UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA, -v- BERNARD J. EBBERS, Defendant.	**DECLARATION OF DAVID B. ANDERS** S4 02 Cr. 1144 (BJS)

STATE OF NEW YORK)
COUNTY OF NEW YORK : ss.:
SOUTHERN DISTRICT OF NEW YORK)

DAVID B. ANDERS, pursuant to 28 U.S.C. Section 1746, hereby declares the truth of the following under penalty of perjury:

1. I am an Assistant United States Attorney in the Office of David N. Kelley, United States Attorney for the Southern District of New York. In that capacity, I am one of the Assistant United States Attorneys responsible for the above-captioned matter. I make this affirmation in support of the application of the United States Attorney for an Order designating this case as a case with "multiple crime victims" pursuant to Title 18, United States Code, Section 3771 (d)(2), and approving certain victim notification procedures as "reasonable" under that Section as well, and for such other relief as is just and proper.

2. Bernard J. Ebbers and his co-conspirators, Scott D. Sullivan, David F. Myers, and Buford Yates (collectively, the "Individual Defendants"), along with Troy Normand, and Betty Vinson were convicted of conspiracy, securities fraud, and related charges stemming from their participation in a fraud involving WorldCom, Inc. ("WorldCom"), a public company.

3. The fraud in this case occurred from at least in or about 2000 up to and including in or about June 2002. During this time period, WorldCom had tens of thousands of shareholders. In addition, WorldCom issued publicly traded bonds, which were also held by thousands of people. Every owner of WorldCom common stock or WorldCom bonds during the relevant period is a potential crime victim in this case. Thus, there are, at a minimum, literally tens of thousands of victims of this crime. Personally notifying each of the victims will likely cost millions of dollars.

4. Various class action lawsuits were filed against the Individual Defendants and others. In or about August 2002, these cases were consolidated in the Southern District of New York before the Honorable Denise L. Cote and captioned In re WorldCom Securities Litigation and In re WorldCom ERISA Litigation ("Class Action Litigation"). In connection with the Class Action Litigation, plaintiffs were required to identify potential victims. As described in the attached affidavit of Shandarese Garr, the Garden City Group, Inc., the Administrator authorized by the court in connection with the Class Action Litigation undertook a detailed and thorough process to identify potential victims of the fraud at WorldCom. As a result of this process, the Administrator has identified over three million potential claimants. The Administrator has not yet complete the process of determining the amount of compensation to which each potential claimant is entitled. Based on my conversations with lead counsel for the plaintiffs in the Class Action Litigation, this claims process will not be completed until approximately early 2006. The process of identifying potential victims and processing claims has been ongoing for approximately two years and has already cost over seven million dollars. Lead counsel for plaintiffs has indicated that it will cost several more million dollars to complete

the process of identifying the amount of loss for each potential claimant.

5. The Court has scheduled sentencing proceedings for the Individual Defendants as follows:

Bernard J. Ebbers:	July 13, 2005
Betty Vinson:	July 25, 2005
Troy Normand:	July 26, 2005
Buford Yates:	July 28, 2005
David F. Myers:	August 1, 2005
Scott D. Sullivan:	August 4, 2004

6. I have conferred with counsel for plaintiffs in the Class Action Litigation and counsel for the Individual Defendants. All counsel have indicated that they are negotiating in good faith toward a resolution of pending claims in the Class Action Litigation and the execution of settlement agreements with the plaintiffs in the Class Action Litigation prior to the sentencings in this matter, which will resolve those pending claims. Under the terms of these agreements, the Individual Defendants will make payments into a settlement fund, which has already been established as a result of prior settlements with other parties in the Class Action Litigation. These payments will be distributed to victims of the fraud committed by the Individual Defendants.

7. As a result of the settlements reached in the Class Action Litigation, the Government will request that the Court not order restitution as part of each Individual Defendant's criminal sentence. As set forth in the accompanying Memorandum of Law, restitution will be impracticable in the criminal cases because it will not be possible to determine the amount of restitution owed to each victim within the time period required by law. In addition, in light of the Settlement Fund already established in connection with the Class Action

Litigation, developing and administering such a separate restitution fund would simply result in a waste of resources. Instead, the Government will request that the Court impose a special condition of supervised release, requiring each Individual Defendant to comply with his or her obligations under the settlement agreements in the Class Action Litigation.

8. Lead Counsel for the plaintiffs in the Class Action Litigation has represented to me that it will not collect attorney's fees from any funds recovered from the Individual Defendants in connection with the proposed plan for victim recovery. Lead Counsel has also indicated that the Settlement Administrator appointed by the Court in the Class Action Litigation will distribute the notice required under the Justice for All Act of 2004, as described in the accompanying Memorandum of Law.

9. I declare under penalty of perjury that the foregoing is true and correct.

Executed on: June 7, 2005

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DAVID B. ANDERS
Assistant United States Attorney
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