SAM PANDOLFO DIED FROM THE side effects of a damaged reputation. His widow, Elizabeth, is certain of that.

In 1992, the Denver stockbroker was acquitted of penny-stock fraud in the FBI sting known as "Operation Pennycon." Two months later, at age 61, Mr. Pandolfo died of a heart attack. "The stress killed him," says Mrs. Pandolfo.

I recently wrote about how white-collar criminals struggle to move on after jail terms. But those who are exonerated often find it just as daunting to redeem reputations and be accepted back into their communities and the workplace. Even bystanders to wrongdoing -- such as the thousands of innocent employees laid off at Enron Corp. and Arthur Andersen LLP -- often feel that every whisper, every snub, every funny look is a reminder that they're tainted.

As our society sorts out who is and isn't guilty in the current rash of corporate misdeeds, those tarnished in previous scandals warn others to avoid ethically questionable behaviors. Even those that may be legal can ruin lives. They also say it takes a full battle plan to recover. These days, that means commiserating on Web sites run by other scandal casualties, making your case via the media, and turning to exercise and religion to rebuild self-esteem.

At Pennsylvania State University, accounting professor Steven Huddart teaches students about Joseph Jett, a bond trader who in 1994 denied accusations that he generated phony profits of $350 million. Never charged criminally, Mr. Jett now runs a hedge fund.

"His story is a good parable for business life today," says Prof. Huddart. Studying the case, students differ on whether Mr. Jett abused the system or was a scapegoat for a shoddy corporate culture. (Mr. Jett didn't return calls seeking comment.)

At Susquehanna University in Selinsgrove, Pa., white-collar criminals from a nearby prison are allowed to lecture to business law classes taught by Richard Davis. Their message: Stay away from gray areas, from people who operate on the fringes, and from small ethical missteps that lead to larger ones.

We all know that even an acquittal in court doesn't mean you weren't ethically wrong, or that you didn't get off because of a technicality or clever lawyering. That's why the "innocent" are often haunted by stigma, and why Prof. Davis calls your reputation "your most fragile asset."

Prof. Huddart warns students: "Half of you will get more than you deserve in life because you're lucky. Half of you will get less, because you're unlucky and people won't be able to disentangle your actions from the environment you're working in."

Such bad luck is now visiting innocent ex-employees of Enron and Andersen.
Coretta Robinson was an executive assistant for Andersen in Chicago until she was laid off in April. She has applied for 150 jobs and has had just five interviews. One smiling interviewer asked her if she had shredded any papers. "Whether he was saying it as a joke, I didn't take it as a joke. I didn't even grant him a response," she says. Her resume is "spectacular," she adds, but interviewers prefer to talk about Andersen.

Chandra White, a former Andersen technology supervisor, says she gets a lot of questions about the firm, and her involvement in it. She tells people: "I had nothing to do with auditing. I'd never even heard of Enron until last year."

She finds it helpful to peruse andersenalumni.net, a new site where 3,800 former colleagues share job tips and advice on overcoming the taint left by Andersen's fall. Andersen alums are learning to let go of their "despair," says site creator Jonathan Goldsmith.

Laurie Malone, who was a sales director for Enron Energy Services, often traveled for work. Her toddler son would point to planes and say, "Mommy go Enron!" After the scandal broke, she agreed to go on local TV in her hometown of Cincinnati to talk about the company's collapse. But now, when people recognize her and call her "the Enron lady," she cringes. "There are people who characterize everyone at Enron as being of a certain ilk," she says.

These days, working as a consultant, Ms. Malone finds it "painful" when those she meets on business make derisive Enron comments. She snaps at them, "'I have friends who don't have homes or jobs now. It's a sickening thing to go through.' They get real quiet."

Former Agriculture Secretary Mike Espy says you must fight for your good name "no matter how long it takes or what it costs." In 1998, he was acquitted of criminal wrongdoing in accepting $33,000 in gifts and travel from companies he regulated.

After a four-year investigation, no gift was ever linked to an official act. But Mr. Espy acknowledges that he bore some responsibility for his troubles because his actions, though legal, allowed his integrity to come into question. He's now a lawyer in Jackson, Miss.

To reclaim a reputation, he suggests a focused regimen: Accept that God places obstacles in your way to test your faith. Find a physical activity that will relieve stress. (He turned to tae kwon do.) Be aware of how your behavior "looks" to others. And cut back on the self-pity.

"Asking, 'Why me?' is self-defeating," he says. "It doesn't matter why you. Life's not fair. So why not you?"

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--- Rebuilding a Reputation

Here are updates on some people accused of crimes and later cleared.

NAME: John De Lorean WHAT HAPPENED: Car pioneer was acquitted of drug trafficking and money laundering THE UPDATE: An entrepreneur hoping to introduce high-performance sports car

NAME: Mike Espy WHAT HAPPENED: Former Agriculture Secretary acquitted of criminal
wrong-doing for accepting gifts from firms he regulated THE UPDATE: An attorney in Jackson, Miss., with political ambitions

NAME: Dick Greco WHAT HAPPENED: Chair of Metropolitan Bank & Trust Co. in Tampa; investigated, but never charged, in bank's collapse THE UPDATE: Mayor of Tampa