Him Too? Analyzing the Effects of Epstein Connections

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Abstract

The Epstein files, released between September 2025 and January 2026, offer an unprecedented window into the social and professional network of a convicted sex offender whose ties extended deep into corporate America. We construct a comprehensive sample of all S&P 500 CEOs and board members serving between 2006 and 2026—52,266 unique individuals—and search the 1,293,753 text-bearing documents for evidence of their contact with Jeffrey Epstein. Using large language model (LLM) classification of 117,394 matched correspondences, we identify 67,637 that indicate direct contact with 1,179 S&P 500 CEOs or directors. We then document three main findings. First, firms whose CEOs or board members appeared in Epstein-related news coverage experienced significantly negative cumulative abnormal returns of up to −8.5% over a ten-day window following the January 30, 2026 DOJ release. Second, adding Epstein-mediated ties to the firm network increases overall density and reduces average path lengths significantly, meaning that Epstein effectively wired corporate America into a denser, more tightly interconnected governance network than would have existed otherwise. Third, we show that Epstein's network transmitted norm contagion through shared board connections. Firms with more Epstein-connected CEOs or directors exhibit significantly worse ESG outcomes: each additional connection is associated with approximately 2.3 more annual governance incidents and 4.0 more total incidents.

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1 Introduction

The January 30, 2026 release of the Epstein files by the U.S. Department of Justice (DOJ) brought unprecedented public scrutiny to the network of individuals connected to Jeffrey Epstein, a convicted sex offender whose social circle extended across finance, technology, academia, politics, and entertainment.

The release, comprising over three million pages of PDF documents, including scanned images, as well as thousands of videos, offered a rare and detailed record of one individual's connections to powerful people and their institutions.[1] While the central harm in this case was borne by Epstein's victims, the files create a distinctive opportunity to study a narrower set of corporate finance questions: how extensively did Epstein's network penetrate the leadership of America's largest public companies, and did those connections have measurable consequences for firm value and corporate conduct?

Epstein connections could affect corporate outcomes through several channels, two of which generate opposing and testable predictions. Epstein was a celebrated connector of powerful people, and participation in his network could expand executives' access to elite contacts and opportunities.[2] A large literature documents that bridging positions in social networks generate informational and strategic advantages (Granovetter, 1973; Burt, 1992; Hochberg, Ljungqvist, and Lu, 2007; Haselmann, Schoenherr, and Vig, 2018); through this *network expansion* channel, Epstein connections could, on net, be value-enhancing. But networks transmit norms as well as information. When powerful peers comfortably disregard legal and ethical boundaries, such behavior is normalized and its perceived moral costs are reduced (Bandura, 1977; Cialdini and Trost, 1998; Dimmock, Gerken, and Graham, 2018; Parsons, Sulaeman, and Titman, 2018). Through this *norm contagion* channel, the same connections

[1] Official DOJ statement on compliance with the Epstein Files Transparency Act: https://www.justice.gov/opa/pr/department-justice-publishes-35-million-responsive-pages-compliance-epstein-files.

[2] Numerous major news outlets highlighted the extent of the Jeffrey Epstein network revealed by the file disclosures; see, for example, https://www.bloomberg.com/features/2025-jeffrey-epstein-emails-wall-street/ and https://www.cnbc.com/2026/02/09/tech-leaders-epstein-records-silicon-valley-sergey-brin-thiel-sinofsky-reid-hoffman-musk-gates.html.

predict worse governance. Which force dominates is an empirical question. To distinguish between these channels empirically, we construct two network measures using the board interlock structure: a firm's change in eigenvector centrality when Epstein-mediated edges are added, capturing the network expansion channel, and the total Epstein-connection intensity of a firm's board-interlock neighbors, capturing the extent to which problematic norms could diffuse through the governance network.

Separating these channels requires variation in connection intensity across a long panel. The DOJ corpus provides precisely that. We construct a comprehensive sample of all CEOs and board members serving on S&P 500 firms at any point between 2006 and 2026, 52,266 unique individuals across 841 firms. We search all text-bearing files of the DOJ release for these names, identifying 117,394 documents that mention at least one board member, representing 9.1% of the total document corpus, with 6,577 unique board members (12.6%) appearing in at least one document. Because textual mentions alone cannot distinguish meaningful connections from incidental occurrences, we employ a large language model (LLM) to classify each matched document.

This procedure yields a structured communication sample of 67,637 unique emails involving 3,629 S&P 500 directors over the period 2006 to 2019. Of these, 1,179 directors had direct contact with Epstein, defined as direct email communication or an explicit meeting, with the most intensive period of documented correspondence concentrated in the years following Epstein's criminal conviction.

We then document three main findings. First, we conduct an event-study analysis around the January 30, 2026 DOJ disclosure. Firms whose CEOs or board members were covered in Epstein-related news during the two weeks following the release experienced significantly negative cumulative abnormal returns, reaching -8.5% over a ten-day window under a market-adjusted benchmark and -6.3% under a Fama–French three-factor model. These effects are robust to an alternative news-classification approach using the Perplexity Search API, reflecting a strong investor reaction to firms' exposure to the scandal.

A natural question raised by our event-study analysis is whether news coverage captures the full extent of corporate exposure to Epstein, or only its most visible tip.

We document a striking gap between media-based and document-based identification: news searches flag fewer than a quarter of the firms whose CEOs or directors had documented contact with Epstein. This disparity arises because journalists naturally focus on the most prominent and newsworthy connections, while the DOJ corpus contains thousands of correspondences that individually may not warrant a news story. This gap has two implications. First, the stock market reactions we document are likely driven by the most publicly salient connections, and the full reputational exposure of many firms has not yet been priced. Second, it motivates our use of the LLM-classified DOJ documents as the exposure measure for our following analyses.

Second, we analyze how Epstein connections restructured the S&P 500 board interlock network. Adding Epstein-mediated edges increases overall density by 357% and substantially reduces average path length, meaning that major U.S. corporations become separated by fewer than two steps once Epstein-linked ties are accounted for. The effect is not uniform across sectors, and the form of densification differs in instructive ways. In the financial sector, 32 of 50 firms (64%) have at least one Epstein-connected director, and density increases by 550%, reflecting a high concentration of Epstein ties among major banks and asset managers including JPMorgan Chase, Goldman Sachs, and Morgan Stanley. In the technology sector, the effect operates differently: Epstein-mediated edges collapse two previously disconnected components into a single network, bridging disjoint clusters of firms including Microsoft, Apple, Cisco, and IBM. By contrast, the manufacturing and healthcare sectors show more limited restructuring, consistent with Epstein's network being concentrated in finance and technology.

These network patterns matter beyond their descriptive interest: they provide the empirical foundation for our subsequent tests distinguishing the network expansion channel, through which Epstein connections may have improved firm outcomes by expanding access to elite networks — from the norm contagion channel, through which the same connections may have worsened governance by transmitting problematic behavioral norms through the network.

Third, we examine whether Epstein connections predict worse corporate governance outcomes. Using RepRisk incident data over 2006 to 2019, we find that each

additional Epstein-connected director serving on a firm's board is associated with approximately 2.3 more annual governance incidents and 4.0 more total ESG incidents. The effects are larger for more intensive connection types, directors with documented in-person meetings with Epstein are associated with 3.7 additional governance incidents and 6.4 total incidents. These results are robust to Poisson pseudo-maximum likelihood estimation.

To strengthen the causal interpretation of our governance findings, we exploit an additional source of variation: the deaths of Epstein-connected directors during the sample period. If board-level exposure to Epstein's network contributes causally to worse corporate outcomes, the exogenous removal of a tainted director should reduce a firm's incident count. Consistent with this prediction, we find that the death of an Epstein-connected director is associated with a significant subsequent decline in RepRisk incidents — a reduction of approximately 1.0 employee incidents, 3.0 governance incidents, and 4.7 total incidents per year under firm and year fixed effects. These magnitudes imply that losing one Epstein-connected director roughly offsets the effect of two additional connections, and are consistent with a causal rather than purely associational interpretation of our results.

To ultimately separate between the two relevant mechanisms, the network expansion and norm contagion channels, we construct measures of each using the board interlock network. For network expansion, we measure the change in a firm's eigenvector centrality when Epstein-mediated edges are added to the board interlock network — a measure that captures purely the improvement in a firm's structural position, how connected it becomes to other well-connected firms, without regard to the content or quality of those connections. If this measure drives governance outcomes, one could argue that the results simply reflect a selection story: firms that were already better connected, and therefore better governed or more scrutinized, were more likely to attract Epstein-linked directors in the first place.

In contrast, to single out norm contagion, we measure the total Epstein-connection intensity of a firm's board-interlock neighbors — firms that share at least one director with the focal firm but are not themselves directly connected to Epstein. This indirect exposure measure is unlikely to reflect selection, since a firm cannot self-select into

its neighbors' Epstein ties, and it captures precisely the pathway through which problematic behavioral norms could diffuse through the governance network without requiring any direct contact with Epstein.

We find that while Epstein-mediated improvements in network centrality do not independently predict governance incidents, indirect exposure to Epstein-connected firms through shared directors is positive, significant, and quantitatively meaningful across all outcome categories and fixed effect specifications, suggesting it is the diffusion of behavioral norms, not expanded connectivity or selection into the network, that drives the governance effects we document.

Literature Review

Our paper sits at the intersection of three strands of literature: the economic consequences of elite social networks, the transmission of norms and misconduct through professional networks, and the financial consequences of corporate scandals and sexual misconduct.

Our paper relates to the literature documenting that bridging positions in elite social networks generate informational and strategic advantages (Granovetter, 1973; Burt, 1992). In corporate settings, Hochberg et al. (2007) show that venture capital networks improve investment performance, Fisman (2001) documents that political connections generate significant economic value, and Haselmann et al. (2018) show that elite club membership leads to misallocation of bank credit consistent with rent-extractive network behavior. Within board interlock networks specifically, Cohen, Frazzini, and Malloy (2008) show that shared board connections convey privileged information, Fich and Shivdasani (2006) link network centrality to governance failures, and Larcker, So, and Wang (2013) show that more central boards earn higher risk-adjusted returns. We contribute to this literature by documenting the dark side of elite network embeddedness: unlike prior work that studies misconduct by a firm's own executives, we examine the consequences of *network proximity* to a convicted offender, allowing us to separate reputational contamination from direct misconduct.

A well-established literature shows that norms and misconduct propagate through

social and professional networks (Bandura, 1977; Cialdini and Trost, 1998; Bicchieri, 2006; Christakis and Fowler, 2007; Centola, 2010; Glaeser, Sacerdote, and Scheinkman, 2003). In corporate settings, Dimmock et al. (2018) show that financial advisors are more likely to commit misconduct when exposed to peers who have done so, Parsons et al. (2018) document that financial misconduct clusters geographically through local professional networks, and Bizjak, Lemmon, and Whitby (2009) trace the diffusion of options backdating through the board interlock network. Our paper extends this literature by showing that norm contagion operates through indirect exposure to stigmatized individuals via shared board connections, and by formally decomposing network expansion from norm contagion using eigenvector centrality and board interlock neighborhood measures (Bonacich, 1972; El-Khatib, Fogel, and Jandik, 2015).

A growing literature documents the financial consequences of misconduct exposure. Mooibroek and Verschoor (2021) document significant firm value declines following CEO sexual misconduct allegations. Lins, Roth, Servaes, and Tamayo (2024) show that cultural and ethical failings have persistent financial consequences using the Weinstein scandal as a case study. Billings, Klein, and Shi (2022) find that firms with stronger corporate cultures are more resilient to negative publicity following misconduct exposure. Luo and Zhang (2022) show that social movements can trigger industry-wide changes in organizational practices, and Gertsberg (2025) documents unintended consequences of the #MeToo movement in elite labor markets beyond the directly accused. We contribute to this literature by showing that the financial and governance consequences of association with a discredited figure extend beyond immediate market reactions to predict persistently worse corporate conduct over multi-year horizons, consistent with norm contagion rather than a purely transitory reputational shock.

2 Collection and Classification of Epstein Files

We use the dataset released by the DOJ from September 2025 to end of January 2026. The documents are provided in two formats: PDF and video files. The PDF

documents include scanned photos and images, emails, and additional materials such as court filings. In this paper, our primary focus is on communication and textual documents. To place the document release in context, Table 1 presents the key events in the Epstein case, including the major legal milestones and the three DOJ disclosure dates.

We restrict our analysis to PDF files. In total, the disclosure contains 1,380,952 documents. Because many of these PDFs consist solely of images or scanned material without extractable text, we further filter the data to include only PDFs containing at least 100 characters of text. This restriction reduces the sample from 1,380,952 to 1,293,753 documents.

Figure 1 plots the distribution of documents across datasets and disclosure dates. The figure shows that nearly all text-bearing PDF documents were released on January 30, 2026. The earlier tranches contain only a negligible number of usable documents, whereas the third tranche includes the three dominant datasets and accounts for almost the entire textual corpus. This is important because it implies that, from the perspective of communication evidence, the main information release occurred in the third data dump.

2.1 Connections to S&P 500 CEOs and Board Members

S&P 500 sample construction. We focus on firms that were members of the S&P 500 at some point between January 2006 and January 2026. We begin in 2006 because this marks Epstein's first arrest.[3]

To construct the firm sample, we first build a point-in-time panel of S&P 500 membership from January 2006 through January 2026. Our starting point is the

[3]Epstein was first arrested on July 27, 2006, following a Palm Beach County grand jury indictment on a state felony charge of solicitation of prostitution. See U.S. Department of Justice, Office of Professional Responsibility, *Report on the Department of Justice's Resolution of Its 2006–2008 Federal Criminal Investigation of Jeffrey Epstein* (2020), available at https://www.justice.gov/opr/page/file/1336471/dl; *Jeffrey Epstein*, Wikipedia, https://en.wikipedia.org/wiki/Jeffrey_Epstein; *A Timeline of the Jeffrey Epstein Investigation*, U.S. News & World Report, https://www.usnews.com/news/politics/articles/2025-12-19/a-timeline-of-the-jeffrey-epstein-investigation-and-the-fight-to-make-the-governments-files-public.

historical S&P 500 constituent file compiled by Aultman (2019), which records the full set of index constituents by date. We extend this file through January 2026 by appending subsequent additions and removals and cross-checking these changes against the publicly available S&P 500 changes table.[4]

We then convert the point-in-time constituent history into ticker-level membership spells, where each spell records a firm's entry and exit dates from the index. Because some firms leave the index and later re-enter, a given ticker may appear in multiple non-contiguous spells. We then merge these spells with Compustat. Historical ticker changes are tracked separately so that identifier links are preserved when a firm's trading symbol changes over time. The final panel is defined at the firm-spell level and includes all firms that were members of the S&P 500 at any point during the 2006–2026 sample period, including foreign-incorporated firms if they were index constituents during that period. This procedure yields a sample of 841 unique firms. After excluding firms with no observations in BoardEx or RepRisk and firms with missing values for required Compustat variables, the final sample contains 602 firms.

Initial Search for S&P 500 CEO and Board Member Names. The CEOs and board members serving on the S&P 500 companies during 2006–2026, are 52,266 unique individuals.

Using the list of 52,266 CEO and board members, we first standardize and clean all names. We then perform a full-text search for these names across the released documents. The initial search identifies 117,394 documents that mention at least one board member name, representing 9.1% of the total document corpus, with 6,577 unique board members appearing in at least one document.[5] Figure 2 summarizes the results of this textual search. The key takeaway from the figure is that mentions of S&P 500 board members are widespread in the DOJ files. Nearly one-tenth of all documents contain at least one board-member name match (Panel A), and 12.6% of

[4]See the *List of S&P 500 companies* page, which reports historical additions and deletions to the index. https://en.wikipedia.org/wiki/List_of_S%26P_500_companies.

[5]Name-based search may yield false positives if a common name matches an unrelated individual. We address this by excluding common names for our main analysis as described in Subsubection 3.3.2 and Table A3.

all S&P 500 CEOs and board members in our sample are mentioned at least once (Panel B). This indicates that the released files capture correspondence or references involving a non-trivial share of corporate leaders, rather than a narrow set of isolated cases.

A key challenge is that textual mentions alone are insufficient to establish a meaningful connection between an individual and Jeffrey Epstein, as the released files span a wide variety of document types and contexts. To address this, we employ a large language model (LLM) to classify documents in which board members are mentioned, distinguishing between incidental references and documents that plausibly indicate direct contact or association with Epstein. This classification step ensures that our final sample captures meaningful connections rather than spurious textual co-occurrences.

Document Classification. The initial name-based search is intentionally broad and captures many different types of matched records, including emails, visitor logs, itineraries, attachments, redacted documents, and incidental name mentions. To distinguish among these cases, we wrote a custom prompt and used OpenAI's `gpt-4.1-mini` model to classify each matched document. The prompt instructs the model to return a structured JSON output identifying whether the document is an email, the date that can be recovered from the text, whether the document indicates a meeting with Epstein, whether it contains direct communication between Epstein and the matched individual, and whether such communication is only referenced rather than directly observed in the document.

The prompt is designed to limit over-inference. Response values are restricted to `yes`, `no`, `unsure`, or `null`, which forces the model to distinguish explicit evidence from ambiguous mentions. Additional fields capture locations, named events, redaction markers, and whether the document explicitly references Epstein-linked places, flights, social events, or misconduct-related topics. Appendix A shows the full prompt.

This procedure converts raw text-search matches into an analysis-ready communication sample. After deduplication and exclusion of common false positives, the classified output yields 67,637 unique emails involving 3,629 S&P 500 CEOs or

directors over the period January 1, 2001 through August 10, 2019, corresponding to 78.8% of the 85,829 unique documents sent for classification. The resulting sample is date-stamped and can be linked to directors, firms, and event-time outcomes.

2.2 Descriptive Statistics

Figure 3 plots two annual series from January 1, 2001 through August 10, 2019.[6] Panel A reports the count of unique emails (67,637 in total) and Panel B reports the count of unique S&P 500 CEOs or board directors mentioned in those emails (3,629 in total) each year. Both series show negligible email communication in the early 2000s. Although the first criminal investigation of Epstein began in 2005, the sharp increase in documented activity occurs later: unique emails rise from 1,774 in 2009 to a peak of 10,730 in 2013, roughly 29 per day, before declining to 1,221 in the partial year 2019. The CEO and director series follows an analogous trajectory, increasing from 399 in 2009 to 973 in 2013 and falling to 384 by 2019. Notably, the peak years of communication activity post-date Epstein's 2008 criminal conviction, indicating that the most intensive period of documented correspondence in our sample occurred well after his misconduct had entered the public legal record. The close co-movement of Panels A and B confirms that the email archive relevant for our CEO and board-level analysis is concentrated in the late 2000s and early 2010s, when both the volume of correspondence and the breadth of director involvement were at their highest.

Figure 4 disaggregates the LLM-classified emails by type of contact with Epstein over the July 27, 2006 through August 10, 2019 window. Panel A reports email counts and Panel B reports the number of unique directors linked to at least one email in each category. Of the 52,742 unique emails in this period, 31,825 (60.3%) are classified as direct communication between Epstein and the matched individual, 11,188 (21.2%) indicate an explicit meeting with Epstein, and 35,288 (66.9%) satisfy at least one of these two conditions. The corresponding director counts are 1,169, 265, and 1,179, respectively. The key takeaway of the figure is that the majority of post-2006 emails

[6] A small number of emails are dated after Epstein's death in August 2019; these consist primarily of messages sent to Epstein's accounts, legal correspondence, or mailing-list distributions rather than active communication. We exclude these from our analysis.

involve direct contact rather than incidental mention. Meeting-related contact, while less frequent than direct communication, involves a distinct subset of 265 directors across 11,188 emails, suggesting that face-to-face interactions with Epstein represent a more selective and intensive form of connection.

These three categories–any *contact*, *direct communication*, and *meetings*–serve as the core exposure measures in our subsequent network analyses, allowing us to distinguish between broader association and progressively more intensive forms of Epstein connection.

3 Analyses and Results

3.1 Stock Market Reactions to the Epstein File Releases

We begin by examining stock market reactions because the DOJ release provides a sharp and externally visible disclosure event that allows us to test whether Epstein-related firm connections were viewed by investors as value-relevant. If markets interpret such connections as exposing firms to reputational, legal, or governance risks, these concerns should be reflected in stock prices at the time the information becomes public.

Our first test therefore examines the stock market reaction to the release of the Epstein files. The files were released in three batches, with the majority of the material disclosed by the U.S. Department of Justice (DOJ) on January 30, 2026 (see Figure 1). We focus on that date and conduct an event-study analysis to investigate market reactions to firms connected to Epstein.

3.1.1 Measuring Firm-level Exposure through News Media and Returns

The volume of the disclosed information was unprecedented, and journalists required time to process and report on the documents.[7] We therefore measure firm-level exposure through news media coverage, information that investors could plausibly

[7]See https://www.nytimes.com/2026/02/12/insider/jeffrey-epstein-files-documents.html.

observe and interpret, rather than through an extensive search of the underlying documents.

We focus on S&P 500 companies and use the Tavily Search API to search for the company name together with the term "Epstein" in news articles published during the two weeks following the DOJ release of the files.[8] We then use the ChatGPT API to evaluate the search snippets with the prompt: "Was this company mentioned together with Jeffrey Epstein in these snippets?" This step helps eliminate potential false-positives. As a robustness check, we also construct an alternative news classification using the Perplexity Search API, which incorporates LLM-based evaluation of search outputs. The results are similar and are reported in Table A1.

We obtain daily stock return data from Compustat for all S&P 500 constituents.[9] Daily returns are computed as

$$r_{i,t} = \frac{p_{i,t}^{\text{adj}} + d_{i,t}}{p_{i,t-1}^{\text{adj}}} - 1,$$

where $p_{i,t}^{\text{adj}}$ is the split-adjusted closing price and $d_{i,t}$ is any dividend paid on the ex-date. For firms with multiple share classes, we aggregate to a single company-level return using value-weighted averaging across classes.

To construct factor benchmarks, we use published Fama–French daily factors for 2025 and reconstruct the three-factor model for the 2026 period following Fama and French (1993). Specifically, we form size and book-to-market portfolios in June 2025 using NYSE breakpoints, the median market capitalization as the size split and the 30th and 70th percentiles of book-to-market as the value breakpoints, and compute daily value-weighted portfolio returns over January–February 2026 to obtain *SMB* and *HML*. The market excess return (*MktRf*) is the value-weighted return across all sample firms minus the daily risk-free rate, with the latter obtained from the

[8]For the event-study analysis, sample firms are the 500 S&P 500 constituents as of January 2026, including foreign-incorporated firms if they were members of the index at that date.

[9]We use Compustat Daily rather than CRSP for this analysis because the event occurs in 2026, while our CRSP coverage is only available through 2024. Compustat provides the required daily price and dividend data to construct firm-level returns and abnormal returns for the event period.

one-month Treasury bill rate (FRED) converted to a daily decimal equivalent.

For each firm, we estimate factor loadings via OLS over a 240-trading-day estimation window ending eleven trading days before the event date (i.e., $[-250, -11]$ relative to January 30, 2026). Market-adjusted abnormal returns are defined as

$$AR_{i,t}^{\mathrm{MA}} = r_{i,t} - r_{m,t},$$

where $r_{m,t}$ is the realized value-weighted market return on day t. Fama–French three-factor abnormal returns are defined as

$$AR_{i,t}^{\mathrm{FF3}} = r_{i,t} - \left(r_{f,t} + \hat{\beta}_i^{\mathrm{mkt}}\, MktRf_t + \hat{\beta}_i^{\mathrm{smb}}\, SMB_t + \hat{\beta}_i^{\mathrm{hml}}\, HML_t \right),$$

where $r_{f,t}$ is the daily risk-free rate and $\hat{\beta}_i^{\mathrm{mkt}}$, $\hat{\beta}_i^{\mathrm{smb}}$, $\hat{\beta}_i^{\mathrm{hml}}$ are the estimated factor loadings from the pre-event estimation window. Cumulative abnormal returns (CARs) over an event window $[0, T]$ are then computed as

$$CAR_i[0, T] = \sum_{t=0}^{T} AR_{i,t}.$$

3.1.2 Event-study Results

Table 2 reports the main event-study results. Panel A presents CARs computed using market-adjusted returns, and Panel B presents CARs based on the Fama–French three-factor model. The key independent variable, *in news*, is an indicator equal to one if the firm appeared in Epstein-related news coverage during the two weeks following the January 30, 2026 DOJ disclosure. Across both benchmarks and all horizons beyond day 0, the coefficient on *in news* is negative and statistically significant, indicating that firms linked to Epstein in the press experienced meaningfully worse stock performance following the release of the files.

The magnitude of the effect grows with the length of the event window, consistent with investors gradually processing a large and complex information release. Under the market-adjusted benchmark, the coefficient rises in absolute value from -1.00%

on the release day itself (significant at the 10% level) to −5.45% over three days, −6.39% over five days, and −8.54% over ten days, with the latter two estimates significant at the 1% level.

The Fama–French three-factor estimates follow the same pattern, though the magnitudes are somewhat smaller in absolute value, reaching −3.73%, −4.85%, and −6.31% over the three-, five-, and ten-day windows respectively. The attenuation relative to the market-adjusted estimates is consistent with Epstein-connected firms being concentrated in sectors, particularly finance and technology, that experienced broader market movements over this period. The gradual accumulation of negative returns over the ten-day window is consistent with the reporting timeline documented by *The New York Times*, which noted that journalists required substantial time to process and report on the volume of disclosed material.[10]

The effect is large in economic terms. The median S&P 500 constituent had a market capitalization of approximately $37.80 billion as of fiscal year-end 2024, while the aggregate market capitalization of the index was about $52.54 trillion. Applying the market-adjusted ten-day CAR of −8.54% implies an estimated loss of roughly $3.23 billion for the median firm. Even under the more conservative Fama–French three-factor estimate of −6.31%, the implied loss is large.

Overall, the results indicate that public association with Epstein was viewed by investors as materially value-relevant and triggered economically large shareholder losses for exposed firms.

3.1.3 News Coverage versus Document-Based Exposure

Our event-study analysis in Section 3.1.2 relies on news coverage to identify firms connected to Epstein, reflecting the information set available to investors in the days following the DOJ disclosure. A natural question is whether media reporting captures the full extent of corporate exposure to Epstein, or whether it represents only the most salient cases.

[10] See https://www.nytimes.com/2026/02/12/insider/jeffrey-epstein-files-documents.html.

Figure 5 compares the number of S&P 500 firms identified as connected to Epstein under five alternative classification schemes. The first two (blue) bars report the count of firms flagged by news searches using the Tavily and Perplexity APIs, respectively. The remaining three (red) bars report the count of firms with at least one board member linked to Epstein in the DOJ files, as classified by our LLM pipeline: any form of contact (direct communication or meeting), direct communication only, and meeting only.

The comparison reveals a substantial gap between news-based and document-based identification. News searches identify fewer than a quarter of the firms that our LLM-classified DOJ analysis flags as having any documented contact with Epstein. This gap arises because journalists naturally focus on the most prominent and newsworthy connections, whereas the DOJ corpus contains thousands of emails and documents that individually may not warrant a news story. In other words, media coverage captures the tip of the iceberg: the most visible and sensational connections receive reporting, while the broader network of documented interactions remains below the surface.

This discrepancy has two implications for our analysis. First, it suggests that the stock market reactions documented in Section 3.1.2 are likely driven by a subset of the most publicly visible connections, and that the full reputational exposure of many firms has not yet been priced by the market. Second, it motivates our use of the LLM-classified DOJ documents, rather than news coverage, as the basis for the corporate governance analyses in Section 3.3, where we seek to measure the actual extent of board-level contact with Epstein rather than the extent of media attention.

Table 3 re-estimates the event-study regressions from Table 2, replacing the binary news indicator with *Contact directors*, the number of unique board members with any documented contact with Epstein in DOJ files dated between his first criminal case (July 27, 2006) and his death (August 10, 2019). This continuous measure captures the intensity of a firm's exposure rather than a binary news-based signal. The coefficient on *Contact directors* is negative in all event windows and under both return benchmarks, reaching -1.39% per additional connected director over ten days under market-adjusted returns and -1.03% under the Fama–French three-

factor model. The effect becomes larger in absolute value over longer event windows, mirroring the gradual price adjustment observed in the news-based specification. These results show that the document-based exposure measure, which identifies a substantially larger set of connected firms than news coverage alone, is also associated with negative abnormal returns, consistent with broader firm-level Epstein exposure being economically relevant even beyond the subset of cases that received prominent news coverage.

3.2 The Effects of Epstein Connections on Corporate Networks

The event-study evidence shows that public exposure to Epstein-related ties was viewed negatively by investors. The document-based evidence further shows that these ties were broader than media coverage alone suggests. We next examine whether these connections also mattered in a structural sense, by altering the pattern of inter-firm connectedness among major U.S. corporations. This analysis is important because Epstein-related ties may have had two distinct implications: they may have expanded firms' access to elite networks, while also increasing exposure to problematic associations and norms. The network evidence provides the basis for distinguishing between these channels in the analyses that follow.

Figure 6 presents the board-interlock network for the subset of 250 S&P 500 firms that were continuous index members from 2006 to 2019. Panel A shows the baseline board-interlock network, where two firms are connected if they share at least one CEO or board member. Panel B adds Epstein-mediated links, connecting firms whose CEOs or directors are both linked to Epstein in the DOJ files.

The contrast is stark. In the board-only network, the 250 firms are connected by 2,180 edges. This network is moderately connected, with a density of 0.07, meaning that 7% of all possible firm-to-firm links are present. Its average path length is 2.40, so reaching one firm from another typically requires more than two board-link steps. The clustering coefficient is 0.18, indicating a limited tendency for firms connected to the same firm to also be connected to one another. After adding Epstein-mediated

links, the number of edges rises to 9,877, density increases to 0.32, the average path length falls to 1.78, and the clustering coefficient rises sharply to 0.89. In other words, Epstein-related ties transform the network from a relatively sparse interlock structure into one in which firms are far more tightly interconnected and typically separated by fewer than two steps.

The aggregate network statistics show that Epstein-related ties substantially densify the corporate interlock network. The sector-level figures help clarify how this occurs, and show that the form of densification differs across industries.

Figures 7 to 10 present sector-specific network visualizations for the financial, technology, manufacturing, and healthcare sectors. In each figure, Panel A shows board interlocks only, while Panel B adds Epstein-mediated connections. The financial sector (Figure 7) comprises 50 firms, of which 32 (64%) have at least one Epstein-connected CEO or board member. The financial sector exhibits the largest absolute increase in edges (+457). This pattern is visible in the dense augmented network spanning firms such as JPMorgan Chase, Goldman Sachs, Morgan Stanley, Citigroup, and Bank of America.

The technology sector (Figure 8) includes 30 firms, of which 20 (67%) have Epstein connections. Here, the main effect is not only denser connectivity but also bridging: the Epstein-augmented network collapses from two connected components to one, indicating that Epstein-related ties join previously disconnected clusters of major technology firms.

By contrast, Figures 9 and 10 show more limited additional bridging in the manufacturing and healthcare sectors. Figures A1–A8 in the Appendix report analogous networks for the remaining eight Fama–French 12 industries.

Overall, the network evidence shows that Epstein-related ties did not merely add a few isolated links. They materially reshaped the inter-firm network, and they did so unevenly across sectors, sometimes by increasing density within already connected industries and sometimes by bridging previously separate clusters. This pattern motivates subsequent empirical tests designed to separate the effects of expanded connectedness from the effects of norm contagion through Epstein-linked networks.

3.3 Epstein Connections and Corporate Governance Incidents

3.3.1 Baseline Analysis

The previous analyses show evidence of two patterns. First, firms linked to Epstein experienced negative stock market reactions when those links became publicly salient. Second, Epstein-related ties materially reshaped the structure of the corporate network, creating the potential for both greater connectedness and greater exposure to problematic associations. A natural next step is therefore to ask whether firms whose boards were more exposed to Epstein also exhibit worse real outcomes over time. We examine this question using RepRisk incidents, which provide a contemporaneous measure of observable corporate issues rather than a market reaction to public disclosure.

We construct a firm-year panel of S&P 500 constituents over 2006–2019. For each firm-year, we identify all directors serving on the board in that year using BoardEx role histories and measure their exposure to Epstein using our LLM-classified document corpus. Specifically, we count the number of unique directors who are both (i) currently serving on the firm's board and (ii) mentioned in at least one Epstein-related document dated within a rolling three-year window ending in year t. This rolling window captures recent, temporally relevant connections rather than distant historical mentions. We consider three exposure measures: *contact* (direct communication or meeting), *direct communication* (the document identifies both the director and Epstein as sender and recipient), and *meeting* (explicit evidence of a scheduled or confirmed in-person meeting).

We use RepRisk incident data, which records annual counts of environmental, social, and governance incidents for publicly traded firms based on systematic screening of media, regulatory, and NGO sources.[11] This setting makes RepRisk well suited to our analysis for two reasons. First, it captures realized adverse events rather than investor expectations alone. Second, because the incidents are externally observed

[11] For methodology details, see https://www.reprisk.com/insights/resources/methodology.

and consistently coded across firms and years, they provide a broad measure of the reputational, regulatory, and governance problems associated with corporate conduct. We focus on three outcome variables: total incidents, governance-related incidents such as executive misconduct, fraud, and corruption, and employee-related incidents such as labor disputes, discrimination, and workplace safety failures.

Our main specification regresses the contemporaneous incident count on the rolling three-year count of exposed board members, controlling for firm size (log assets), profitability (ROA), book-to-market ratio, leverage, asset growth, board composition (fraction female, board size, fraction independent), and institutional ownership. We include Fama–French 48 industry $\times$ year fixed effects to absorb time-varying industry shocks. Standard errors are clustered at the firm level.

Table 4 reports summary statistics for the regression sample. The sample consists of 6,677 firm-year observations for S&P 500 constituents over 2006–2019 with non-missing values for all controls and RepRisk outcomes. The average firm has 0.27 board members with Epstein contact in a rolling three-year window. The mean annual count of employee incidents is 1.41, governance incidents is 3.11, and total incidents is 6.22.

Tables 5–7 report OLS results for total, governance, and employee RepRisk incidents, respectively. Each table presents six specifications: for each connection measure, contact, direct communication, and meeting, we report results with industry $\times$ year fixed effects (odd columns) and with company and year fixed effects (even columns). Across all specifications with industry $\times$ year fixed effects, the coefficient is positive and statistically significant. Each additional Epstein-connected director is associated with approximately 1.0 more employee incidents, 2.3 more governance incidents, and 4.0 more total incidents per year for the contact measure. The magnitudes increase with the intensity of the connection: the meeting measure yields 1.5 additional employee incidents, 3.7 governance incidents, and 6.4 total incidents per additional connected director, consistent with face-to-face meetings capturing the most intensive relationships. The company fixed effects specifications absorb all time-invariant firm heterogeneity. The coefficients remain positive and are attenuated relative to the cross-sectional estimates, as expected when within-firm variation

identifies the effect. The contact and meeting measures remain statistically significant across most outcomes.

Taken together, these findings show that Epstein exposure is associated not only with short-run valuation losses when ties become public, but also with systematically worse realized firm outcomes over time. Firms with more Epstein-connected directors experience more governance, employee, and overall RepRisk incidents, and the effects are strongest for the most intensive forms of documented contact. The evidence therefore points to a persistent relationship between board-level Epstein exposure and observable corporate problems, rather than a purely transitory reputational shock.

3.3.2 Robustness

As a robustness check, Table A2 re-estimates the main specifications using Poisson pseudo-maximum likelihood (PPML), which accommodates the count nature of the dependent variable and is robust to heteroskedasticity. The PPML estimates are qualitatively similar to the OLS results, with the contact and direct communication measures remaining statistically significant at the 1% level across all outcomes.

A potential concern with the name-matching approach is that directors with common surnames may be more likely to generate false-positive matches in the DOJ document corpus. To address this, we repeat the baseline contact analysis after excluding all directors whose last names appear among the 100 most common U.S. surnames according to the 2010 Census (e.g., Ross, Foster, and Jimenez at ranks 98–100). This conservative filter removes approximately one-third of all directors from the sample. As reported in Table A3, the results are robust: the contact coefficient remains positive and highly significant under industry $\times$ year fixed effects for total, governance, and employee incidents, with point estimates comparable to the full-sample specification. Under firm and year fixed effects, the contact coefficient remains significant for total and governance incidents. These findings indicate that false-positive name matches among common surnames do not drive the main results.

3.3.3 Exploiting Deaths of Directors

To further probe whether the relationship between Epstein connections and corporate risk outcomes is causal, we exploit the deaths of Epstein-connected CEOs or directors during the sample period. If the presence of a tainted director on the board contributes to worse outcomes, then the exogenous removal of that director through death should reduce the firm's incident count. We identify 67 deaths of Epstein-connected directors in our sample. Table 8 augments the baseline specification with a *Post death* indicator equal to one for all firm-years on or after the year in which an Epstein-connected director died. The coefficient on *Post death* is negative and statistically significant across all outcomes and both sets of fixed effects. Under company and year fixed effects, the death of an Epstein-connected director is associated with a reduction of 1.03 employee incidents ($p < 0.001$), 2.96 governance incidents ($p < 0.001$), and 4.74 total incidents ($p < 0.001$) per year. These magnitudes are economically meaningful: they offset roughly the effect of two additional connected directors, consistent with the removal of a tainted director partially reversing the costs associated with Epstein ties. The fact that incident counts decline after the death of an Epstein-connected director is consistent with a causal interpretation of the baseline association.

3.3.4 Network Expansion versus Norm Contagion Channels

Exposure to Jeffrey Epstein may operate through two distinct mechanisms. The previous analyses show that Epstein-related ties were associated with negative stock market reactions when they became publicly salient, that they materially altered the structure of inter-firm connectedness, and that firms with more Epstein-connected directors experienced more RepRisk incidents. These findings raise the question of whether the adverse firm outcomes we document reflect the consequences of greater connectedness itself or the transmission of problematic norms through Epstein-linked networks.

One possible channel is *network expansion*. Jeffrey Epstein was widely known as a connector of influential individuals, and participation in his social circle may therefore have expanded executives' access to elite networks. A large literature in

sociology emphasizes that individuals who bridge otherwise disconnected groups obtain informational and strategic advantages (Granovetter, 1973; Burt, 1992). In corporate settings, board and investor networks have been shown to influence firm outcomes by facilitating information flows and access to resources (Hochberg et al., 2007). Related research shows that director networks affect corporate governance and monitoring outcomes (Fich and Shivdasani, 2006). More broadly, connections to powerful individuals can generate significant economic value (Fisman, 2001). Through this channel, association with Epstein could generate benefits by expanding firms' access to influential contacts and opportunities.

A second possible channel is *norm contagion*. Psychological and behavioral research shows that individuals often infer acceptable behavior from observing the actions of peers Bandura (1977); Cialdini and Trost (1998); Bicchieri (2006). A growing empirical literature demonstrates that behaviors and attitudes can spread through social networks via processes of social learning and reinforcement Christakis and Fowler (2007); Centola (2010). Economic research similarly highlights the importance of social interactions and behavioral spillovers, whereby individual actions are influenced by the behavior of peers Glaeser et al. (2003). In corporate settings, recent work shows that misconduct and unethical behavior can propagate across social and geographic networks (Dimmock et al., 2018; Parsons et al., 2018). Through this channel, participation in Epstein's network may have altered perceived norms or reduced the perceived costs of questionable behavior, thereby increasing subsequent incidents.

These two channels generate distinct empirical predictions. If Epstein primarily functioned as a broker connecting influential individuals, one might expect better network position to be associated with improved outcomes. If instead Epstein-linked ties transmitted problematic norms, one would expect greater direct and indirect exposure to such ties to be associated with worse corporate incidents.

To explore these mechanisms empirically, we distinguish between two network channels. First, we measure *network expansion*, capturing how exposure to Epstein affects a firm's position in the board interlock network. Second, we measure *network contagion*, capturing the extent to which firms become indirectly exposed to other

Epstein-connected firms through shared directors. This decomposition allows us to test whether the incident patterns documented in the previous section are more consistent with expanded connectivity or with the diffusion of problematic norms through elite networks.

We operationalize these channels as follows. For *network expansion*, we construct for each panel year a board interlock network among S&P 500 firms, where an undirected edge connects two firms if they share at least one board member within a rolling three-year window. We then construct an augmented network by adding edges between all pairs of firms that each have at least one director with documented Epstein contact in the same window. Network expansion is measured as the change in eigenvector centrality between the augmented and the board-only network, $\Delta e_i = e_i^{\text{aug}} - e_i^{\text{board}}$. We focus on eigenvector centrality because it captures recursive connectedness, being connected to other well-connected firms, and is therefore well suited to measuring the higher-order network effects of adding new edges (Bonacich, 1972). Eigenvector centrality has been widely used in finance to measure network position in settings ranging from CEO networks (El-Khatib et al., 2015) to interdealer networks (Hollifield, Neklyudov, and Spatt, 2017), delegated investment performance (Rossi, Blake, Timmermann, Tonks, and Wermers, 2018), and online firm networks (Emery, 2025).

For *network contagion*, we construct two measures using the board-only interlock network. The first, *contagion (directors)*, sums the number of Epstein-connected directors across all firms that share a board member with firm i. This captures the total intensity of Epstein exposure in a firm's immediate governance neighborhood. The second, *contagion (firms)*, counts the number of board-interlock neighbors that have at least one Epstein-connected director, capturing the breadth of exposure regardless of intensity. Both measures are standardized (zero mean, unit standard deviation) in regressions for interpretability.

Table 9 reports the network expansion results. When we include both the direct contact count and the change in eigenvector centrality from adding Epstein edges, the contact coefficient remains positive and statistically significant across all three outcome categories. By contrast, the network expansion coefficient is small and statistically

insignificant in all specifications. For example, under firm and year fixed effects, the coefficient on network expansion is -0.216 for total incidents, -0.136 for governance incidents, and -0.016 for employee incidents, all statistically indistinguishable from zero. These results indicate that the improvement in network position generated by Epstein-mediated links does not independently explain the increase in RepRisk incidents.

Table 10 reports the network contagion results. The contagion (directors) measure, defined as the total Epstein contact intensity of a firm's board-interlock neighbors, is positive and statistically significant across all specifications, even after controlling for the firm's own direct contact. Under industry $\times$ year fixed effects, a one-standard-deviation increase in contagion exposure is associated with approximately 2.2 additional total incidents, 1.1 governance incidents, and 0.6 employee incidents. These effects remain statistically significant under firm and year fixed effects. The results suggest that indirect exposure to Epstein-connected firms through the board network compounds the incident consequences of a firm's own Epstein ties. We report analogous results using the firms-based contagion measure in Table A4 as a robustness check.

Taken together, the mechanism tests point more strongly to norm contagion than to network expansion. Epstein-related ties do increase firms' connectedness in the board interlock network, but the resulting improvement in network position does not independently predict RepRisk incidents. By contrast, indirect exposure to other Epstein-connected firms through shared directors is consistently associated with higher incident counts. This pattern suggests that the adverse firm outcomes documented in the previous section are not driven primarily by the effects of greater connectedness per se, but by the transmission of problematic norms through Epstein-linked networks.

4 Conclusion

This paper provides the first systematic analysis of the financial and corporate consequences of connections to Jeffrey Epstein among S&P 500 firms. Exploiting the large-scale DOJ release of the Epstein files and combining full-text search with

LLM-based document classification, we construct a structured sample of 67,637 emails linking 3,629 S&P 500 CEOs and directors to Epstein over the period 2006–2019.

We document three main findings. First, firms receiving Epstein-related news coverage in the two weeks following the January 30, 2026 DOJ disclosure experienced significantly negative cumulative abnormal returns, reaching up to -8.5% over a ten-day horizon, consistent with reputational contamination from elite network associations. Second, Epstein's connections were not peripheral to corporate America but deeply embedded in it: adding Epstein-mediated edges to the S&P 500 board interlock network increases density by 357% and sharply reduces separation between major firms, with especially large effects in finance and technology. Third, firms with more Epstein-connected directors experience systematically more ESG incidents over time, with the strongest effects concentrated in governance-related and employee-related incidents and with larger magnitudes for more intensive forms of contact.

Our additional analysis of director deaths suggests that the reputational and governance effects we document are not only driven by selection, firms with weaker governance being more likely to tolerate such connections, but by a direct causal channel through which network membership affected institutional norms and oversight.

In turn, our mechanism tests indicate that the adverse firm outcomes are better explained by norm contagion than by network expansion. Although Epstein-mediated ties increase firms' connectedness in the board interlock network, the resulting improvement in network position does not independently predict incident counts. By contrast, indirect exposure to other Epstein-connected firms through shared directors is consistently associated with more incidents, even after controlling for a firm's own direct Epstein ties.

Taken together, our findings show that elite social ties to a stigmatized individual can matter for firms in multiple ways: they can trigger immediate shareholder losses when they become publicly visible, reshape the architecture of corporate networks, and predict worse corporate conduct. More broadly, the paper highlights how networks that appear valuable because they provide access and connectivity may also embed firms in social environments that carry substantial governance and reputational costs.

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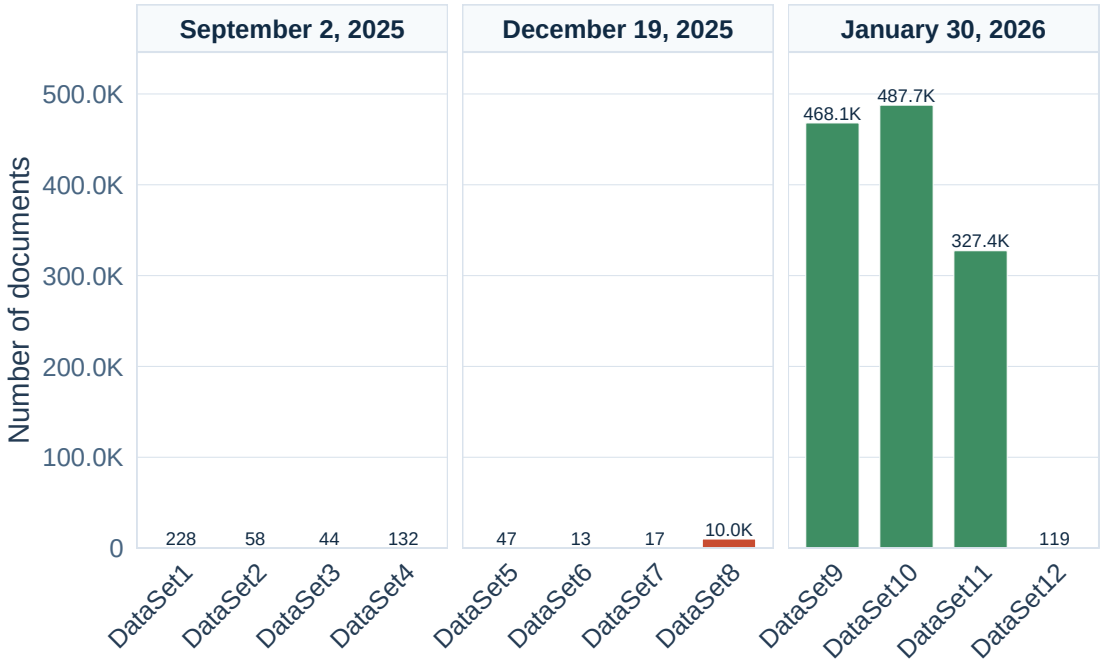
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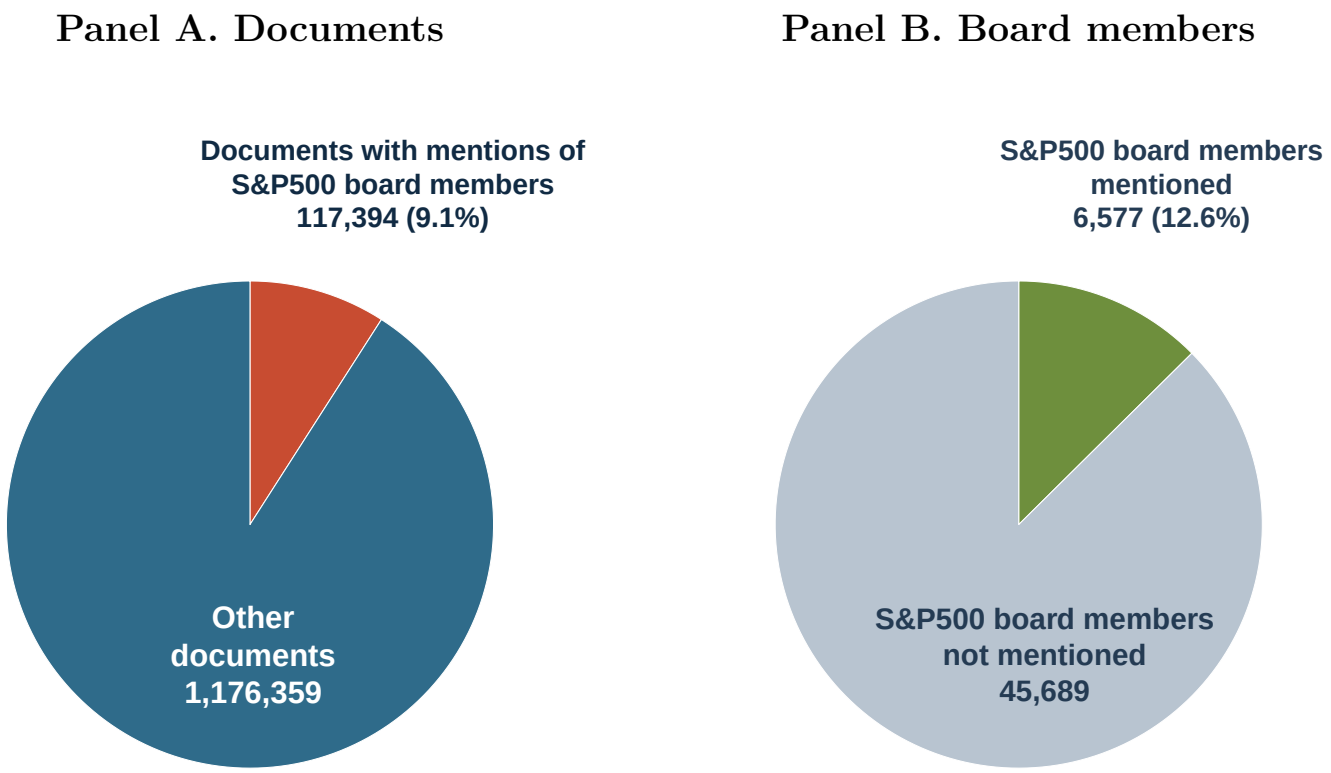
Figures

Figure 1: Document Counts across DOJ Disclosure Tranches



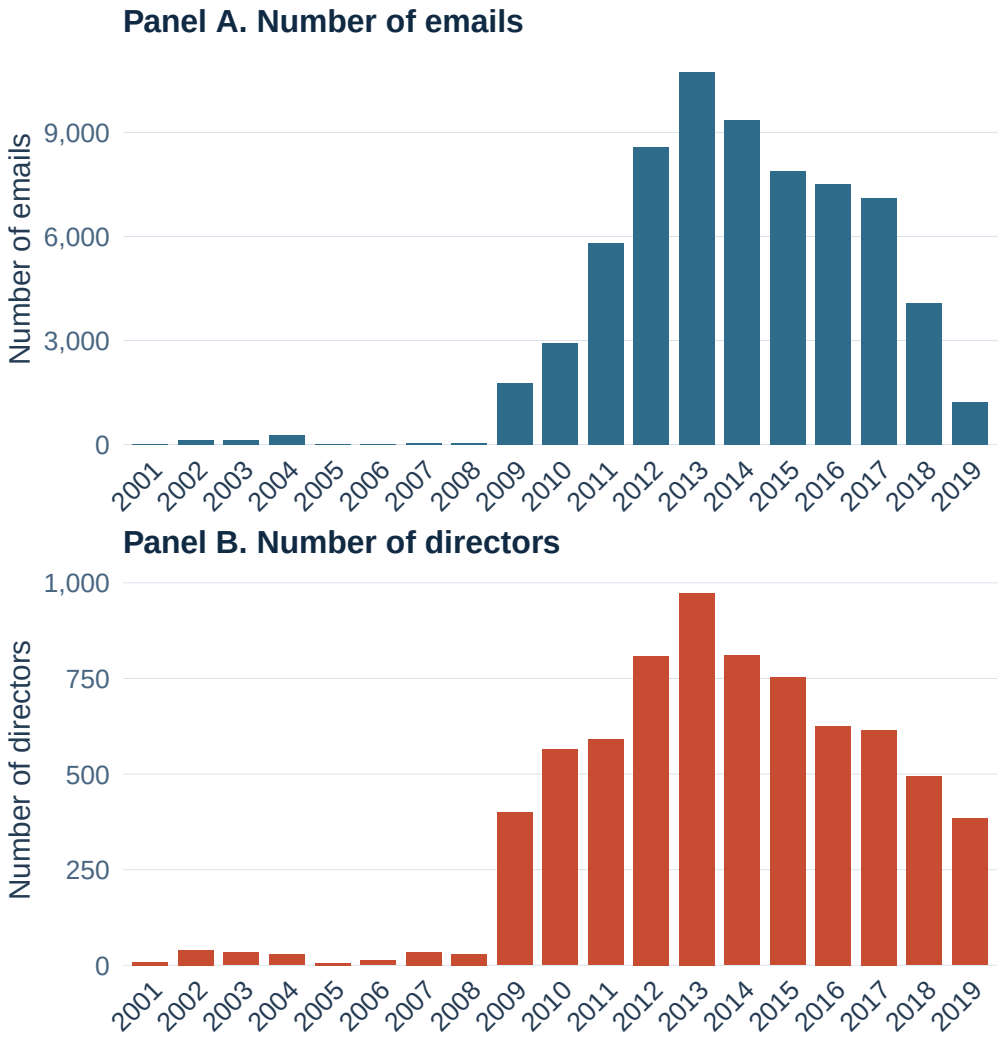
This figure reports the number of PDF documents containing at least 100 characters of extractable text in each DOJ dataset. Bars are grouped by disclosure date: September 2, 2025; December 19, 2025; and January 30, 2026. Bar height corresponds to document count.

Figure 2: Mentions of S&P 500 Board Members in the DOJ Files



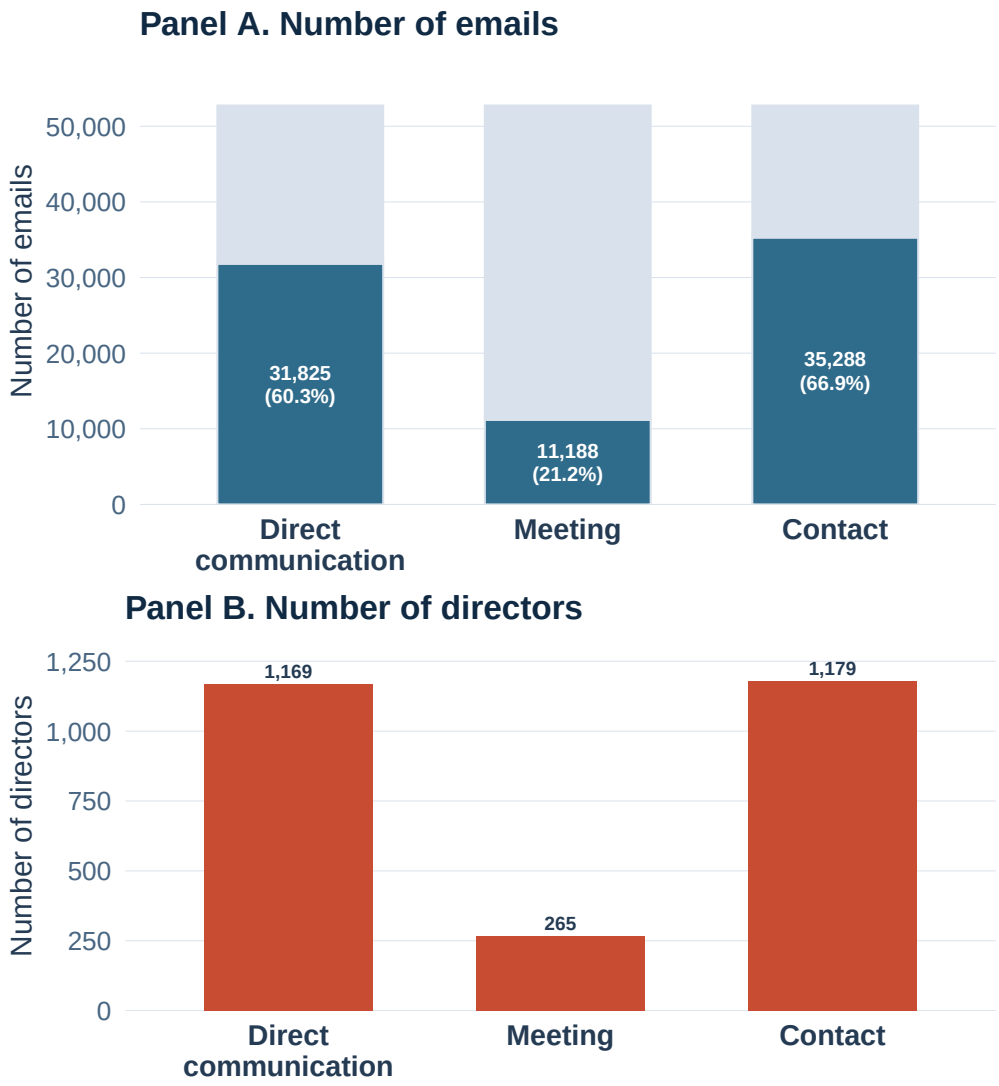
Panel A reports the share of DOJ documents that contain at least one name match to an S&P 500 board member. Panel B reports the share of board members mentioned at least once, where the board-member universe is defined using BoardEx positions held between 2006 and 2026. The complementary slice in each panel represents documents or board members with no matched mention.

Figure 3: Annual Email and Director-Mention Counts in the Epstein Files



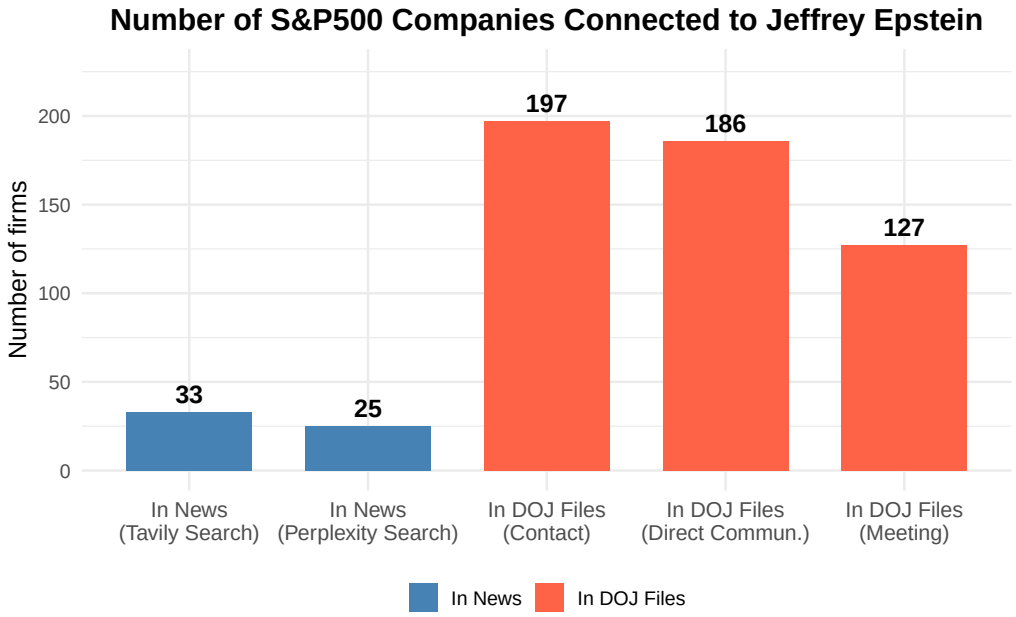
Panel A reports annual counts of unique emails in the Epstein files. Panel B reports annual counts of unique S&P 500 directors mentioned in those emails. Both series cover January 2001 through August 10, 2019.

Figure 4: Composition of Direct Communication, Meetings, and Contact in the Classified Email Sample



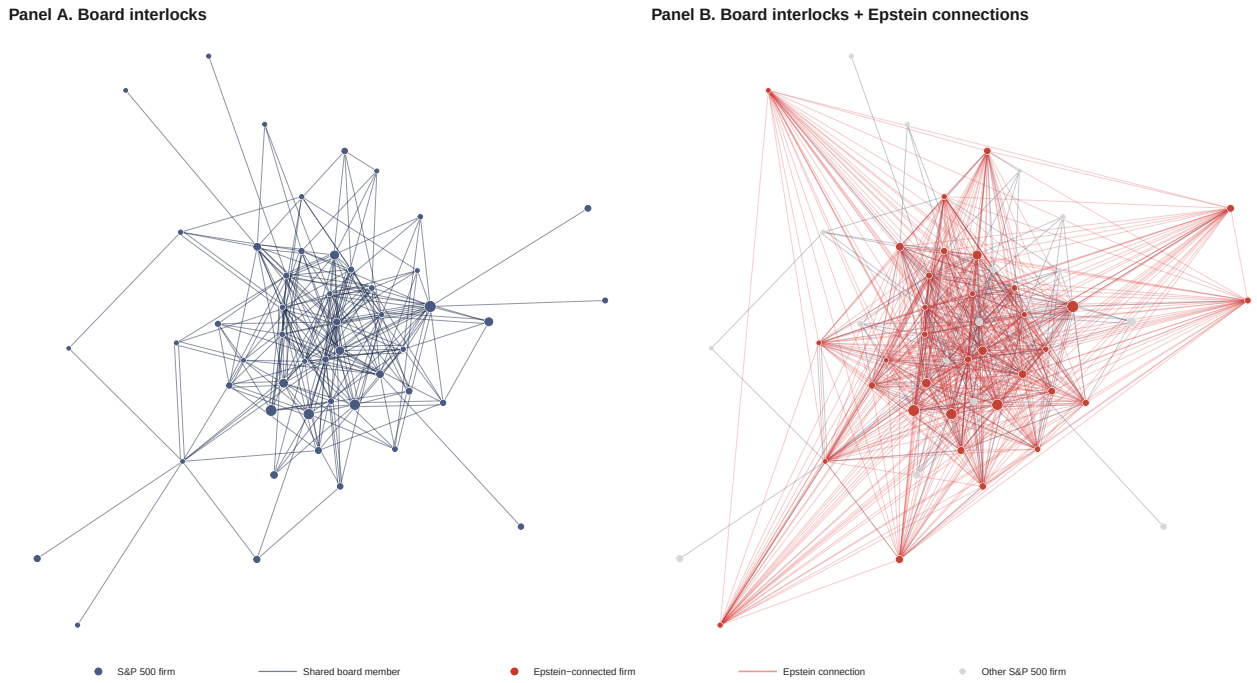
Panel A reports the number and share of unique emails classified as direct communication with Epstein, an explicit meeting with Epstein, or either form of contact. Panel B reports the number of unique directors linked to at least one email in the same three categories. The sample covers July 27, 2006 through August 10, 2019, where July 27, 2006 marks the start of Epstein's first criminal case. In Panel A, the filled segment of each bar indicates the count satisfying the stated condition; the full bar height gives the total number of unique emails in the sample. Contact is defined as direct communication with Epstein or an explicit meeting with Epstein, as classified by the LLM.

Figure 5: Number of S&P 500 Companies Connected to Jeffrey Epstein



This figure reports the number of S&P 500 firms identified as connected to Jeffrey Epstein under five classification schemes. The first two bars use news-based identification: the Tavily Search API paired with GPT evaluation, and the Perplexity Search API. The remaining three bars use LLM-classified DOJ documents restricted to the period between Epstein's first criminal case (July 27, 2006) and his death (August 10, 2019): *Any Contact* includes firms with at least one board member classified as having direct communication or a meeting with Epstein; *Direct Commun.* restricts to direct email communication; and *Meeting* restricts to explicitly documented meetings. News-based searches cover coverage published in the two weeks following the January 30, 2026 DOJ disclosure.

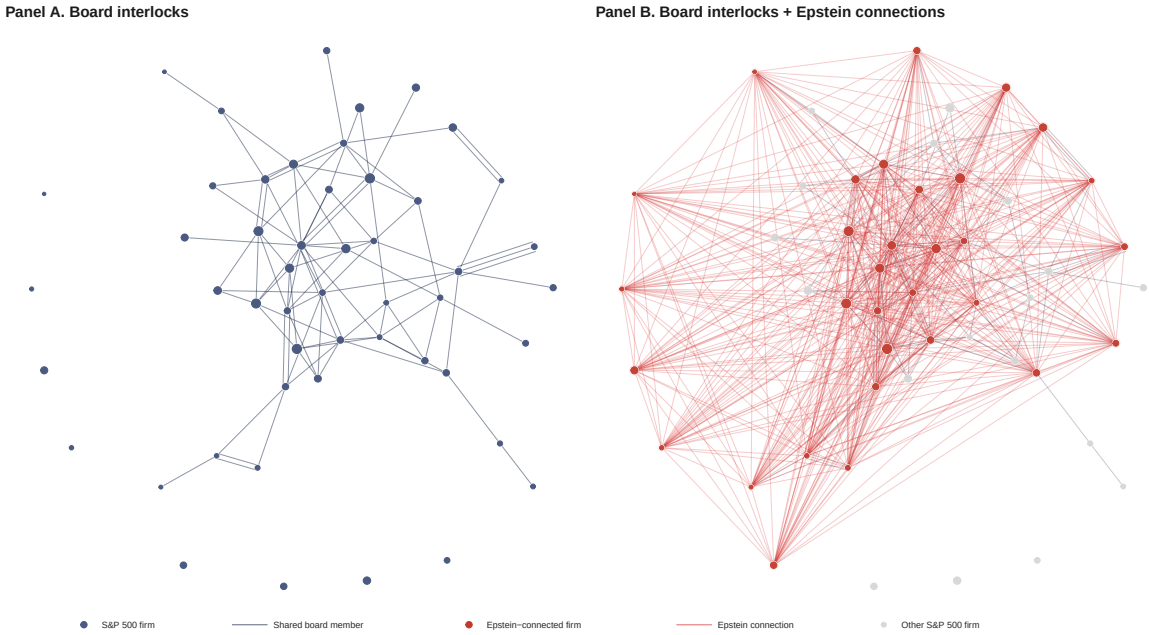
Figure 6: Board Interlocks and Epstein Connections: Full S&P 500 Network



Metric	Board only	Board + Epstein
Nodes	250	250
Edges	2,180	9,877
Components	1	1
Density	0.0700	0.3173
Avg. degree	17.44	79.02
Avg. path length	2.399	1.779
Diameter	5	4
Clustering coeff.	0.1785	0.8878
Avg. betweenness	0.0056	0.0031
Avg. closeness	0.0017	0.0023

Notes. This figure displays the board-interlock network among S&P 500 firms that were continuous index members from 2006 to 2019. Each navy line represents one shared board member between two firms; red lines in Panel B indicate Epstein-mediated edges. Node size is proportional to 2019 total assets. The table reports graph-theoretic measures before and after adding Epstein-mediated edges. *Density* is the ratio of observed edges to the maximum possible. *Avg. degree* is the mean number of connections per firm. *Avg. path length* is the mean shortest-path distance between all reachable pairs. *Diameter* is the longest shortest path. *Clustering coefficient* is the global transitivity, measuring the fraction of connected triples that form closed triangles. *Avg. betweenness* measures how often a firm lies on shortest paths between other firms. *Avg. closeness* captures how close each firm is to all others.

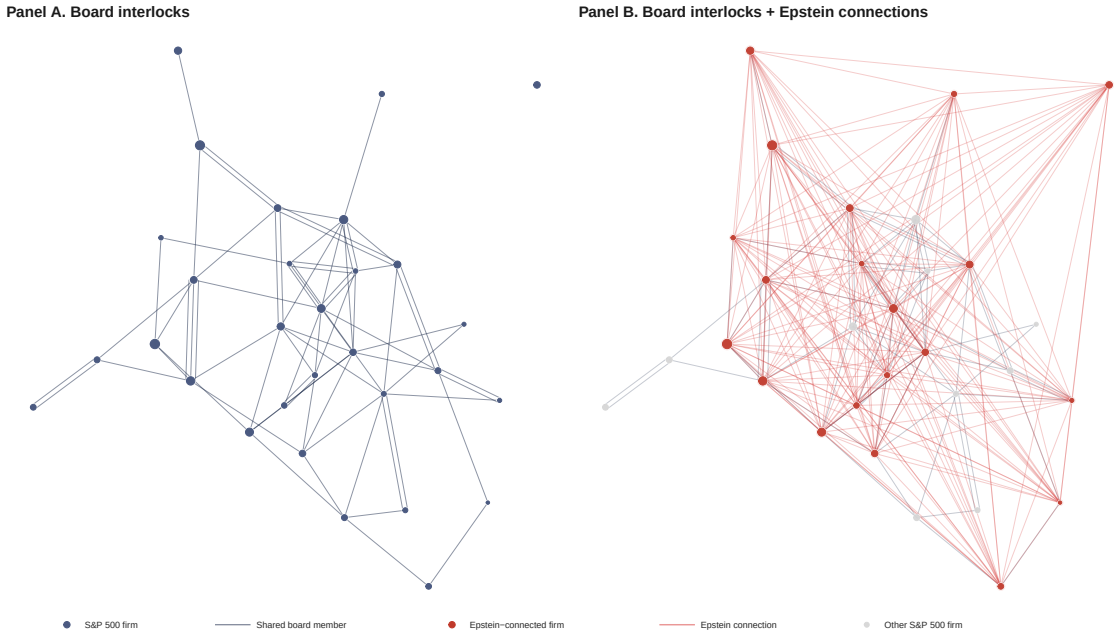
Figure 7: Board Interlocks and Epstein Connections: Financial Sector



Metric	Board only	Board + Epstein
Firms	50	50
Epstein-connected		32
Edges	83	540
Components	9	4
Density	0.0678	0.4408
Avg. degree	3.32	21.60
Avg. path length	3.138	1.640
Diameter	7	4
Clustering coeff.	0.1983	0.9320

Notes. This figure restricts the network to firms in the Financial sector (Fama–French 12 industry 11). Of the 50 financial firms continuously in the S&P 500 from 2006 to 2019, 32 have at least one board member with documented Epstein contacts. Panels A and B display the board-interlock network before and after adding Epstein-mediated edges. The financial sector exhibits the largest absolute increase in edges (+457) and the largest density gain (+550%) of any industry, reflecting the high concentration of Epstein-connected directors in financial firms.

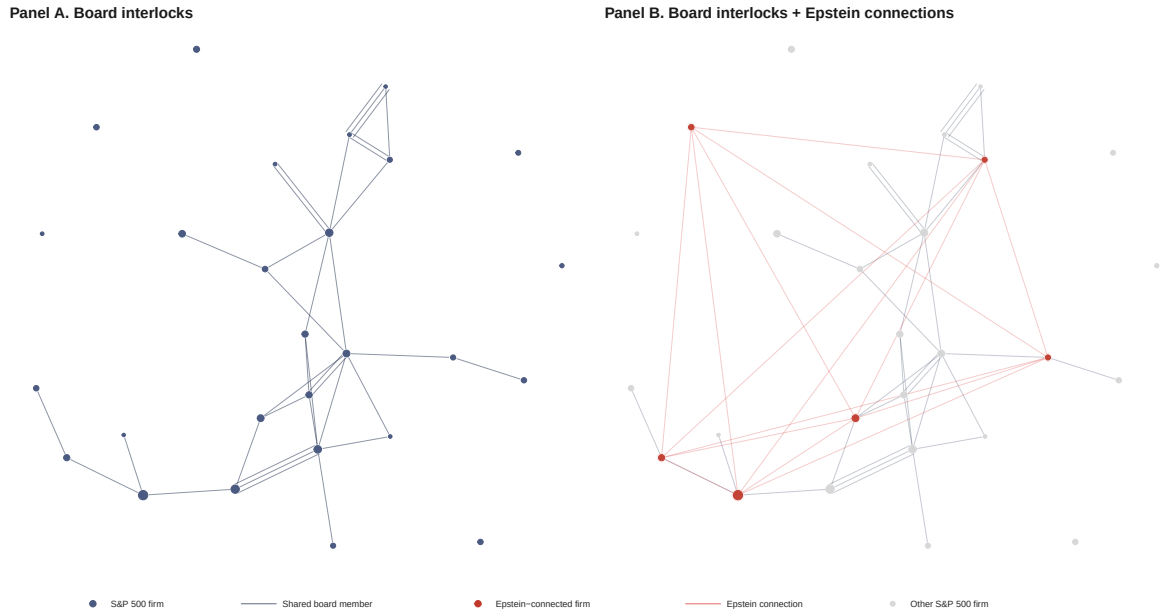
Figure 8: Board Interlocks and Epstein Connections: Technology Sector



Metric	Board only	Board + Epstein
Firms	30	30
Epstein-connected		20
Edges	63	229
Components	2	1
Density	0.1448	0.5264
Avg. degree	4.20	15.27
Avg. path length	2.820	1.616
Diameter	6	5
Clustering coeff.	0.2316	0.8688

Notes. This figure restricts the network to firms in the Technology sector (Fama–French 12 industry 6). Of the 30 technology firms continuously in the S&P 500, 20 have at least one board member with documented Epstein contacts. Panels A and B display the board-interlock network before and after adding Epstein-mediated edges. Adding Epstein-mediated edges increases density from 0.14 to 0.53 (+264%), reduces the average path length from 2.82 to 1.62 (−43%), and raises the clustering coefficient from 0.23 to 0.87. The augmented network collapses from two connected components to one, indicating that Epstein connections bridge previously disjoint clusters of technology firms.

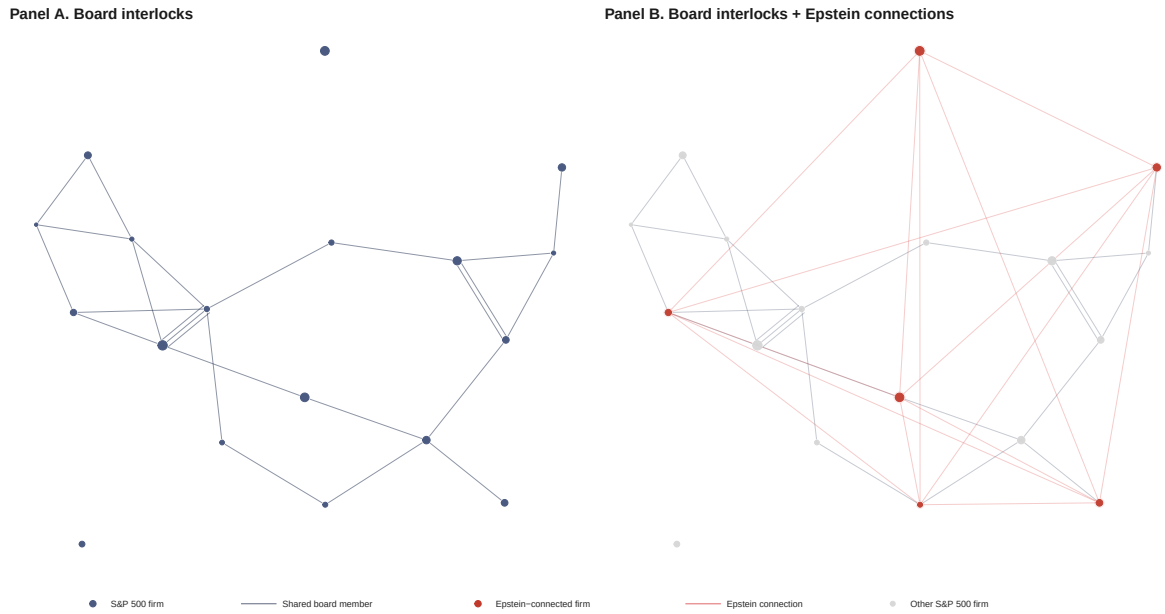
Figure 9: Board Interlocks and Epstein Connections: Manufacturing Sector



Metric	Board only	Board + Epstein
Firms	27	27
Epstein-connected	6	
Edges	29	43
Components	7	6
Density	0.0826	0.1225
Avg. degree	2.15	3.19
Avg. path length	3.467	2.416
Diameter	8	5
Clustering coeff.	0.2561	0.4485

Notes. This figure restricts the network to firms in the Manufacturing sector (Fama–French 12 industry 3). Of the 27 manufacturing firms continuously in the S&P 500, only 6 have board members with documented Epstein contact. Panels A and B display the board-interlock network before and after adding Epstein-mediated edges. The network improvement is modest: density increases from 0.08 to 0.12 (+48%), the average path length declines from 3.47 to 2.42 (−30%), and the clustering coefficient rises from 0.26 to 0.45. The number of connected components drops from 7 to 6, suggesting that Epstein connections provide limited additional bridging in this sector.

Figure 10: Board Interlocks and Epstein Connections: Healthcare Sector



Metric	Board only	Board + Epstein
Firms	18	18
Epstein-connected		6
Edges	22	37
Components	3	2
Density	0.1438	0.2418
Avg. degree	2.44	4.11
Avg. path length	2.875	2.140
Diameter	6	5
Clustering coeff.	0.2500	0.5490

Notes. This figure restricts the network to firms in the Healthcare sector (Fama–French 12 industry 10). Of the 18 healthcare firms continuously in the S&P 500, 6 have board members with documented Epstein contacts. Panels A and B display the board-interlock network before and after adding Epstein-mediated edges. Adding Epstein-mediated edges increases density from 0.14 to 0.24 (+68%), reduces the average path length from 2.88 to 2.14 (−26%), and raises the clustering coefficient from 0.25 to 0.55. The network consolidates from three connected components to two.

Tables

Table 1: Timeline of Key Epstein Events

Date	Category	Description & Source
Early 2000s	**Abuse**	Federal prosecutors date Epstein's sexual abuse of minors to this period. https://www.pbs.org/newshour/politics/a-timeline-of-the-jeffrey-epstein-investigation-and-the-fight-to-make-the-governments-files-public
23 Jul 2006	**First Arrest**	Palm Beach grand jury indicts Epstein on a single state solicitation charge. Police Chief Reiter refers the case to the FBI, which opens a federal investigation interviewing 34 minor victims. https://www.newsnationnow.com/crime/jeffrey-epstein-scandal-crime-timeline/
30 Jun 2008	**Sentencing**	Epstein pleads guilty to soliciting prostitution and procuring a minor; sentenced to 18 months. A secret NPA bars federal charges and grants immunity to unnamed co-conspirators. https://abcnews.go.com/US/rise-fall-jeffrey-epstein-timeline-financiers-legal-troubles/story?id=64507847
Jul 2009	**Release**	Released after 13 months and registered as a sex offender; resumes ties with figures in science, finance, and politics. https://www.pbs.org/newshour/politics/a-timeline-of-the-jeffrey-epstein-investigation-and-the-fight-to-make-the-governments-files-public
6 Jul 2019	**Second Arrest**	Arrested at Teterboro Airport on federal sex trafficking and conspiracy charges. https://abcnews.go.com/US/rise-fall-jeffrey-epstein-timeline-financiers-legal-troubles/story?id=64507847
10 Aug 2019	**Death**	Found dead in his MCC cell. https://www.npr.org/2025/07/25/nx-s1-5478620/jeffrey-epstein-crimes-timeline-legal-case
2 Sep 2025	**DOJ Release I**	House Oversight releases 33,295 pages subpoenaed from the DOJ. https://oversight.house.gov/release/oversight-committee-releases-epstein-records-provided-by-the-department-of-justice/
19 Nov 2025	**Transparency Act**	Trump signs the Epstein Files Transparency Act (Public Law 119–38). DOJ required to release all files by 19 Dec and submit an unredacted list of named officials to Congress. https://www.congress.gov/bill/119th-congress/house-bill/4405
19 Dec 2025	**DOJ Release II**	DOJ releases 3,965 files (3 GB) on deadline but falls short; 550+ pages remain blacked out, including a 119-page grand jury transcript. https://time.com/7342581/jeffrey-epstein-doj-justice-department-files-documents-redactions/
30 Jan 2026	**DOJ Release III**	DOJ releases 3M+ pages, 2,000 videos, and 180,000 images. Declared the final major release; ∼200,000 pages remain redacted. Over 1,000 victims identified. https://www.pbs.org/newshour/show/whats-revealed-in-the-latest-epstein-files-release-and-whats-redacted

Table 2: Cumulative Abnormal Returns after DOJ release

The dependent variable is the cumulative abnormal return (CAR) over the event window indicated in the column header, where day 0 is January 30, 2026. The independent variable *in_news* equals one if the company appeared in Epstein-related news coverage during the two weeks following the DOJ disclosure, and zero otherwise. News exposure is identified by querying the Tavily Search API for the company name together with "Epstein" over January 30 to February 13, 2026, and then using ChatGPT to verify whether the returned snippets explicitly link the company to Jeffrey Epstein. Panel A reports CARs estimated using market-adjusted returns. Panel B reports CARs estimated using the Fama–French three-factor model. Standard errors are in parentheses. ***, **, * denote significance at the 1%, 5%, and 10% levels.

	Panel A. Market-Adjusted Returns				
	Dependent variable: Cumulative Abnormal Return				
	(1)	(2)	(3)	(4)	(5)
Window	[0]	[0,1]	[0,3]	[0,5]	[0,10]
in_news	−0.0100*	−0.0142**	−0.0545***	−0.0639***	−0.0854***
	(0.0059)	(0.0062)	(0.0157)	(0.0165)	(0.0208)
Constant	0.0044***	0.0032**	0.0221***	0.0225***	0.0240***
	(0.0011)	(0.0014)	(0.0030)	(0.0035)	(0.0047)
Obs.	500	500	500	500	500
R^2	0.010	0.014	0.040	0.041	0.042
Adj. R^2	0.008	0.012	0.038	0.039	0.040
	Panel B. Fama–French Three-Factor Returns				
	Dependent variable: Cumulative Abnormal Return				
	(1)	(2)	(3)	(4)	(5)
Window	[0]	[0,1]	[0,3]	[0,5]	[0,10]
in_news	−0.0082	−0.0104*	−0.0373***	−0.0485***	−0.0631***
	(0.0060)	(0.0057)	(0.0131)	(0.0139)	(0.0179)
Constant	0.0058***	−0.0010	0.0014	0.0035	0.0002
	(0.0011)	(0.0014)	(0.0028)	(0.0035)	(0.0047)
Obs.	500	500	500	500	500
R^2	0.007	0.007	0.023	0.025	0.024
Adj. R^2	0.005	0.005	0.021	0.023	0.022

Table 3: Cumulative Abnormal Returns after DOJ release and Epstein Contact Intensity

The dependent variable is the cumulative abnormal return (CAR) over the event window indicated in the column header, where day 0 is January 30, 2026. The independent variable *Contact directors* is the number of unique board members of the firm with any documented contact (direct communication or meeting) with Jeffrey Epstein in DOJ files dated between July 27, 2006 (first criminal case) and August 10, 2019 (death). Panel A reports CARs estimated using market-adjusted returns. Panel B reports CARs estimated using the Fama–French three-factor model. Heteroskedasticity-robust (HC1) standard errors are in parentheses. ***, **, * denote significance at the 1%, 5%, and 10% levels.

	Panel A. Market-Adjusted Returns				
	Dependent variable: Cumulative Abnormal Return				
	(1)	(2)	(3)	(4)	(5)
Window	[0]	[0,1]	[0,3]	[0,5]	[0,10]
Contact directors	−0.0004	−0.0012	−0.0050*	−0.0087**	−0.0139***
	(0.0010)	(0.0013)	(0.0028)	(0.0035)	(0.0042)
Constant	0.0039***	0.0031*	0.0216***	0.0236***	0.0270***
	(0.0013)	(0.0016)	(0.0036)	(0.0041)	(0.0055)
Obs.	500	500	500	500	500
R^2	0.000	0.002	0.005	0.012	0.017
Adj. R^2	−0.002	−0.000	0.003	0.010	0.015
	Panel B. Fama–French Three-Factor Returns				
	Dependent variable: Cumulative Abnormal Return				
	(1)	(2)	(3)	(4)	(5)
Window	[0]	[0,1]	[0,3]	[0,5]	[0,10]
Contact directors	−0.0003	−0.0006	−0.0020	−0.0061**	−0.0103***
	(0.0009)	(0.0012)	(0.0023)	(0.0031)	(0.0037)
Constant	0.0055***	−0.0013	0.0002	0.0041	0.0024
	(0.0013)	(0.0016)	(0.0033)	(0.0041)	(0.0055)
Obs.	500	500	500	500	500
R^2	0.000	0.000	0.001	0.006	0.010
Adj. R^2	−0.002	−0.002	−0.001	0.004	0.008

Table 4: Summary Statistics

The sample consists of S&P 500 firm-year observations over 2006–2019 with non-missing values for all controls and RepRisk outcomes. Epstein exposure measures count the number of unique currently serving board members classified as having the indicated type of connection with Epstein over a rolling three-year window ending in year t. RepRisk outcomes are annual incident counts. All variables are winsorized at the 1st and 99th percentiles.

	N	Mean	SD	P25	P50	P75
Panel A. Epstein Exposure						
Contact directors	6,677	0.269	0.651	0.000	0.000	0.000
Direct communication directors	6,677	0.185	0.530	0.000	0.000	0.000
Meeting directors	6,677	0.091	0.344	0.000	0.000	0.000
Panel B. Firm Controls						
Log(assets)	6,677	9.129	1.352	8.236	9.068	10.048
ROA	6,677	0.060	0.082	0.027	0.060	0.099
Book-to-market	6,677	0.439	0.369	0.193	0.348	0.600
Leverage	6,677	0.282	0.186	0.151	0.268	0.385
Asset growth	6,677	0.108	0.274	−0.009	0.053	0.135
Board fraction female	6,677	0.176	0.108	0.100	0.182	0.250
Board size	6,677	10.302	2.721	9.000	10.000	12.000
Board fraction independent	6,677	0.861	0.084	0.833	0.889	0.909
Institutional ownership	6,677	0.633	0.361	0.485	0.785	0.898
Panel C. RepRisk Outcomes						
Employee incidents	6,677	1.411	4.990	0.000	0.000	1.000
Governance incidents	6,677	3.107	8.412	0.000	0.000	3.000
Total incidents	6,677	6.217	16.228	0.000	1.000	5.000

Table 5: Epstein Connections and Total Incidents

Each column reports a separate OLS regression where the dependent variable is the annual count of total RepRisk incidents. The key independent variable is the number of unique currently serving board members of firm i with the indicated type of Epstein connection over a rolling three-year window ($t-2$ through t). *Contact* is defined as direct communication or a meeting with Epstein. *Direct communication* requires that the document identifies both the director and Epstein as sender and recipient (or cc/bcc). *Meeting* requires explicit evidence of a scheduled or confirmed meeting. Controls include log assets, ROA, book-to-market, leverage, asset growth, board fraction female, board size, board fraction independent, and institutional ownership. Odd columns include Fama–French 48 industry × year fixed effects; even columns include company and year fixed effects. Standard errors clustered at the firm level are in parentheses. ***, **, * denote significance at the 1%, 5%, and 10% levels.

	Total incidents					
	(1)	(2)	(3)	(4)	(5)	(6)
Contact	4.0174***	2.1423**				
	(1.3497)	(0.9451)				
Direct communication			4.2596***	1.3790		
			(1.4584)	(0.9066)		
Meeting					6.3872***	2.9570*
					(1.9565)	(1.6811)
R^2	0.365	0.725	0.359	0.723	0.359	0.724
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry × Year FE	Yes		Yes		Yes	
Company FE		Yes		Yes		Yes
Year FE		Yes		Yes		Yes
Observations	6,627	6,659	6,627	6,659	6,627	6,659

Table 6: Epstein Connections and Governance Incidents

Each column reports a separate OLS regression where the dependent variable is the annual count of governance-related RepRisk incidents. All other details are as in Table 5.

	Governance incidents					
	(1)	(2)	(3)	(4)	(5)	(6)
Contact	2.2698***	1.4662**				
	(0.7540)	(0.5886)				
Direct communication			2.4785***	1.1731**		
			(0.8338)	(0.5882)		
Meeting					3.6582***	1.9331*
					(1.1640)	(1.0304)
R^2	0.356	0.680	0.351	0.677	0.350	0.678
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry × Year FE	Yes		Yes		Yes	
Company FE		Yes		Yes		Yes
Year FE		Yes		Yes		Yes
Observations	6,627	6,659	6,627	6,659	6,627	6,659

Table 7: Epstein Connections and Employee Incidents

Each column reports a separate OLS regression where the dependent variable is the annual count of employee-related RepRisk incidents. All other details are as in Table 5.

	Employee incidents					
	(1)	(2)	(3)	(4)	(5)	(6)
Contact	1.0163**	0.5585*				
	(0.4288)	(0.2912)				
Direct communication			0.8650**	0.1665		
			(0.3710)	(0.2174)		
Meeting					1.5344**	0.7360*
					(0.6277)	(0.4053)
R^2	0.262	0.702	0.254	0.700	0.257	0.701
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry × Year FE	Yes		Yes		Yes	
Company FE		Yes		Yes		Yes
Year FE		Yes		Yes		Yes
Observations	6,627	6,659	6,627	6,659	6,627	6,659

Table 8: Director Deaths and RepRisk Incidents

Each column reports a separate OLS regression where the dependent variable is the annual count of RepRisk incidents indicated in the column header. *Contact* is the number of unique currently serving board members with any documented Epstein connection (direct communication or meeting) in a rolling three-year window ($t-2$ through t). *Post death* is an indicator equal to one for all firm-years on or after the year in which an Epstein-connected director of the firm died, and zero otherwise. The sample includes 31 deceased Epstein-connected directors across 9 treated firms during 2006–2019. All other details are as in Table 9.

	Industry × Year FE			Company + Year FE		
	Total	Governance	Employee	Total	Governance	Employee
	(1)	(2)	(3)	(4)	(5)	(6)
Contact	4.1213***	2.3311***	1.0435**	2.1826**	1.4905**	0.5671*
	(1.3662)	(0.7627)	(0.4342)	(0.9482)	(0.5903)	(0.2923)
Post death	−5.2749**	−3.1396**	−1.3968**	−4.7449***	−2.9561***	−1.0295***
	(2.4033)	(1.3947)	(0.6921)	(1.0471)	(0.6032)	(0.2650)
R^2	0.365	0.357	0.262	0.725	0.680	0.703
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry × Year FE	Yes	Yes	Yes			
Company FE				Yes	Yes	Yes
Year FE				Yes	Yes	Yes
Observations	6,631	6,631	6,631	6,663	6,663	6,663

Table 9: Direct Contact and Network Expansion

Each column reports a separate OLS regression where the dependent variable is the annual count of RepRisk incidents indicated in the column header. *Contact* is the number of unique currently serving board members with any documented Epstein connection (direct communication or meeting) in a rolling three-year window. *Network expansion* is the change in eigenvector centrality when Epstein-mediated edges are added to the board interlock network, standardized to zero mean and unit standard deviation. Columns (1)–(3) include Fama–French 48 industry × year fixed effects; columns (4)–(6) include company and year fixed effects. Controls include log assets, ROA, book-to-market, leverage, asset growth, board fraction female, board size, board fraction independent, and institutional ownership. Standard errors clustered at the firm level are in parentheses. ***, **, * denote significance at the 1%, 5%, and 10% levels.

	Industry × Year FE			Company + Year FE		
	Total	Governance	Employee	Total	Governance	Employee
	(1)	(2)	(3)	(4)	(5)	(6)
Contact	4.7470***	2.6935***	0.9663**	2.3609**	1.6036**	0.5744*
	(1.3412)	(0.7592)	(0.4354)	(1.0471)	(0.6535)	(0.3131)
Network expansion	−0.6673	−0.3875	0.0457	−0.2156	−0.1355	−0.0156
	(0.4676)	(0.2404)	(0.1998)	(0.2622)	(0.1616)	(0.0735)
R^2	0.366	0.357	0.262	0.725	0.680	0.702
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry × Year FE	Yes	Yes	Yes			
Company FE				Yes	Yes	Yes
Year FE				Yes	Yes	Yes
Observations	6,627	6,627	6,627	6,659	6,659	6,659

Table 10: Network Contagion

Each column reports a separate OLS regression where the dependent variable is the annual count of RepRisk incidents indicated in the column header. *Contact* is the number of unique currently serving board members with any documented Epstein connection in a rolling three-year window. *Network contagion* is the sum of Epstein-connected director counts across all firms that share a board member with firm i in the board interlock network, standardized to zero mean and unit standard deviation. Columns (1)–(3) include Fama–French 48 industry × year fixed effects; columns (4)–(6) include company and year fixed effects. All other details are as in Table 9.

	Industry × Year FE			Company + Year FE		
	Total	Governance	Employee	Total	Governance	Employee
	(1)	(2)	(3)	(4)	(5)	(6)
Contact	3.3814**	1.9539**	0.8598*	1.7331*	1.2438**	0.4509
	(1.4802)	(0.8189)	(0.4601)	(0.9436)	(0.5880)	(0.2934)
Network contagion	2.2353***	1.1102***	0.5501**	1.6976***	0.9229***	0.4466***
	(0.6708)	(0.3385)	(0.2137)	(0.4608)	(0.2596)	(0.1574)
R^2	0.378	0.368	0.270	0.729	0.685	0.706
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry × Year FE	Yes	Yes	Yes			
Company FE				Yes	Yes	Yes
Year FE				Yes	Yes	Yes
Observations	6,627	6,627	6,627	6,659	6,659	6,659

Appendix

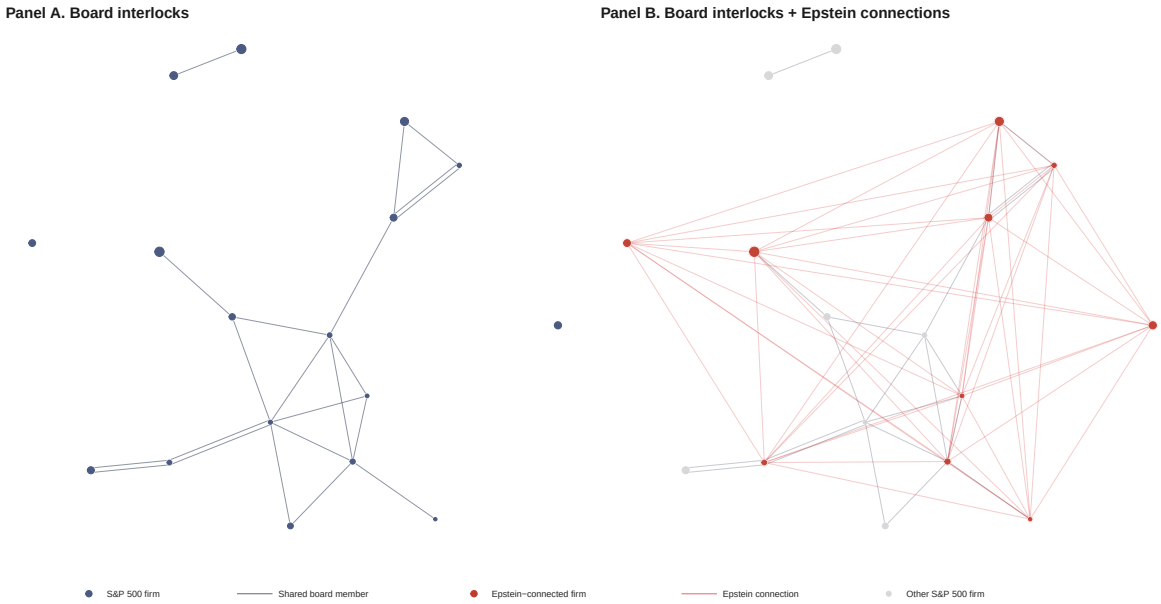
A LLM Prompt

The following prompt is used for the LLM-based extraction of structured variables from each DOJ document.

```
Extract ONLY the NEW requested variables from ONE document.
Target person of interest: {director_name}

Output ONLY valid JSON with EXACTLY these keys:
is_email
date
meeting_epstein_person
direct_epstein_person_communication
referenced_epstein_person_communication
Allowed values:
- is_email: yes|no|unsure
- date: YYYY-MM-DD if possible; if partial date only,
  provide best ISO-like format; if no date found,
  output null.
- yes/no/unsure for all topic and detection flags.
- meeting_epstein_person is yes|no|unsure.
- direct_epstein_person_communication and
  referenced_epstein_person_communication are
  yes|no|unsure.
Strict rules:
- is_email = yes only when the document is an email,
  header-style email, or iMessage-like message thread.
- date:
  - Use YYYY-MM-DD if possible.
  - If partial date only, provide best ISO-like format.
  - If no date found, output null.
- meeting_epstein_person = yes ONLY with explicit meeting
  intent/action specifically between Jeffrey Epstein and
  the target person.
- direct_epstein_person_communication = yes ONLY if the
  document itself indicates direct communication between
  Jeffrey Epstein and the target person (one is sender
  and the other is recipient, including cc/bcc or
  equivalent iMessage counterpart).
TEXT:
{text_for_llm_truncated}
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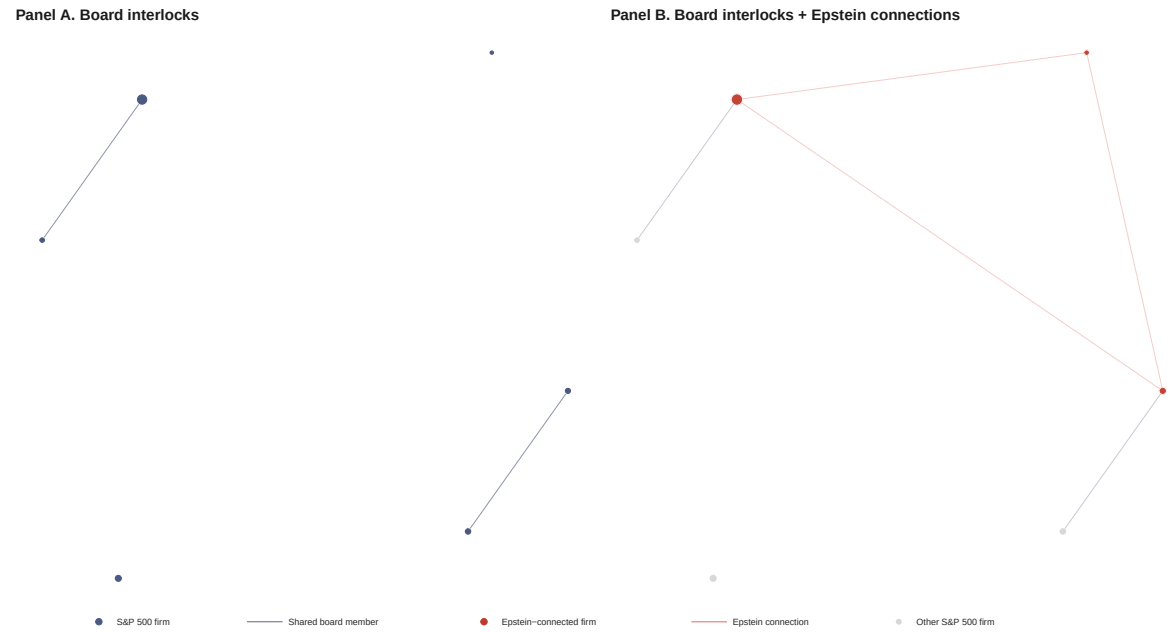
Figure A1: Board Interlocks and Epstein Connections: Consumer Nondurables



Metric	Board only	Board + Epstein
Firms	17	17
Epstein-connected		10
Edges	19	59
Components	4	2
Density	0.1397	0.4338
Avg. degree	2.24	6.94
Avg. path length	3.000	1.472
Diameter	6	3
Clustering coeff.	0.4375	0.8211

Notes. This figure restricts the network to firms in the Consumer Nondurables sector (Fama–French 12 industry 1). Of the 17 nondurable-goods firms continuously in the S&P 500 from 2006 to 2019, 10 have at least one board member with documented Epstein contacts. Adding Epstein-mediated edges increases density from 0.14 to 0.43 (+211%), reduces the average path length from 3.00 to 1.47 (−51%), and consolidates the network from four connected components to two.

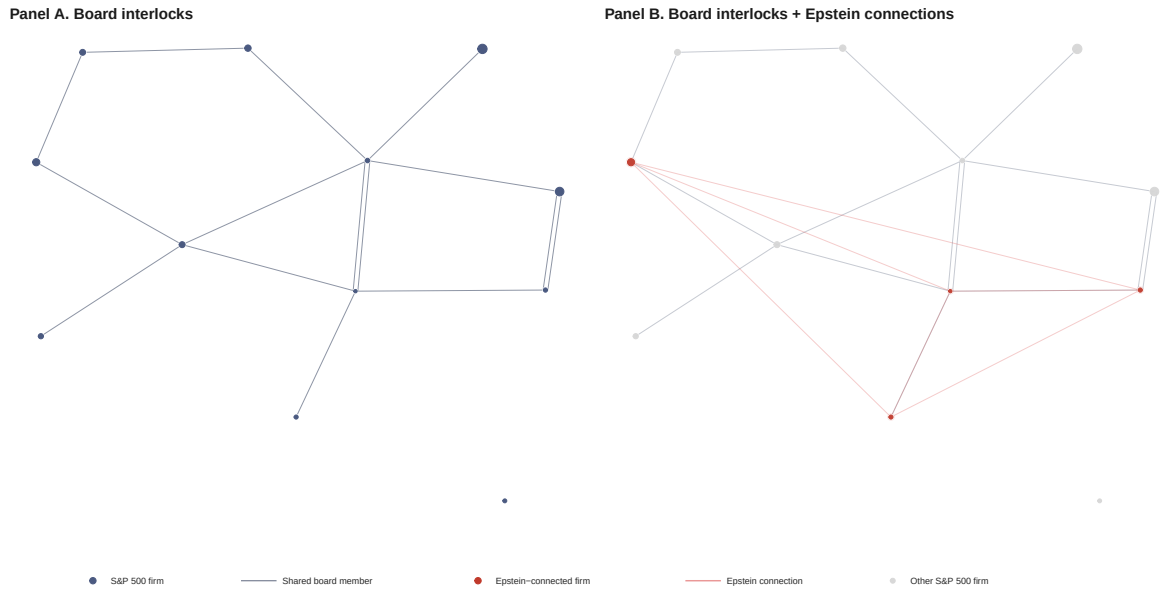
Figure A2: Board Interlocks and Epstein Connections: Consumer Durables



Metric	Board only	Board + Epstein
Firms	6	6
Epstein-connected	3	
Edges	2	5
Components	4	2
Density	0.1333	0.3333
Avg. degree	0.67	1.67
Avg. path length	1.000	1.600
Diameter	1	2
Clustering coeff.	—	0.4286

Notes. This figure restricts the network to firms in the Consumer Durables sector (Fama–French 12 industry 2). Only 6 durable-goods firms are continuously in the S&P 500, of which 3 have Epstein-connected board members. The baseline network is extremely sparse (2 edges, 4 components). Adding Epstein-mediated edges increases density from 0.13 to 0.33 and reduces the number of components from four to two. The baseline clustering coefficient is undefined because no connected triples exist.

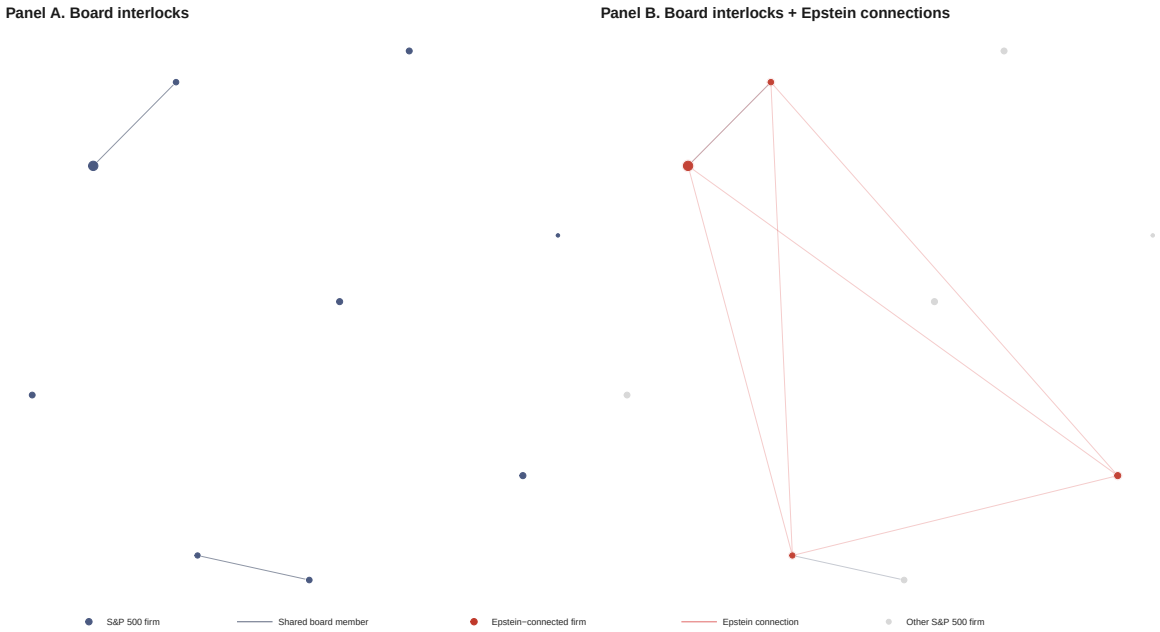
Figure A3: Board Interlocks and Epstein Connections: Energy Sector



Metric	Board only	Board + Epstein
Firms	12	12
Epstein-connected		4
Edges	13	17
Components	2	2
Density	0.1970	0.2576
Avg. degree	2.17	2.83
Avg. path length	2.382	1.927
Diameter	4	4
Clustering coeff.	0.1111	0.3750

Notes. This figure restricts the network to firms in the Energy sector (Fama–French 12 industry 4). Of the 12 energy firms continuously in the S&P 500, 4 have board members with documented Epstein contacts. Adding Epstein-mediated edges produces a modest increase in density from 0.20 to 0.26 (+31%) and reduces the average path length from 2.38 to 1.93 (−19%). The number of connected components remains at two.

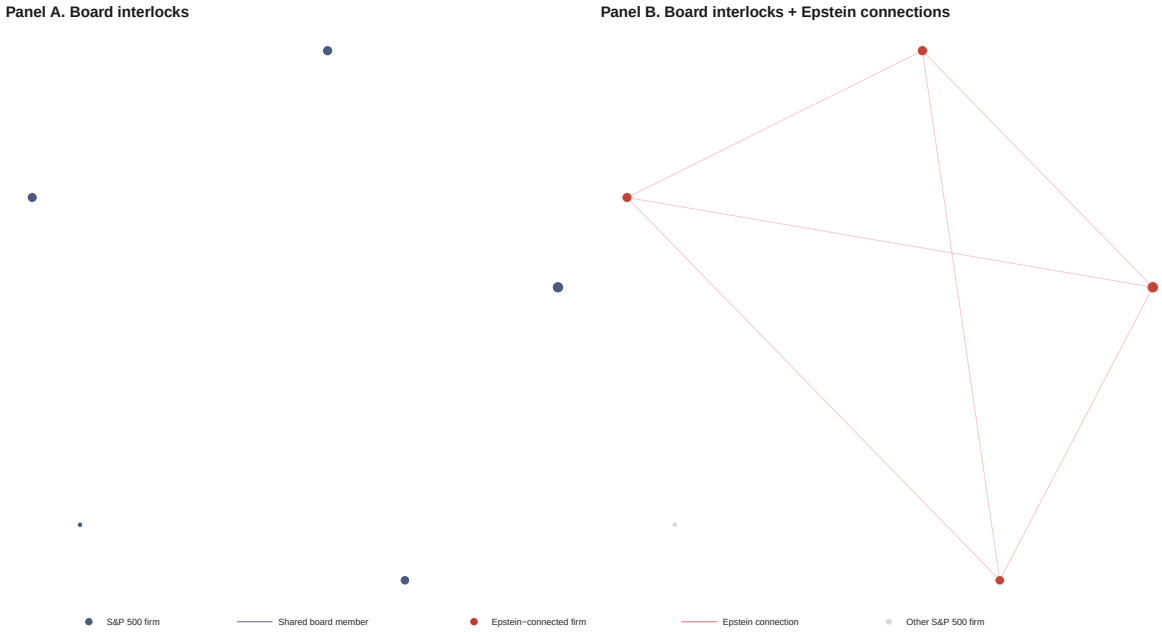
Figure A4: Board Interlocks and Epstein Connections: Chemicals Sector



Metric	Board only	Board + Epstein
Firms	9	9
Epstein-connected		4
Edges	2	7
Components	7	5
Density	0.0556	0.1944
Avg. degree	0.44	1.56
Avg. path length	1.000	1.300
Diameter	1	2
Clustering coeff.	—	0.8000

Notes. This figure restricts the network to firms in the Chemicals sector (Fama–French 12 industry 5). Of the 9 chemicals firms continuously in the S&P 500, 4 have Epstein-connected board members. The baseline network is very sparse (2 edges, 7 components). Adding Epstein-mediated edges increases density from 0.06 to 0.19 (+250%) and reduces the number of components from seven to five. The baseline clustering coefficient is undefined because no connected triples exist.

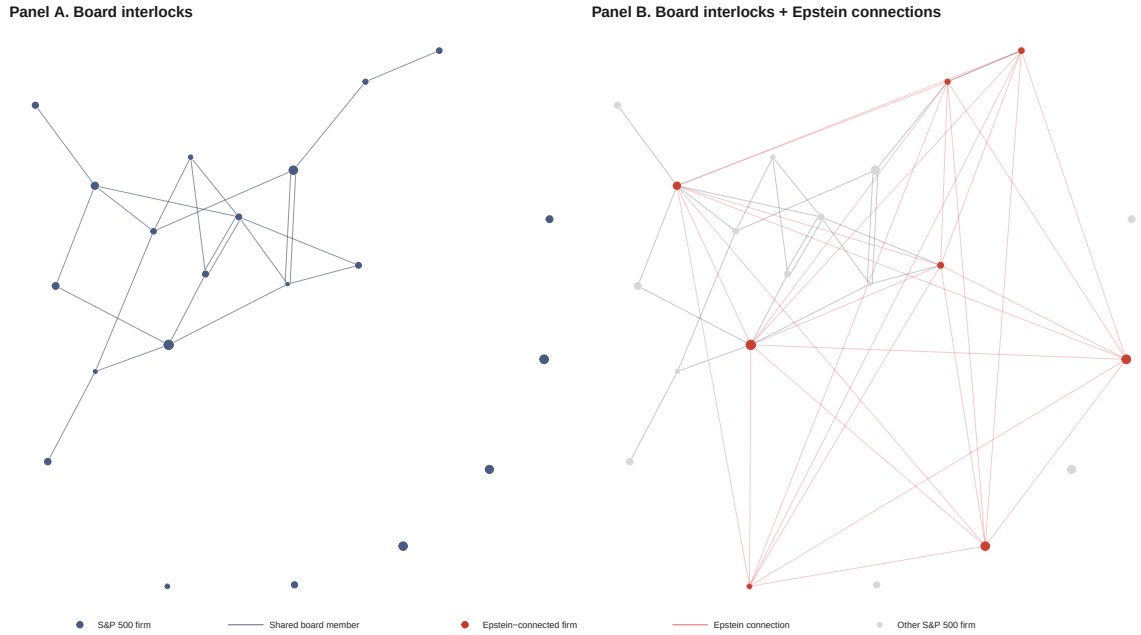
Figure A5: Board Interlocks and Epstein Connections: Telecommunications Sector



Metric	Board only	Board + Epstein
Firms	5	5
Epstein-connected		4
Edges	0	6
Components	5	2
Density	0.0000	0.6000
Avg. degree	0.00	2.40
Avg. path length	—	1.000
Diameter	—	1
Clustering coeff.	—	1.0000

Notes. This figure restricts the network to firms in the Telecommunications sector (Fama–French 12 industry 7). Only 5 telecom firms are continuously in the S&P 500, of which 4 have Epstein-connected board members. The baseline network contains no board-interlock edges at all—every firm is an isolated node. All connectivity in Panel B is created entirely by Epstein-mediated edges, which add 6 edges and reduce the number of components from five to two.

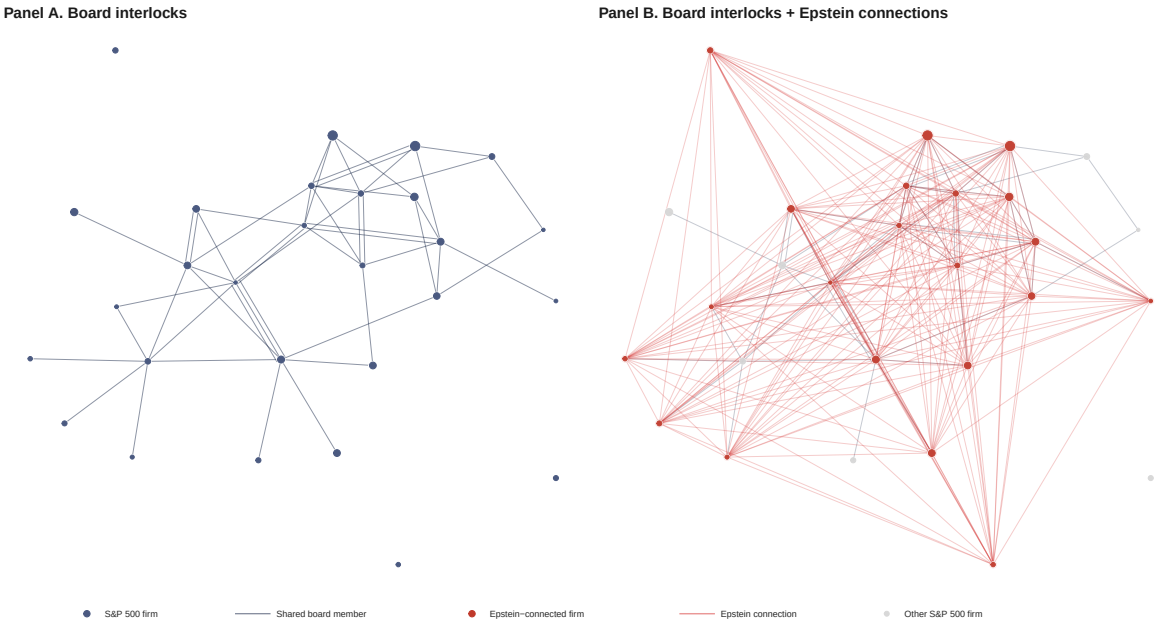
Figure A6: Board Interlocks and Epstein Connections: Utilities Sector



Metric	Board only	Board + Epstein
Firms	21	21
Epstein-connected		8
Edges	21	48
Components	7	4
Density	0.1000	0.2286
Avg. degree	2.00	4.57
Avg. path length	2.590	1.882
Diameter	5	4
Clustering coeff.	0.1224	0.6246

Notes. This figure restricts the network to firms in the Utilities sector (Fama–French 12 industry 8). Of the 21 utility firms continuously in the S&P 500, 8 have board members with documented Epstein contacts. Adding Epstein-mediated edges increases density from 0.10 to 0.23 (+129%), reduces the average path length from 2.59 to 1.88 (−27%), and raises the clustering coefficient from 0.12 to 0.62. The number of connected components drops from seven to four.

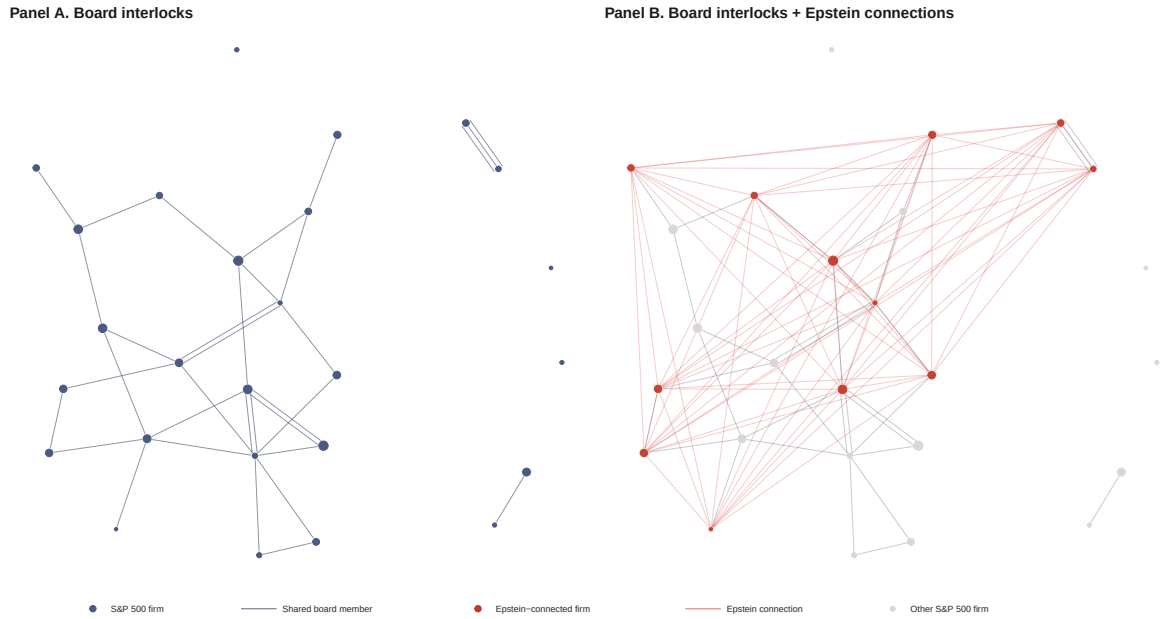
Figure A7: Board Interlocks and Epstein Connections: Retail Sector



Metric	Board only	Board + Epstein
Firms	28	28
Epstein-connected		21
Edges	46	227
Components	4	2
Density	0.1217	0.6005
Avg. degree	3.29	16.21
Avg. path length	2.633	1.433
Diameter	6	3
Clustering coeff.	0.2567	0.9416

Notes. This figure restricts the network to firms in the Retail sector (Fama–French 12 industry 9). Of the 28 retail firms continuously in the S&P 500, 21 have at least one board member with documented Epstein contacts. Adding Epstein-mediated edges increases density from 0.12 to 0.60 (+393%), reduces the average path length from 2.63 to 1.43 (−46%), and raises the clustering coefficient from 0.26 to 0.94. The network consolidates from four connected components to two.

Figure A8: Board Interlocks and Epstein Connections: Other Industries



Metric	Board only	Board + Epstein
Firms	26	26
Epstein-connected		12
Edges	29	89
Components	6	5
Density	0.0892	0.2738
Avg. degree	2.23	6.85
Avg. path length	2.786	1.782
Diameter	6	4
Clustering coeff.	0.1690	0.8131

Notes. This figure restricts the network to firms in the Other sector (Fama–French 12 industry 12), a residual category covering industries not classified elsewhere. Of the 26 firms continuously in the S&P 500, 12 have board members with documented Epstein contacts. Adding Epstein-mediated edges increases density from 0.09 to 0.27 (+207%), reduces the average path length from 2.79 to 1.78 (−36%), and raises the clustering coefficient from 0.17 to 0.81. The number of connected components drops from six to five.

Table A1: Cumulative Abnormal Returns — Perplexity Search Classification

Notes. This table replicates the analysis of Table 2 using an alternative news-exposure measure. Instead of Tavily plus ChatGPT, we use the Perplexity Search API to query each company name together with "Epstein" over January 30 to February 13, 2026, and ask Perplexity to evaluate whether the returned results link the company to Jeffrey Epstein. All other specifications are identical to Table 2. Standard errors are in parentheses. ***, **, * denote significance at the 1%, 5%, and 10% levels.

	Panel A. Market-Adjusted Returns				
	Dependent variable: Cumulative Abnormal Return				
	(1)	(2)	(3)	(4)	(5)
Window	[0]	[0,1]	[0,3]	[0,5]	[0,10]
in_news	−0.0054	−0.0071*	−0.0328***	−0.0510***	−0.0706***
	(0.0042)	(0.0042)	(0.0104)	(0.0153)	(0.0134)
Constant	0.0040***	0.0027*	0.0202***	0.0208***	0.0219***
	(0.0011)	(0.0014)	(0.0031)	(0.0036)	(0.0048)
Obs.	500	500	500	500	500
R^2	0.010	0.014	0.040	0.041	0.042
Adj. R^2	0.008	0.012	0.038	0.039	0.040
	Panel B. Fama–French Three-Factor Returns				
	Dependent variable: Cumulative Abnormal Return				
	(1)	(2)	(3)	(4)	(5)
Window	[0]	[0,1]	[0,3]	[0,5]	[0,10]
in_news	−0.0024	−0.0049	−0.0191**	−0.0422***	−0.0542***
	(0.0041)	(0.0038)	(0.0093)	(0.0141)	(0.0125)
Constant	0.0054***	−0.0015	−0.0001	0.0024	−0.0013
	(0.0011)	(0.0014)	(0.0028)	(0.0035)	(0.0047)
Obs.	500	500	500	500	500
R^2	0.007	0.007	0.023	0.025	0.024
Adj. R^2	0.005	0.005	0.021	0.023	0.022

Table A2: Epstein Connections and RepRisk Incidents — PPML

Each column reports a separate PPML regression where the dependent variable is the annual count of RepRisk incidents indicated in the column header. The key independent variable is the number of unique currently serving board members with the indicated type of Epstein exposure in a rolling three-year window. Controls include log assets, ROA, book-to-market, leverage, asset growth, fraction female directors, board size, fraction independent directors, and institutional ownership. Fama–French 48 industry × year fixed effects are included. Standard errors clustered at the firm level are in parentheses. Observation counts vary across panels because PPML drops industry×year groups with limited contributing variation. ***, **, * denote significance at the 1%, 5%, and 10% levels.

Panel A. Contact

	Total incidents	Governance incidents	Employee incidents
	(1)	(2)	(3)
Contact	0.1328***	0.1307***	0.1181***
	(0.0382)	(0.0406)	(0.0426)
Controls	Yes	Yes	Yes
Industry × Year FE	Yes	Yes	Yes
Observations	6,562	6,432	6,072

Panel B. Direct communication

	Total incidents	Governance incidents	Employee incidents
	(1)	(2)	(3)
Direct communication	0.1880***	0.1897***	0.1238**
	(0.0527)	(0.0549)	(0.0509)
Controls	Yes	Yes	Yes
Industry × Year FE	Yes	Yes	Yes
Observations	6,562	6,432	6,072

Panel C. Meeting

	Total incidents	Governance incidents	Employee incidents
	(1)	(2)	(3)
Meeting	0.1168*	0.1212*	0.0758
	(0.0617)	(0.0733)	(0.0749)
Controls	Yes	Yes	Yes
Industry × Year FE	Yes	Yes	Yes
Observations	6,562	6,432	6,072

Table A3: Epstein Contact and RepRisk Incidents — Excluding Common Surnames

This table replicates the baseline contact specification after excluding all directors whose last names appear among the 100 most common U.S. surnames in the 2010 Census (e.g., Ross, Foster, Jimenez at ranks 98–100). Common surnames are more likely to generate false-positive matches when searching DOJ document text for BoardEx director names. The exclusion removes approximately one-third of all directors from the sample. The dependent variable in each column is the annual count of RepRisk incidents indicated in the column header. *Contact* is the number of unique currently serving board members with any documented Epstein connection (direct communication or meeting) in a rolling three-year window. Columns (1)–(3) include Fama–French 48 industry × year fixed effects; columns (4)–(6) include company and year fixed effects. All other details are as in Table 9.

	Industry × Year FE			Company + Year FE		
	Total	Governance	Employee	Total	Governance	Employee
	(1)	(2)	(3)	(4)	(5)	(6)
Contact	5.7585***	3.3567***	1.2431**	2.8563**	2.0644**	0.6121**
	(1.9128)	(1.1180)	(0.5401)	(1.3075)	(0.8622)	(0.3090)
R^2	0.360	0.352	0.256	0.724	0.679	0.701
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry × Year FE	Yes	Yes	Yes			
Company FE				Yes	Yes	Yes
Year FE				Yes	Yes	Yes
Observations	6,627	6,627	6,627	6,659	6,659	6,659

Table A4: Network Contagion (Firms)

Each column reports a separate OLS regression where the dependent variable is the annual count of RepRisk incidents indicated in the column header. *Contact* is the number of unique currently serving board members with any documented Epstein connection in a rolling three-year window. *Network contagion* is the standardized count of board-interlock neighbors that have at least one Epstein-connected director. This measure captures the breadth of indirect Epstein exposure (number of tainted neighbors) rather than its intensity (total connected directors across neighbors, reported in Table 10). All other details are as in Table 9.

	Industry × Year FE			Company + Year FE		
	Total	Governance	Employee	Total	Governance	Employee
	(1)	(2)	(3)	(4)	(5)	(6)
Contact	3.4672**	1.9771**	0.8733*	1.7819*	1.2553**	0.4720
	(1.4517)	(0.8022)	(0.4519)	(0.9256)	(0.5785)	(0.2896)
Network contagion	1.9431***	1.0338***	0.5049**	1.4443***	0.8452***	0.3467***
	(0.6314)	(0.3102)	(0.2183)	(0.3779)	(0.2246)	(0.1272)
R^2	0.375	0.367	0.269	0.729	0.685	0.705
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Industry × Year FE	Yes	Yes	Yes			
Company FE				Yes	Yes	Yes
Year FE				Yes	Yes	Yes
Observations	6,627	6,627	6,627	6,659	6,659	6,659