It's Your Money

By: Jonathan Miller, Kentucky State Treasurer

You may have read with disgust about how former Tyco CEO Dennis Kozlowski looted his company and its shareholders for hundreds of millions of dollars. Not only did he use company funds to pay for a $1 million party for his wife, a $600 shower curtain and a $15,000 umbrella stand carved in the likeness of a French poodle, Kozlowski and his cronies apparently out-and-out stole millions of dollars from Tyco in the form of unpaid, zero-interest loans.

The impact on Kentucky has been devastating. Last month, Tyco announced it was forced to close its plastics facility in Louisville, forcing the unemployment of up to 177 workers. The Kentucky Teachers' Retirement System, moreover, had an unrealized loss of over $11 million due to the stock's precipitous fall. While teachers will feel no loss in benefits due to the Systems' excellent management and diversified portfolio, thousands of Kentucky families have not been so lucky. Scandals like Tyco have resulted in far too many families facing a dramatic reduction in their retirement savings and 401(k) plans.

The Dennis Kozlowskis of today's Wall Street turn Robin Hood on his head. These unscrupulous CEOs give to the rich, and steal from the rest of us.

This summer, I joined state treasurers and pension fund leaders from 15 states in an effort to reform corporate America from the inside, as major shareholders of the nation's largest companies. Reform efforts like ours have already started to produce real results in terms of eliminating conflicts on interest on Wall Street.

But more is needed to deter corporate misconduct – legislative action will be required to dramatically overhaul the loose regulatory culture that allowed these corporate chieftains to enrich themselves at the expense of working families and their retirement accounts.

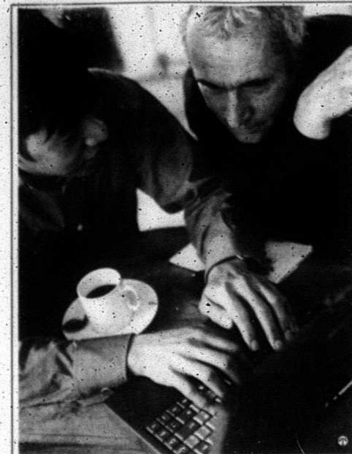
So far we have made one small step in Kentucky. A collaboration among my office, Attorney General Ben Chandler and a coalition of state legislators led by Senate Minority Leader David Karem has recently introduced the Corporate Responsibility Act of 2003.

This legislation would crack down on corporate executives in Kentucky who cook their accounting books to defraud shareholders and the public. Today, an average person who lies about their finances to get a credit card faces a prison term, while a corporate executive that falsifies business records only would receive a misdemeanor – a slap on the wrist. That's wrong, and this legislation would correct the inequity without increasing the regulatory burden on small businesses.

The bill would also place pressure on non-Kentucky corporations with whom the state does business or in whom our pension funds invest. For example, the state would no longer do business with corporations like Tyco that relocate overseas, in name only, to avoid paying their fair share of American taxes and to weaken shareholder protections.

Any permanent solution to this rash of corporate fraud will need to come from the federal government. Bills have languished in Congress that would prohibit offshore tax havens, impose stiff new criminal penalties for corporate pension fraud, and crack down on stock option abuses.

America's economic system is the greatest in the history of the world, and the overwhelming majority of businesspeople in Kentucky and across the country are honest and ethical. Working together on the state and federal level, we can weed out the bad apples like Dennis Kozlowski who harm the business community's reputation and thwart business expansion and job creation. And in so doing, we can ensure more corporate accountability, protect the retirement funds of our citizens and help restore confidence in the stock market.



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Getting More From Business Travel

Hotel loyalty programs offer express check-in, room upgrades and many other benefits.

(NAPS)—A recent survey from the Travel Industry Association of America (TIA) suggests that business travel is still well below 2000 levels, and won't fully recover until 2003. Yet despite the state of the industry, travel continues to remain very affordable.

With dramatic reductions in prices for airline tickets and hotel stays, many are hopeful business travel will increase over the coming months. With this in mind, "road warriors"—people who travel frequently on business—should maximize options like hotel frequent guest programs and airline frequent flyer programs, designed to reward them for their loyalty to a particular company.

One of the cornerstones to consider when selecting a hotel frequency program is the variety of rewards that can be earned. In most cases, rewards are earned based on the number of hotel stays or the amount of money spent for accommodations. The key to earning the most rewards is to analyze each program to determine which structure will allow members to reach their top levels sooner. Reaching the top or elite level of a program lets members earn rewards more quickly.

These programs offer many tangible benefits, including the ability to earn a free night's stay at any of the hotel chain's locations. Most of the top-rated hotel programs also offer the all-important airline frequent-flyer miles. In the world of frequency or loyalty programs, airline miles are a valuable currency.

Loyalty programs are continuing to evolve and are finding more ways to appeal to frequent travelers. Some have begun to offer gift certificates as a redemption option. These gift certificates can be used at some of the country's top retailers or restaurants.

The La Quinta hotel chain goes even further. Through its new La Quinta Returns program, members can earn airline miles, free night certificates *and* gift certificates that can be used at more than 200 national retailers and restaurants. The chain also offers tickets to professional sporting events and entertainment venues, including jazz clubs, comedy clubs, amusement parks and rounds of golf at 1,600 resorts across the country.

While it's important to know that a hotel loyalty program provides an assortment of first-rate rewards, it's good to know that certain membership benefits are also available during each stay. Standard membership benefits—usually offered to entice prospective members to join—such as express check-in, free faxes, free local calls, room upgrades and even in-room welcome gifts can play a crucial role in making the decision to join a program.

Savvy travelers should consider other elements of a loyalty program. The program's mix of partners can increase the ability to earn miles or points. For example, some have a credit card partner that allows points or miles to be earned based on purchases using the card. Others even offer bonus points for doing business with certain rental car companies, mortgage companies and financial services companies.

In today's competitive travel industry, there is a myriad of travel loyalty programs to reward travelers for their patronage. A little research could lead to free gift certificates for meals, free shopping, entertainment and even free vacations. For more information, visit www.LQ.com/returns.

No Paper Next Week

Due to the Christmas holiday, the *Mt. Vernon Signal* will not publish next week. Our next issue will be January 2, 2003. The *Signal* office will be closed December 23-27, 2002 and will reopen December 30th.