

Objection to the Sale of Global Crossing to STT(Singapore Technologies
Telemedia)
FCC IB Docket No. 02-286

Neither the FCC nor CFIUS should approve the sale of Global Crossing(GC) to STT

(1)STT is a known agency of the Singapore Government. Just as with the previous problem of a sale to Hutchinson Whampoa, the sale to STT involves obvious security concerns.

(2)There is no guarantee that once a sale was made to STT that Hutchinson would not be brought in as a partner in the future. In fact, it seems likely. And as is well known, Li Ka_shing who heads Hutchinson has strong ties to the Red Chinese.

(3) There are abundant allegations of fraud involving the management of Global Crossing. These are detailed in the filings of Karl Schwartz (CommAxxess) and others with the FCC IB Docket No. 02-286. Among the allegations are that GC management used "roll ups" to pocket excessive profits for themselves, sold off GC assets for less than their value to the detriment of GC and the benefit of cohorts of the management, and that Blackstone and Goldman Sachs , both engaged in especially damaging transactions with GC. In the case of Blackstone, Schwartz has alleged that an \$11.2B asset was sold for \$3.65B leading to a false \$7.55B impairment. In the case of Goldman Sachs an asset was suspiciously removed shortly before bankruptcy leading to a \$300M impairment. These transactions are suspected of being fabricated to keep shareholders out of the bankruptcy process because their equity has been wiped out.

(4) The U.S. Trustee has relied on Blackstone to deny the shareholders representation on a Shareholder Committee, when Blackstone has a clear interest in preventing the shareholders from being represented as Blackstone itself is a participant in the bankruptcy, possibly a facilitator of the bankruptcy, and a cohort of Gary Winnick form way back in the history of GC. The U.S. Trustee is clearly at fault for relying on Blackstone in denying the shareholders representation on s Shareholder Committee. Further the U.S. Trustee, even without the reliance on Blackstone, had ample evidence of management misdeeds that a Shareholder Committee should have been allowed and the U.S. Trustee was negligent in not allowing one.

(5) Likewise, the Judge Gerber of the bankruptcy court, again despite overwhelming indications of fraud, has facilitated management in every possible way as it continues with the fraud. For instance, GC's auditor was Arthur Anderson. An outside audit was commissioned but the auditor was FORBIDDEN to go back before 2001. But the fraud and mismanagement of the company go back to its inception. So restricting an auditor conceals what would have been uncovered by a complete audit going back before 2001.

(6) Shareholders believe that one reason management has only offered to sell to Hutchinson Whampoa and STT and now to STT is that by selling to a foreign entity all wrong doing will forever be covered up from U.S. authorities who would therefore not be able to investigate the GC fraud.

(7)Shareholders believe that there is little difference in selling to STT vs. the earlier deal to sell to Hutchinson and STT. Shareholders believe that the real intent (besides covering the fraud up as mentioned in #6) is to sell now to STT (before to Hutchinson and STT) the GC network so that it can be combined

with the Asia Global Crossing network already sold to Asia Netcom (a Chinese interest). Further shareholders believe that this may have been the intent all along - to get the GC network into Chinese hands. Major U.S. Banks/Investment institutions are playing dual rolls as creditors of GC and thus forcing the bankruptcy of GC and participants in the consortium that financed Asia Netcom, so that the creditors have an interest in seeing that GC gets sold to Chinese interest. Further these same creditors have a reason to prevent anyone from doing due diligence on GC since due diligence could turn up misdeeds by the creditors.

(8) There are all sorts of conflicts of interests involving banks/investment powerhouses as CIBC, JPM, Blackstone and others that need to be investigated.

(9) There is enough of a "fishy smell" here to set off alarms all over the place. The sale to STT should NOT go forward.

GC shareholders should not be in a position of having to file protests like this to the sale of GC. The fraud at GC is so blatant that the SEC and DOJ should have long ago stepped in. Instead nothing is being done most likely because of political ramifications for both parties once the fraud is looked into.

Mary Lou Buttram