

Top 10 biggest frauds in US History.



Enron

2001 74 B\$


Enron's massive fraud, concealing debt and manipulating earnings, devastated **20,000 employees** who lost jobs and pensions, collapsing stock price from **\$90** to under **\$1 per share**.



Tyco Int'

2001 74 B\$

Tyco's executives committed fraud through unauthorized loans, stock manipulation, and fund misuse. CEO Kozlowski and CFO Swartz faced prison after being convicted. The company's stock nosedived from **\$60** to roughly **\$10 per share**.



Adelphia

2002 2.3 B\$


Adelphia's founders hid debt, inflated earnings, and misused funds for personal expenses. CEO **John Rigas** and his sons faced imprisonment for their involvement. The bankruptcy resulted in the unfortunate loss of over **5,000 jobs**.



Worldcom

2001 11 B\$


WorldCom's fraud entailed inflating revenues and hiding expenses with improper accounting entries. CEO **Bernie Ebbers** received a prison sentence following his conviction. The stock price of WorldCom plummeted from **\$64** to below **\$1 per share**.



HealthSouth

2003 2.7 B\$


HealthSouth's accounting fraud inflated revenues, leading to CEO **Richard Marin Scrushy's** acquittal on criminal charges but a \$2.8B restitution order on civil charges. The stock price plummeted from **\$26** to under **\$1 per share**.



Mae and Mac

2008 214 B\$


Fannie Mae and **Freddie Mac** engaged in fraud by hiding the extent of high-risk mortgages on their balance sheets. The US government intervened with a **\$187 billion** bailout, taking control of the mortgage giants. The fraud played a significant role in contributing to the **2008 financial crisis**.



Bernie Madoff

2008 65 B\$

Bernie Madoff orchestrated a Ponzi scheme, using new investors' funds to pay previous ones without making actual investments. He received a **150-year prison** sentence. Tragically, investors lost their life savings in this fraudulent scheme.



Lehman Brothers

2008 639 B\$

Lehman Brothers perpetrated fraud by deceiving investors about asset quality and employing accounting maneuvers to hide their financial state. CEO **Richard Fuld** faced substantial criticism for his involvement in fraudulent activities. One of **the deadliest** frauds shook and impacted people's livelihoods **worldwide**.



Allen Stanford

2009 7 B\$


Allen Stanford's fraud was a Ponzi scheme where funds were misused for personal expenses and to repay earlier investors. Many investors lost life savings, impacting **Caribbean countries** tied to his companies. Stanford received a **110-year prison** sentence.



FTX

2022 8 B\$

FTX and Alameda Research founder, **Sam Bankman-Fried**, faced charges in an **\$8B fraud** case. The misuse of customer deposits, inadequate financial controls, and personal fund misappropriation collapsed FTX. Binance, an initial investor, backed out of a planned buyout following these disclosures. By Jan 2023, authorities had **recovered \$5B**.



REFCO

2005 430 M\$

Refco's fraud involved concealing bad debt and inflating earnings through a complex scheme with off-balance sheet entities. CEO **Phillip Bennett** pleaded guilty and received a prison sentence. Ultimately filed for **bankruptcy** and **underwent liquidation**.