

Tyco scandal report

[Business](#)



Dennis Kozlowski, the former CEO of Tyco International Ltd. , and former Tyco finance chief Mark Swartz were sentenced Monday to up to 25 years in prison for stealing hundreds of millions of dollars from the company. The men, who were immediately ordered into custody, will be eligible for parole after serving eight years and four months.

Family members wept in the gallery as the sentences were imposed.

Kozlowski was led out of the front of the courtroom in handcuffs as his wife quietly sobbed from a bench three rows back.

StateSupremeCourt Justice Michael Obus ordered Kozlowski and Swartz to pay a total of \$134 million in restitution; in addition, Kozlowski was fined \$70 million, Swartz \$35 million. The sentences end a case that exposed the executives' extravagant lifestyle after they pilfered some \$600 million from the company including a \$2 million toga birthday party for Kozlowski's wife on a Mediterranean island and an \$18 million Manhattan apartment with a \$6, 000 shower curtain.

Kozlowski, 58, and Swartz, 44, were convicted in June after a four-month trial on 22 counts of grand larceny, falsifying business records, securities fraud and conspiracy.

It was their second trial — the first ended in mistrial after a juror said she received threats following reports that she made an “ OK” signal to the defense team. Kozlowski and Swartz are the latest executives sentenced to prison in a wave of white-collar scandals that shook corporate America and outraged the public after thousands of people lost their jobs and pension nest-eggs.