



**OFFICE OF
STATE TREASURER
DENISE L. NAPIER**

NEWS

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**NAPIER SAYS OMITTING BERMUDA-BASED COMPANIES FROM RULES REQUIRING
CEO'S TO SWEAR TO ACCURACY OF ANNUAL REPORTS ADDS INSULT TO INJURY**

*Calls on President, Congress, SEC to Make Certain Corporate CEO's,
Already Relocated to Limit US Taxes, Can't Also Evade Responsibility*

Connecticut State Treasurer Denise L. Napier said today that the omission of U.S. companies incorporated in Bermuda from the Securities and Exchange Commission's list of firms whose CEO's and CFO's must swear to the accuracy of their financial results is "adding insult to injury." Napier strongly criticized the SEC and called for federal action to close the latest loophole without delay.

Napier, principal fiduciary of the \$20 billion Connecticut Retirement Plans and Trust Funds, has been a leading advocate for corporate responsibility and a vocal opponent of the planned reincorporation of Connecticut-based Stanley Works to Bermuda.

"With a major address due by President Bush on corporate responsibility and regulatory oversight, I would hope and expect that the SEC will be told in no uncertain terms that this absurd and damaging loophole must be closed, and closed fast," Napier said.

"The executives of every company that must file financial information with the SEC, must also swear to the accuracy of the information, regardless of their corporate address and without exception," Napier said. "The danger of the current SEC plan is that it may provide corporations with one more reason to leave the legal confines of the USA and open a paper office overseas."

The criteria used by the SEC in developing the list of companies subject to the new requirement is unclear, Napier said, with the list omitting Bermuda "based" firms including Tyco International and Global Crossing. The SEC retains jurisdiction over some Bermuda incorporated companies, largely those that continue to be listed on the New York Stock Exchange. Published reports today quoted SEC officials as having no plans to add to or revise the list of corporations that would be subject to new SEC rule. It requires CEO's and CFO's of companies with more than \$1.2 billion in revenue last year to swear under oath that recent SEC filings are accurate. The *Wall Street Journal* reported that the SEC developed the list quickly, and focused only on US companies.

"We all learned as children that haste makes waste. The SEC has proved that adage, and it's time they grew up and start doing regulation the right way," Napier said. "I have said from day one that the rights of shareholders are substantially weakened by the reincorporation of a company to Bermuda. This latest SEC plan will make a bad situation worse. In a Johnny-come-lately effort to restore investor confidence, the SEC has done precisely the opposite."

Contact: **Bernard L. Kaval er**
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US
