the local telecommunications market; and

7 WHEREAS, The Illinois incumbent carrier, although it has  
8 suffered some employee layoffs, has efficiently and  
9 responsibly managed its corporate affairs permitting it to  
10 remain profitable while providing its customers with  
11 excellent reliability and customer service; therefore be it

12 RESOLVED, BY THE SENATE OF THE NINETY-THIRD GENERAL  
13 ASSEMBLY OF THE STATE OF ILLINOIS, that we urge the Internal  
14 Revenue Service to prohibit refunds on taxes previously paid  
15 based on unearned profits; and be it further

16 RESOLVED, That the Internal Revenue Service not reward  
17 companies for ill gotten gains; and be it further

18 RESOLVED, That suitable copies of this resolution be  
19 delivered to the Commissioner of the Internal Revenue Service  
20 and the members of the Illinois Congressional delegation.