

2 Sequencing a text

Put the sections of this article about the Arthur Andersen case in the correct order.

COURT RULING OVERTURNED ON ARTHUR ANDERSEN

- A** Despite this ruling, it is highly unlikely Andersen will ever return as a viable business. Following its prosecution, the firm lost nearly all its clients.
- B** From a high of 28,000 employees in the USA and 85,000 worldwide, the firm has been reduced to around 200, most of which are based in Chicago.
- C** Three years later, on 31 May, 2005, the Supreme Court of the United States unanimously overturned Andersen's conviction as a result of flaws in jury instructions.
- D** In 2002, the auditing giant Arthur Andersen was convicted of obstruction of justice for shredding documents connected to its audit of Enron.
- E** Since convicted felons are not permitted to audit public companies, the firm agreed to surrender its licences and its right to practise before the US Securities and Exchange Commission a few months later.
- F** Several years on, there are still over 100 civil suits pending against Arthur Andersen related to its audits of Enron and other companies. After the prosecution, it began winding down its American operations.

3 Focus on key words

Highlight the key words in these sentences and find the appropriate phrases in Exercise 2 which provide the same information.

- 1 Andersen was prosecuted for destroying auditing documents.
- 2 Firms proven guilty of criminal activities may not operate, hence the firm gave up its operating permits.
- 3 Due to inconsistencies in jury guidance, the sentence was reversed several years later.
- 4 It is improbable that Andersen will make a comeback as a workable firm.
- 5 Numerous legal proceedings continue against Andersen.
- 6 The size of the firm has been drastically cut.

4 Word formation

Complete these sentences with words formed from those in the box on the right.

- 1 Ex-Tyco director Frank Walsh pleaded guilty to a _____ charge of taking a \$20 million payment.
- 2 The CFO was charged with fraud and _____ of justice.
- 3 The firm's former accountant was jailed for _____ to bribe a tax official.
- 4 Following the investigation, several company directors and senior managers face _____.
- 5 In July, a court _____ in Thailand found the wife of the ex-Prime Minister guilty of tax fraud and sentenced her to three years in jail.
- 6 _____ financial reporting is intentional or reckless acts or omissions that result in misleading financial statements.

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|-------------|
| 1 FELON |
| 2 OBSTRUCT |
| 3 CONSPIRE |
| 4 PROSECUTE |
| 5 RULE |
| 6 FRAUD |