TimeLine Theatre Company

ENRON

by Lucy Prebble

directed by Rachel Rockwell

STUDY GUIDE

Prepared by
Maren Robinson, Dramaturg

— STUDY GUIDE —
Table of Contents

Download a PDF of the entire Study Guide at TimeLine's website: http://www.timelinetheatre.com/enron/Enron_StudyGuide.pdf

The Playwright: Lucy Prebble

"There is something human, something personal, even emotional, about a financial bubble. ... A marketplace is just a group of people behaving, after all. Just like a workplace, or a family."

— Lucy Prebble

Lucy Prebble is the creator of the television series *Secret Diary of a Call Girl*, starring Billie Piper in the title role. *Secret Diary* is now entering its fourth season on the Showtime network. Prebble won the George Devine Award for Most Promising Playwright for her debut play, *The Sugar Syndrome*, in May 2004, followed by the TMA Award for Best New Play. *Enron*, her second play, won the TMA Award for Best New Play 2009 and has been nominated for the Evening Standard Award for Best Play.[1]

The Play: *Enron* Production History

Enron debuted at the Minerva Theatre as part of England's Chichester Festival[2]. The production transferred to the Royal Court Theatre and later to the Noel Coward Theatre in London's West End. The play was lauded throughout England[3]. The director, Rupert Goold, won the Evening Standard Critics' Circle Award and an Olivier Award for Best Director and Prebble was nominated for the Olivier and Evening Standard Awards for Best New Play[4]. *Enron* opened on Broadway in April 2010[5] at the Broadhurst Theatre to very mixed reviews, and the show closed early[6]. The play's regional U.S. debut was at Boston's Zeitgeist Stage Company, in September 2010[7].

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1 http://www.playbill.com/celebritybuzz/whoswho/biography/18992

2 http://www.headlongtheatre.co.uk/productions/production_details.php?Title=ENRON&production_id=21

3 http://www.londontheatre.co.uk/londontheatre/reviews/enron2010.htm

4 http://www.stagegrade.com/productions/398#

2 http://www.nytimes.com/2010/02/21/theater/21prebble.html?pagewanted=all

6 http://www.guardian.co.uk/stage/theatreblog/2010/may/05/enron-broadway-close-early?intcmp=239

7 http://www.playbill.com/news/article/142820-Lucy-Prebbles-Enron-Will-Make-US-Regional-Debut-in-Boston-Casting-Announced

“The powerful lesson from Enron for me is the power of self delusion and how people rationalize and deceive themselves.”
—Bethany McLean, Fortune Magazine reporter and author of *The Smartest Guys in the Room*, quoted in the documentary film *The Smartest Guys in the Room*

The Interview: Director Rachel Rockwell

Early during rehearsals for *Enron*, TimeLine Artistic Director PJ Powers **(PJP)** talked with director Rachel Rockwell **(RR)**, making her TimeLine debut.

(PJP) How did you get your start as a director?

(RR) My parents were in the business. I was a performer, and then became a choreographer. When I was 22, I was to choreograph an Equity production of Tintypes at the New Harmony Theatre in Indiana, and the director bailed at the last minute. The artistic director asked if I could direct it, too, and I said I could. I knew what I wanted to do, but no idea how to do it. I need to find those actors and apologize! I would like to think I’ve grown a little ... .

(PJP) What attracted you to directing?

(RR) I love collaborating with intelligent, passionate people. It’s a daily exercise in trust. I also love watching actors exceed their own expectations. A gratifying artistic experience can be life changing, and each new project has that potential.

(PJP) What was your initial reaction to *Enron*?

(RR) The script is really smart and darkly funny. The crisis is seen through the relationships of key players and young punk traders who thought they were invincible. What’s disturbing about it is how little the public knew (or wanted to know). I think the audience will be shocked by the hubris that was Enron. The conflict is so large it is almost operatic in scale, so we will incorporate elements of music and fantasy.

(PJP) *Enron* was heralded in London and a huge hit. Then it moved to Broadway and flopped. We have a great opportunity to wipe the slate clean and start fresh. What has that meant to you?

(RR) I think *Enron* had an identity crisis. It was caught between the worlds of play and musical. And it was over-produced on Broadway. I think what’s on the page is really amazing, without a bunch of stuff heaped on top.
(PJP) How do you begin that process?

(RR) The physical environment is really key to me. I want to create the most focused, interesting vantage point for the audience to view the relationships of the play. Then you take away anything that detracts from those relationships.

(PJP) Talk about the production design and how you're configuring the space and the audience.

(RR) We decided to stage it in the round. I find it the most natural way to view something. I think backs can be really interesting and looking through and around things gives you very interesting visual perspective. Something that moves as fast as this almost demands it. We tried to neutralize the space and let video screens frame it.

I think we have created a lot of spectacle out of very little. Multi-functionality is important in a show that switches locales as much as this one does. I would always rather see one thing become many things, than many things that only serve one purpose.

(PJP) This play has been done in a larger space, and you've directed many shows in spaces larger than TimeLine's. How do you tell this near-epic story in a very intimate setting?

(RR) So much of this play is closed-door, two-person conversations. Being this intimate allows us to keep these conversations natural and somewhat still, which makes the stakes of the dialogue seem even higher. I think a huge space probably demanded that this show be larger than it needed to be. The intimacy of the space at TimeLine actually really helps with the focus. With 13 people in that tiny rectangle, I have to be crystal clear about where you are supposed to look!

(PJP) I know you've done a ton of research—every time I've seen you lately you've been on fire with some new, enraging fact. Is research always part of your process?

(RR) Always. Research is one of the best parts. I can't imagine leading the charge without fully understanding everything the text is based on. Whether it's Dickensian England, the Vietnam War or what happens when you slit a carotid artery with a straight razor, I want to know everything I can about it! I'm sure I am on some FBI watch list for all the grotesque, violent, political things I research on my computer.

Dramaturg Maren Robinson has been a godsend. So many mathematical concepts, such a foreign world, so many layers to this corruption—I really needed help putting it into a language we could grasp, and Maren did that.

(PJP) Any mention of Enron elicits such passion, and the audience may show up with a fair amount of information and emotion. Why do you think it's important—and also theatrically exciting—to go inside the story in 2012?

(RR) At the very least, we need to start questioning our own accountability. Trust is healthy, faith is good, but if something seems too good to be true, it generally is. If a person gets a questionable report from a doctor, they get a second opinion or ask for clarification of things they don't understand. And we believe that doctors have our best interests at heart. Yet, with financial institutions, we very often won't question anything. And I am pretty certain that they don't have our best interests at heart ... .

(PJP) Have there been any surprises so far?

(RR) It has become clear how stylistically diverse this show is. Now I am dealing with how much to unify it or emphasize the differences of the various vocabularies. One thing that surprised us all was how we liked these characters despite the despicable things they do and say. The characters are almost Greek in scale.

Enron Corporate Value Statement

OUR VALUES

RESPECT: We treat others as we would like to be treated ourselves. We do not tolerate abusive or disrespectful treatment. Ruthlessness, callousness, and arrogance don't belong here.

INTEGRITY: We work with customers and prospects openly, honestly, and sincerely. When we say we will do something, we will do it; when we say we cannot or will not do something, then we won't do it.

COMMUNICATION: We have an obligation to communicate. Here, we take the time to talk with one another . . . and to listen. We believe that information is meant to move and that information moves people.

EXCELLENCE: We are satisfied with nothing less than the very best in everything we do. We will continue to raise the bar for everyone. The great fun here will be for all of us to discover just how good we can really be.

— *from Enron's 1998 Annual Report*

The Enron corporate values were the same in the 2000 annual report except that the line, "Ruthlessness, callousness, and arrogance don't belong here." had been removed.

The Enron Buzz

"Enron has built a reputation as one of the world's most innovative companies by attacking and atomizing traditional industry structure."
— David Campbell and Ron Hulme, praising Enron in a report by the McKinsey consulting firm published months before Enron's collapse (The Smartest Guys in the Room p 239-240)

"Enron is literally unbeatable at what they do."
— David Fleischer, Goldman Sachs securities analyst

"Enron Corporation: The industry standard for excellence"
— The title of a 2000 report by Edward Tirello, Deutsche Bank Analyst

"Enron is the one to emulate"
— Hillary Durgin, The Financial Times, December 8, 1999

Enron's Corporate Culture

In thinking about the corporate culture of Enron, it is important to look at the Enron oil scandal, or Valhalla scandal. In 1987, two Enron oil traders, Louis Borget and Tom Mastroeni, in the Valhalla, N.Y. office, misappropriated funds and were essentially gambling with the company's money. They traded beyond their limits and kept two sets of books to make it appear that the trading operation was making steady profits. When CEO Kenneth Lay found out about the abuses, he told the Enron board he could not fire the traders because they were making too much money; instead, he increased their trading limits.

Six months after this incident, Borget and Mastroeni traded badly again and lost one billion dollars for Enron. Executive Mike Muckleroy bluffed the market and managed to reduce the loss to 140 million dollars, saving the company from bankruptcy. At that point, Lay said he was shocked at the actions of the traders, who were then fired. It was the first inkling of a corporate culture that would not punish unethical practices if they were making the firm money.

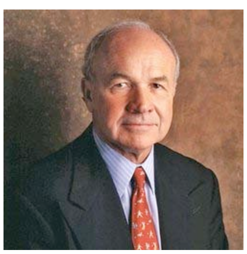
"... Enron still stands out, because, of course, Enron was first. Up until that point, we believed in the permanence of big companies. They had their gleaming skyscrapers and their multibillion-dollar balance sheets. Surely, the solidity conveyed by such things was real, and thousands of jobs and billions in savings couldn't vanish almost overnight."

— Bethany McLean, *Fortune* Magazine reporter and author of *The Smartest Guys in the Room*; quoted on NPR's Marketplace in 2011 on the 10th anniversary of the collapse of Enron. [8]

The Players

Kenneth Lay

"I believed that the balance sheet was fundamentally strong. … I believed that then, I believe that now."
— Kenneth Lay, in court testimony quoted on CNN Money, April 25, 2006



Kenneth Lay was the founder, chairman and chief executive officer of Enron Corp.

Lay was born into a poor family in Tyrone, Mo., in 1942. His father was a Baptist minister. The middle of three children, he did not live in a house with indoor plumbing until he was 11 years old.

As a result of his childhood poverty, Lay always aspired to make money. He attended the University of Missouri where he earned bachelors and masters degrees in economics. He received a PhD in economics from the University of Houston.[9]

Lay worked for Humble Oil (which became Exxon) while he took classes toward his PhD. He was accepted to the Naval Officer Candidate School in 1968 and was assigned to the Pentagon as an economist after his graduation. He worked for the Federal Power Commission under President Richard M. Nixon. Lay left Washington in September 1973 to work for Florida Gas.[10]

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8 http://www.marketplace.org/topics/business/commentary/enron-ten-years-later

9 *The Smartest Guys in the Room*, p 4-9

10 http://www.nytimes.com/2006/09/27/business/27enron.html?ref=kennethllay

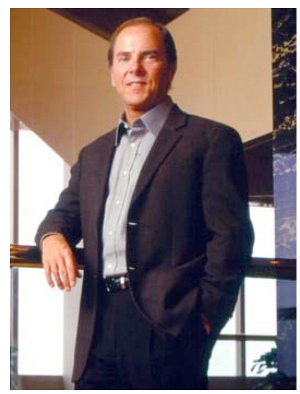
In 1981, Lay moved to Transco Pipeline Co. in Houston. When the price of gas dropped, he urged the company to sell directly to customers, helping save the company from financial disaster. He joined Houston Natural Gas Co. in 1984 as chairman and chief executive. Within the year it was merging with Omaha-based InterNorth. The new company would become Enron Corp.

Lay actively lobbied for the deregulation of electricity, which made possible the financial deals that would bring Enron notoriety and lead to its ultimate downfall.

In May 2006 Lay was found guilty of fraud and conspiracy to inflate Enron's stock prices.[11] He died of a heart attack July 5, 2006, while awaiting sentencing.[12] The conviction was vacated because of his death.[13]

Jeffrey Skilling

> *"I am not a victim here, but I am not a perpetrator."*
> —Jeffrey Skilling, testifying before a Senate Commerce Committee, February 27, 2002[14]



Jeffrey Skilling was Enron Corp.'s president and chief operating officer. He also served as chief executive officer between February and August 2001.

Skilling was the second of four children born to a working class family in Pittsburgh and raised in Aurora, Il. He attended Southern Methodist University on an engineering scholarship. He received his where he received a B.S. in 1975. He did not excel in his coursework until he found business classes. Skilling had been a partner at the noted consulting firm McKinsey and Co. When he joined Enron in June 1990 he insisted that the company change to mark-to-market accounting, which was used in the financial industry but not in the energy industry. Skilling was looking for a new way to deliver energy by transforming energy into financial instruments that could be traded like stocks and bonds. [15]

Skilling prided himself on his intelligence, and he looked for this trait in Enron employees. He once replied to a Harvard professor who asked him if he was smart, "I'm fucking smart." He earned his MBA from Harvard in 1979. He

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11 http://money.cnn.com/2006/04/25/news/newsmakers/enron_trial/index.htm

12 http://www.nytimes.com/2006/07/06/business/06lay.html?pagewanted=2&ref=kennethllay

13 http://www.washingtonpost.com/wp-dyn/content/article/2006/07/05/AR2006070500523.html

14 http://www.usatoday.com/money/energy/2002-02-27-enron-testify-excerpts.htm

15 *The Smartest Guys in the Room*

regularly told people his favorite book was *The Selfish Gene* by Richard Dawkins, and he used social Darwinism in his approach to management. He created the Performance Review Committee at Enron that ranked employees on a scale from 1 to 5 and fired the lowest 15 percent. He so closely identified with the company Skilling proclaimed, "I am Enron."

In spite of valuing intelligence, Skilling also seemed to be trying to reform his nerdy image. He started working out, lost weight and had Lasik surgery on his eyes to rid himself of glasses (this apparently started a trend at Enron). He invited select employees, including Andrew Fastow, on dangerous trips, including one to Mexico's Baja Peninsula to ride motorcycles. A number of employees on the trip were injured, feeding into the reputation of the risk-taking culture at Enron.

In 2001, Skilling became erratic at work. During an April 17, 2001 analyst conference call he called Richard Grubman an asshole for asking why Enron couldn't produce a balance sheet. After he refused to apologize, traders made a sign for him, "Ask Why, Asshole," in a parody of the Enron slogan.

Skilling resigned as CEO on August 14, 2001. When a stock analyst said she was going to downgrade Enron's stock because of his departure, he convinced her he left Enron out of concern for his family.[16] Enron declared bankruptcy four months later, on December 2.[17]

Skilling was tried on multiple accounts of fraud. He paid his defense attorneys a $23 million retainer.

In May 2006, Skilling was found guilty of 18 counts of fraud and conspiracy and one count of insider trading. He was sentenced to spend 24 years and four months in prison and pay $45 million dollars in restitution. In January 2009, 5th Circuit Court of Appeals upheld the conviction but vacated the sentence.[18] Skilling appealed to the U.S. Supreme Court claiming he had received an unfair trial in Houston.[19] On June 24, 2010, in a 6-3 ruling, the Supreme Court rejected the appeal, however the Supreme Court did overturn one of the premises of Skilling's conviction, returning the case to a lower court for resentencing.[20]

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16 http://topics.nytimes.com/top/reference/timestopics/people/s/jeffrey_k_skilling/index.html

17 http://www.chron.com/business/enron/article/Skilling-energized-Enron-but-draws-suspicion-1504533.php#page-3

18 http://dealbook.nytimes.com/2011/06/01/when-a-legal-victory-isnt-a-victory/?ref=jeffreykskilling

19 http://www.chron.com/business/enron/article/Supreme-Court-takes-Jeff-Skilling-s-case-1595536.php

20 http://www.chron.com/default/article/Five-years-later-Skilling-s-sentence-is-still-up-2219563.php

Andrew Fastow

> *"I was extremely greedy, I lost my moral compass and I did many things I regret."*
> — Andrew Fastow, testifying at his trial on March 9, 2006 [21]

Andrew Fastow was the chief financial officer at Enron Corp.

Fastow grew up in New Providence, N.J., the second of three sons. His father was a buyer for drug and supermarket chains. Fastow attended Tufts University, where he majored in economics and Chinese. He married his college sweetheart, Lea Weingarten, and they moved to Chicago, where they worked at Continental Bank and took night classes to earn MBAs from Kellogg Graduate School of Business at Northwestern University. Fastow worked briefly for the information company CCC before returning to Continental, where to work on securitization projects. [22]

The Fastows were hired by chief operating officer, Jeffrey Skilling and began working at Enron in December 1990. Lea worked in the Treasury Department; Andrew worked in Enron Capital Trade and Resources (ECT).

Fastow was named chief financial officer (CFO) in March 1998, after telling Skilling he would quit if an external candidate was hired. As CFO, he had the freedom to create complex financial entities that would hide Enron's debt and supply capital for its various business ventures.

Fastow ultimately hid approximately $30 billion in debt. By creating special companies, or Special Purpose Entities, to invest in Enron projects, debt was removed from Enron's books. The first such partnership was named LJM after his wife, Lea, and their children, Jeffrey and Michael. For Fastow to serve as the general partner of LJM while remaining CFO, Skilling, chief executive officer Kenneth Lay and the board agreed he could waive the code of ethics. LJM allowed Fastow to keep money for himself: He made $45 million from the LJM partnership. The other SPEs he created had names like Raptor, after the velociraptors in the movie Jurassic Park, and JEDI, an acronym for Joint Energy Development Investments but also a reference to Fastow's love of the Star Wars movies.

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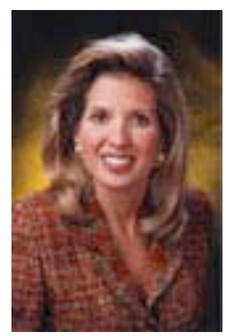
[21] http://www.nytimes.com/2006/11/10/business/10fastow.html?ref=andrewsfastow
[22] *The Smartest Guys in the Room* p 137-139

Fastow was removed as CFO on October 24, 2001, and the SEC began a probe into the conflicts of interest between LJM and Enron.[23] In October 2002, Fastow was indicted on 78 counts of securities, mail and wire fraud, money laundering and conspiring to inflate Enron's profit.[24] He took a plea deal to testify against various Enron executives.

In September 2006, Fastow was sentenced to six years in prison, which was less than the 10-year plea agreement he had originally reached with the government.[25] Lea Fastow served a year in prison for signing a fraudulent tax return. Fastow finished serving his sentence in December 2011.[26]

Rebecca Mark

> *"I don't feel remorse. ... I get angry when I think about the ruined lives of so many employees. I do feel sadness and a sense of responsibility for the shareholders, but equity is called 'equity' for a reason."* — Rebecca Mark, reflecting on the fall of Enron in *Fast Company*, September 1, 2003[27]



Rebecca Mark was the chief executive officer of Enron International and later of Azurix, a water company created by Enron Corp.

Rebecca Pulliam was born into a devout Baptist family in Kirksville, Mo., and grew up working on the family farm. She attended William Jewel College and Baylor University, where she earned a Bachelor of Arts degree in psychology.

She went to work for Houston's First City National Bank, where she met and married Thomas Mark, an analyst for the accounting firm, Arthur Andersen. She then worked at Continental Resources, an oil- and natural gas-exploration company, and, through a series of gas-company mergers, ended up working at Enron. While at Enron, she earned her MBA from Harvard University.

She became the protégé and lover of John Wing, the head of Enron Power. Their affair was widely known throughout the company. Her tumultuous relationship with Wing ended in 1990, casting shadow on her rise within the company.[28]

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[23] http://www.nytimes.com/2006/09/27/business/27enron.html?ref=andrewsfastow
[24] http://www.washingtonpost.com/wp-srv/business/enron/front.html
[25] http://money.cnn.com/popups/2006/specials/enron_trial/frameset.4.exclude.html
[26] http://money.cnn.com/2006/03/08/news/newsmakers/enron/index.htm
[27] http://www.fastcompany.com/magazine/74/enron_mark.html
[28] *The Smartest Guys in the Room*

Mark, who reveled in being a woman in the boys' club, was known for wearing short skirts and high heels and was called "Mark the shark." At one Enron event, she rode in on a Harley Davidson motorcycle while the song "The Eye of the Tiger" played in the background. One employee said she would change outfits as often as three times a day.

Mark landed as head of Enron's development team, working on foreign gas plants in the United Kingdom, South American and India. The Dahbol plant in India would become one of her and Enron's biggest headaches.[29]

She was in direct competition with Jeffrey Skilling for the role of chief operating officer (COO). Their two areas of expertise were in direct opposition and the choice would determine the company's future direction. She worked on the development of plants and pipelines. He worked on making energy into virtual financial instruments that could be traded like stocks. Skilling was named COO in 1996.

After Skilling was named chief executive officer in 1998, Mark became head of Azurix, Enron's speculative water company. She resigned as head of Azurix in August 2000, as the water company's share prices plummeted. [30]

When Enron collapsed almost a year later, Mark cooperated with all federal investigations and ultimately, was not named as a party in any lawsuits.[31]

J. Clifford Baxter

J. Clifford Baxter was chief strategy officer and vice chairman of Enron Corp. who sold stock before the company's demise.[32] He shot himself in 2002, in part because of his depression and in part because of the intense scrutiny after the company's collapse. He was known for being both sensitive and opinionated, with violent mood swings.

After a career in the Air Force and investment banking, Jeffrey Skilling hired Baxter in 1991. He was close with Skilling who liked to hire people he called "guys with spikes," which meant he didn't care if a new hire had personality flaws as long has he was outstanding in a specific area, such as trading or sales. There are some reports that Baxter had complained to Skilling about Enron's accounting practices.[33]

[29] http://www.expressindia.com/fe/daily/20000829/fco29065.html

[30] *Enron The rise and Fall p 48*

[31] http://www.nytimes.com/2006/01/29/business/businessspecial3/29profiles.html?pagewanted=all

[32] *http://news.bbc.co.uk/2/hi/business/1784945.stm*

[33] *The Smartest Guys in the Room*

Lou Lung Pai

Lou Lung Pai was one of the most enigmatic figures at Enron Corp. Another of Jeffrey Skilling's hires, one of his "guys with spikes," Pai was a trader who ultimately became chief executive officer of Enron Energy Services. Pai could be prickly: A trader who made a joke about him found himself transferred to a remote office.

He was known for his infatuation with strippers and strip clubs. Pai, who was marrying his pregnant exotic-dancer girlfriend, sold his Enron stock to reach a financial settlement in his divorce. He left the company before the meltdown. For a time, he was one of the largest private landowners in Wyoming.[34]

Sherron Watkins

> *"I am incredibly nervous that we will implode in a wave of accounting scandals. ... My 8 years of Enron work history will be worth nothing on my résumé, the business world will consider the past successes as nothing but an elaborate accounting hoax."*
> —Sherron Watkins, in a memo to Kenneth Lay, *Time* Magazine, January 18, 2002[35]

Sherron Watkins was a vice president for corporate development at Enron Corp. In August 2001, she wrote a memo to Kenneth Lay telling him the company had overstated its profits and was headed for accounting scandals. She testified as part of the congressional investigations into Enron.[36] She co-authored the book *Power Failure*, about the fall of Enron, and is a public speaker about corporate ethics.[37]

34 *The Smartest Guys in the Room*
35 http://www.time.com/time/nation/article/0,8599,194927,00.html#ixzz1iS8EqBf6
36 http://www.washingtonpost.com/wp-srv/business/enron/front.html
37 http://www.sherronwatkins.com/sherronwatkins/Sherrons_Bio.html

Enron's Political Connections

George H.W. Bush and Barbara Bush

Kenneth Lay became close to then-Vice President George H. W. Bush because of their mutual business connections in Houston, Texas. In 1990, he helped host the World Economic Summit in Houston at Bush's request. Lay served as co-chair of Bush's 1992 reelection committee and chaired the Republican National Convention meeting in Houston the same year.[38]

George W. Bush

While Lay was closer to George H.W, Bush and Barbara Bush, he also knew then-Governor Bush well. Lay's phone calls were always taken. Enron was the largest corporate contributor to the first presidential campaign of George W. Bush. Bush was so close to Ken Lay he called him "Kenny Boy."[39] When George W. Bush became president, Lay was apparently considered for Treasury Secretary, but was passed over. President Bush claimed that Lay never discussed with him the financial problems of the company. George H.W. Bush got subsidies for Enron and political appointments for Lay.[40]

Gray Davis

California was producing enough power to meet its energy needs, but still had rolling blackouts because it was the place Enron experimented with deregulation of electricity. Enron considered California's rules related to deregulation a joke. Enron employee found loopholes to make money in California's deregulated market with code names like "wheel out," "get shorty," "fat boy," "death star," and "ricochet." The Enron traders saw California as an "arbitrage opportunity" — that is, a chance to make abnormally high prices by influencing the market. In California, Enron took energy out of the state to create energy shortages, then sold energy back to the state at an enormous profit. Traders discovered that if they shut down power they could push up energy prices. These manipulations of the market cost California $30 billion over a year. The rolling blackouts and public outrage made Democratic Governor Gray Davis unpopular. On May 29, 2001, President George W. Bush met with then-Governor Gray Davis, who urged the president to enact

38 http://www.nytimes.com/2006/07/06/business/06lay.html?pagewanted=2&ref=kennethllay

39 *The Smartest Guys in the Room*

40 http://www.washingtonpost.com/wp-srv/business/enron/front.html

federally mandated price caps on energy prices. Davis was accusing Enron of manipulating energy prices. Bush told Davis he would have to solve the crisis himself and could not expect any federal support. Before he was recalled, Davis had proposed legislation to make a state-run energy company, to prevent their energy markets from being manipulated.[41]

Arnold Schwarzenegger

On May 24, 2001, in a closed-door meeting at the Peninsula Hotel in Beverly Hills, California, Arnold Swarzenegger met with Ken Lay, former L.A. Mayor Richard Riordan, and junk-bond king Michael Milken.[42] Lay was setting out his proposal for how to solve the California energy crisis with apparently further deregulation of the market. As a result of the energy crisis, Governor Gray Davis was recalled and the former body builder and actor Schwarzenegger was elected as the Republican Governor. With the demise of Enron, Swarzenegger never revealed what occurred at the closed door meeting with Ken Lay.[43]

Pete Wilson

Pete Wilson was the Republican governor of California between 1991-1999. On September 23, 1996, Wilson signed legislation to deregulate electricity under the theory that a free market would lead to price decreases.[44] In fact, after deregulation, the energy prices went up without government regulated price caps, and the system was open to manipulation by energy suppliers like Enron. Private energy companies paid lobbyists $4.3 million and spent $1 million on political campaigns in their efforts to get deregulation approved.[45]

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41 *The Smartest Guys in the Room*

42 http://www.utne.com/2003-08-01/Arnolds-Enron-Connection.aspx

43 *The Smartest Guys in the Room*

44 http://www.pbs.org/wgbh/pages/frontline/shows/blackout/california/timeline.html

45 http://articles.latimes.com/2001/may/07/local/me-60422

William Jefferson Clinton

In 1998, President Bill Clinton proposed deregulating the electricity market. The hope was that applying free market principles to the energy market would drive prices lower through competition, and would encourage efficiency, which would also have beneficial environmental effects.[46] While never as close with Clinton as he was with the Bush family, Ken Lay was still known to have golfed with the president and Enron would later make campaign contributions to Hilary Rodham Clinton.[47]

Alan Greenspan

Economist Alan Greenspan was chairman of the Federal Reserve for 18 years (1987-2006) under Presidents Ronald Reagan, George Bush, Bill Clinton and George W. Bush.[48] During his tenure he argued strongly for a variety of forms of government deregulation, including energy, under the belief that free markets would be self-correcting.[49] Enron awarded Greenspan the Banker Institute's "Enron Award for Distinguished Public Service" in 2002, just days after the company admitted releasing misleading financial reports.[50]

Politicians who received contributions from Enron

In the fallout of the Enron scandal numerous politicians returned or donated campaign contributions received from Enron. Those politicians included Kay Bailey Hutchison, Hilary Rodham Clinton, Chuck Schumer and John McCain.[51]

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46 http://articles.latimes.com/1998/mar/26/business/fi-32797
47 http://www.nytimes.com/2006/07/06/business/06lay.html?pagewanted=2&ref=kennethllay
48 http://www.nytimes.com/2008/10/24/business/economy/24panel.html
49 http://www2.prnewswire.com/cgi-bin/stories.pl?ACCT=104&STORY=/www/story/01-20-2002/0001651486&EDATE
50 http://www.usnews.com/opinion/articles/2008/09/24/from-enron-to-the-financial-crisis-with-alan-greenspan-in-between
51 http://www2.prnewswire.com/cgi-bin/stories.pl?ACCT=104&STORY=/www/story/01-20-2002/0001651486&EDATE

Enron's Business Relationships

Arthur Andersen was one of the largest and most respected accounting firms in the United States. As the accountants for Enron, they were responsible for making sure financial statements to investors were reliable. However, Arthur Andersen ultimately had a financial interest in Enron, both in their accountancy fees and in their consulting fees. In 2001 alone, Arthur Andersen received $1 million per week from Enron, and they were reluctant to say no to one of their biggest clients. Enron hired a number of accountants away from Arthur Andersen and employees of the two companies mixed frequently.

At one point while Ken Lay was speaking to shareholders in 2001, Arthur Andersen shredded one ton of paper documentation on Enron. On June 15, 2002, the company was convicted of obstruction of justice. On August 31, 2002, Arthur Andersen surrendered its license to practice accounting in the United States, and 85,000 people lost their jobs. Annual earnings of $9 billion disappeared. Arthur Andersen was sentenced to probation and a $500,000 fine. The firm was banned from auditing public companies. There were only a few hundred employees left on the payroll after its conviction.

Vinson and Elkins was the Houston law firm that helped sign off on the dubious financial entities created by Enron. (In the play, the firm becomes Ramsey and Hewitt.) Much like Arthur Andersen, they had financial incentive to keep the company happy, since they were getting $1 million a week in fees at their peak.[52] The law firm agreed to pay $30 million to the Enron bankruptcy estate as part of an agreement that kept them from being named by the estate in a civil suit.[53] The firm was named in a shareholders civil suit.

The Banks

Enron had a golden reputation. Lay and Skilling were featured on numerous national magazines and Enron was held up as the example of a new kind of company. In 2000, *Fortune* magazine named Enron "most innovative company."

Much like Arthur Andersen, the banks became too cozy with Enron. Banks had relationships with Enron in several ways. They both loaned money to Enron, although direct lending was not the financing Enron preferred. Financial consultants responsible for researching and ranking stock continually named Enron as a favorite stock pick. Additionally, as Enron came to rely more and more on special purpose entities (SPEs), they needed banks to buy in to these new organizations as partners or investors. Ninety-six banks invested in LJM (one of Enron's SPEs which helped remove debt from the books). These banks were some of the most respected in the United States and the world. They

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52 *The Smartest Guys in the Room*

53 http://www.chron.com/business/enron/article/Vinson-Elkins-settles-with-Enron-for-30-million-1895559.php

included the likes of Merrill Lynch, Citigroup, Deutsche Bank, JP Morgan Chase, and Bank of America. A number of banks were included in initial civil lawsuits brought by Enron shareholders suggesting that the banks contributed in covering up the true state of Enron's financial situation.[54]

JP Morgan Chase was one of Enron's biggest lenders. The bank announced losses of $456 million as of January 2002 related to Enron's demise.[55] But banks and regulators said the overall impact would be minimal, because no one bank was overinvested in Enron. JP Morgan Chase agreed to pay $350 million to Enron shareholders.[56]

Citigroup As of January 2002, Citigroup recorded $228 million in Enron-related losses. Citigroup along with JP Morgan Chase was one of two banks approached by Fastow in October 2001 to help bail out Enron by lending a combined $2 billion.[57]

Bank of America was the first bank that had dealings with Enron which reached a financial settlement, paying Enron shareholders $69 million. [58]

Deutsche Bank one of the foreign banks involved in Enron's complicated SPEs. They were dropped as one of the parties to an Enron shareholder's suit during the summer of 2006.[59]

Merrill Lynch bought Nigerian power barges from Enron to help remove debt from Enron's books. Four Merrill Lynch executives were convicted of fraud relating to the sale.[60]

Enron Bankruptcy Facts

20,000 employees lost jobs and medical insurance
Average severance pay: $4,500
Executives were paid bonuses of $55 million

In 2001:
Employees lost $1.2 billion in retirement funds
Retirees lost $2 billion in pension funds
Top execs cashed in $116 million in stock.[61]

The Jargon: Financial Terminology

54 http://www.nytimes.com/2006/11/10/business/10fastow.html?ref=andrewsfastow
55 http://www.washingtonpost.com/wp-srv/business/enron/front.html
56 http://www.chron.com/business/enron/article/Vinson-Elkins-settles-with-Enron-for-30-million-1895559.php
57 http://www.nytimes.com/2006/11/10/business/10fastow.html?ref=andrewsfastow
58 http://www.thestreet.com/markets/matthewgoldstein/10169194.html
59 http://www.nytimes.com/2006/11/10/business/10fastow.html?ref=andrewsfastow
60 *The Smartest Guys in the Room*
61 *The Smartest Guys in the Room*

Arbitrage opportunity: This is any opportunity a company or trader has to make abnormally high profits. In California, energy traders discovered that if they bogged down certain areas of the power grid, then energy would have to be purchased from another source at exorbitant prices.

Commodities trading: This is similar to stock trading except that instead of buying shares of a company, a trader buys or sells a commodity such as wheat, oil, gold or natural gas. The price of commodities is based on supply and demand, creating risk in a market when factors like weather influence a wheat harvest or a hurricane shuts an oil platform. Investors can make money by predicting changes in the prices of a commodity.

Deregulation: Between 1997 and 2000, 24 states adopted some form of energy deregulation, removing government price caps to allow free-market buying and selling of energy from a variety of sources. This allowed Enron and other energy companies to move into new markets. Enron was particularly active in lobbying for deregulation spending and in making campaign contributions. During 2000, Enron gave $1.1 million to local candidates in a variety of elections.[62]

Derivatives: These are contracts or securities that derive value from an underlying asset such as another security or from the value of a rate, such as an interest rate or rate of currency exchange, or from the index of an asset value, such as the stock index. Swaps and options are types of derivatives.

Fraud: This occurs when a deception is practiced to secure unlawful financial gain. Securities fraud is when members of a company or brokerage firm misrepresent information about a company that investors could use to make an informed financial decision. Providing false information and/or withholding information also are types of securities fraud. Wire fraud describes an attempt to defraud someone or obtain money from them using electronic or interstate communications. Bank Fraud is attempting to receive funds from a financial institution or bank based on false and/or misleading information.[63]

Futures: These are a type of commodity trade. Contracts to buy or sell a commodity at a certain price for future delivery are called futures.

Hedging: In commodities trading, hedging refers to buying or selling commodity futures to protect against losses that might occur due to price fluctuation.

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62 http://www.nytimes.com/2002/02/09/business/enron-s-many-strands-politics-enron-preaching-deregulation-worked-statehouse.html?pagewanted=all&src=pm

63 http://www.fdic.gov/regulations/laws/rules/8000-1250.html

Insider trading: It is illegal for anyone with inside (i.e., non-public) knowledge of a company or financial situation to make a trade or tip someone off about a trade for financial benefit before the general public is made aware of the same information.

Mark-to-market: This is an accounting system that allows companies to count potential future profits as earnings on the day a contract was signed. This practice meant profits were very subjective and open to manipulation. For example, Enron could sign a three-year contract to supply power to a city and mark those three years as earnings. However, since energy prices fluctuate, there was no guarantee they would be earning the same profit in year three as in year one of the contract. It also took future profits as earnings for the present, essentially borrowing from the future. An internal Enron skit joked about mark-to-market accounting, calling it HFV—Hypothetical Future Value.

Options: This is another type of commodity trading. It consists of buying the right to buy or sell a commodity at a specific price and date.

Securities and Exchange Commission: The SEC is the office of the federal government tasked with regulating securities and exchanges under existing laws. It is to investigate any allegations of wrongdoing in these markets and bring civil actions to prevent fraud and protect investors. The SEC was created in 1934 in response to corporate abuses that occurred surrounding the 1929 stock market crash.[64]

Special Purpose Entity: A SPE is a corporation, limited partnership, trust or limited liability company created for a specific legal purpose.[65] They were originally intended to isolate risk and offer a company an opportunity to secure less expensive financing. They are used to finance certain services while keeping the debt off the balance sheet of the sponsoring company. The sponsor is also to give assets to the SPE to balance the debts that are taken off the balance sheet.[66] For example, if a sponsor uses a SPE to finance a gas pipeline, neither the assets given by the sponsor nor the debt incurred in building the pipeline would appear on the sponsor's balance sheet. If a project undertaken by a SPE failed, the company would not be liable for the losses but it would lose the assets. The SPE also can raise assets by seeking investors.

In May 2000, CFO Andy Fastow, created SPEs designed to hedge assets worth billions of dollars and avoid reporting the mark-to-market losses on Enron's books. Since they were backed mostly by Enron stock, they were risky vehicles. Fastow called some of them "raptors," after the velociraptor dinosaurs in the movie *Jurassic Park*. Another was called JEDI, which stood for Joint Energy

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64 http://www.sec.gov/

65 http://www.nysscpa.org/cpajournal/2004/704/essentials/p30.htm

66 http://www.nysscpa.org/cpajournal/2003/0403/features/f042403.htm

Development Investments but also was a nod to Fastow's love of the *Star Wars* movies.[67]

Security: This is a type of investment instrument that can be used to minimize risk or raise capital. For example, a bank might bundle together a number of loans and sell that debt to a group of investors, who would buy the debt because of the financial incentive to make profits as the loans are repaid with interest. Turning loans into an investment is a process called securitization. If the loans go into default, the investors risk financial losses. Enron's SPEs functioned similarly, as a means for raising capital by making debt into an investment opportunity. Debt, equity and derivative contracts are all securities.

Stock options: These give an employee of a company the option to buy a specific number of shares in the company's stock at a time and price set by the company. It is usually less than from the stock's current market price, giving an employee the possibility of owning stock in the company at a discounted price. After a given period of time, an employee could sell the stock, making a profit from the difference between the option price and the market price or hold the stock to see if the price of a share went up further. They often make up part of an employee's compensation package.

Structured finance: This is a highly complicated financial transaction offered to companies by large financial institutions in cases where basic financial transactions, such as loans, do not meet the company's financing needs. The SPEs are a type of structured finance.

Take-or-pay: This refers to a type of contract in the natural-gas industry in which a buyer agrees to take the set amount of natural gas determined by the contract or pay a fee to not take the gas. This shields the supplier from price fluctuations and allows the buyer to negotiate lower prices. This caused Enron financial losses in certain large contracts with suppliers when they agreed to a take-or-pay arrangement: Gas prices fell, and it had to pay the higher prices previously negotiated.

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[67] *The Smartest Guys in the Room,* p67

Timeline: The Rise and Fall of Enron

<u>1985</u>

July Houston Natural Gas, run by Kenneth Lay, merges with Omaha-based natural gas company InterNorth, with approximately 37,000 miles of natural gas pipeline.

November Lay is named the chief executive officer of the new company, soon to be called Enron Corp. (The company name is almost Enteron is, but abandoned right before the announcement when it is discovered the term also refers to the intestines.)

<u>1987</u>

April Enron learns that traders Louis Borget and Tom Mastroeni, in the Valhalla, N.Y., office, are trading beyond their limits and keeping two sets of books to make it appear the trading operation is making steady profits. Lay does not fire them; instead he increases their trading limits.

October Borget and Mastroeni trade badly and lose Enron $1 billion. Executive Mike Muckleroy bluffs the market and manages to reduce the loss to $140 million, saving the company from bankruptcy. Lay says he is shocked at the actions of the traders, who are fired.

Oct. 19 Black Monday. The Dow Jones drops 508 points, 22.6 percent.

<u>1988</u> Enron decides to shift its corporate strategy from pursuing regulated pipelines to unregulated energy trading. The gathering where this is decided becomes known as the "Come to Jesus" meeting.

<u>1989</u> Enron launches the "Gas Bank," which allows gas producers to sell and wholesale suppliers to purchase gas at firm prices and simultaneously hedge the price risk.

The company begins trading natural-gas commodities.

<u>1990</u>

June Jeffrey Skilling joins the company to lead the new trading and finance operations.

December Skilling hires Andrew Fastow to work for Enron Capital Trade and Resources (ECT).

1991

June 11 Enron asks the Securities and Exchange Commission to approve mark-to-market accounting.

1992

Jan. 30 The SEC approves mark-to-market accounting for Enron.

1993 Enron, in a joint venture with General Electric and Bechtel, signs a deal with the Indian state Maharashta to build the massive Dabhol power plant. Construction costs will balloon to $2.8 billion.

1994

June Enron conducts its first electricity trade.

1996

Dec. 10 Jeffrey Skilling becomes the chief operating officer, beating out rival Rebecca Mark who was the chief executive officer of Enron international.

1997

July Rebecca Mark attempts to sell 50 percent of Enron International to Shell Corp., but the deal falls through. Mark blames Skilling and Enron executive, John Clifford Baxter for derailing the negotiations.

August Enron trades its first weather derivative.

1998

March Andrew Fastow is promoted to chief financial officer

July Enron forms Azurix, a separate water company, which will be run by Rebecca Mark.

1999

March Enron's Dabhol plant in India opens.

April Enron begins commercial operation of its fiber network for high bandwidth uses.

May 24 Tim Belden, head of West Coast trading for the company, experiments with the newly deregulated California energy market. In the "Silverpeak Incident," he increases congestion on power lines, causing prices to rise and costing California $7 million in higher electricity prices.

June 28 Enron's board of directors exempts CFO Fastow from the company's code of ethics so he can run a private equity fund that will raise money for and do deals with Enron. The fund is named LJM, for the initials of Fastow's wife, Lea, and their two sons, Jeffrey and Michael. It becomes LJM1 when LJM2 is launched.

October Enron launches EnronOnline for its wholesale commodity-trading business.

Oct. 12 Having the CFO run a private equity fund is a conflict of interest, so Enron's board again exempts Fastow from its code of ethics so he can run a second Special Purpose Entity, LJM2.

2000

Jan. 20 Enron stock rises 26 percent to a new high of $67.25 a share after the annual analyst meeting, where the Enron Broadband unit (EBS) is announced.

May Fastow creates Enron's first "Raptor" Special Purpose Entity modeled on the LJM funds. The Raptors are designed to hedge investments, but they are risky vehicles as they are backed primarily by Enron stock.

May 5 Enron trader John Forney, in an email to colleagues, announces "Death Star," a new strategy to take advantage of the flaws in California's newly deregulated energy market to make enormous profits for the company.

May 22 The California Independent System Operator, the organization in charge of the state's electricity supply and demand, declares a Stage One Emergency, warning of low power reserves.

July The company announces its broadband unit has joined with Blockbuster to supply video on demand. The deal is terminated eight months later.

August As Azurix's stock prices drop, Rebecca Mark resigns as CEO of, the water company.

Aug. 23 Enron stock hits a high of $90 a share and a market valuation of $70 billion.

The Federal Energy Regulatory Commission orders an investigation into the strategies designed to drive electricity prices up in California.

Nov. 1 The commission's investigation exonerates Enron of any wrongdoing in California.

Dec. 13 Enron announces that president and COO Jeffrey Skilling will replace Kenneth Lay as chief executive officer in February 2001. Lay will remain chairman, though.

Late 2000 Enron uses "aggressive" accounting to declare $53 million in earnings for its broadband unit — on a collapsing deal that hasn't earned a penny in profit.

<u>2001</u>

January Tim Belden's West Coast power desk has its most profitable month ever: $254 million in gross profits.

Jan. 17 Rolling blackouts occur in northern California.

Feb. 5-14 Senior partners from Arthur Andersen, Enron's Chicago-based accounting firm, meet to discuss whether to retain Enron as a client. They call the company's use of mark-to-market accounting "intelligent gambling."

Feb. 14 Writer Bethany McLean interviews Skilling for Fortune magazine.

Feb. 15 CFO Andrew Fastow and Mark Palmer, the company's head of publicity, go to *Fortune* to answer questions. Fastow to Bethany McLean: "I don't care what you say about the company. Just don't make me look bad."

Feb. 19 The *Fortune* article by Bethany McLean is published. It is titled "Is Enron Overpriced?"

March Enron transfers large portions of its Enron Energy Services business into its wholesale commodity-trading operations to hide the EES losses.

Arthur Andersen takes auditor Carl Bass off the Enron account because he continues to question Enron's accounting practices.

April 17 The quarterly conference call is held. During the call, now legendary on Wall Street, an analyst questions CEO Skilling on the company's progress. Skilling dismisses him as an "asshole."

June The Federal Energy Regulatory Commission finally institutes price caps across the western states. The California energy crisis ends.

July 13 Skilling tells Lay he wants to resign. Lay asks him to take the weekend to think it over. According to Lay, he tries to talk Skilling out of resigning. Skilling says Lay doesn't seem to care that he wants to resign and notes he has offered to stay on for six months. Lay, though, claims Skilling wants an immediate out.

August 3 Skilling makes a bullish speech on EES. That afternoon, he lays off 300 Enron employees.

Aug. 13 All Special Purpose Entities created to isolate financial risk crash. That evening, in a board-only session, Skilling, who is in tears, resigns as CEO.

Aug. 14	Skilling's resignation is announced to the public. Lay is named CEO. That evening, during an analyst and investor conference call, Skilling says, "The company is in great shape," and Lay says the "company is in the strongest shape that it's ever been in."
September	Skilling sells $15.5 million of Enron stock. This brings the total value of the shares he has sold since May 2000 to more than $70 million.
Sept. 26	At an employee meeting. Lay calls Enron stock an "incredible bargain," and says the "third quarter is looking great."
Oct. 16	Enron reports a third-quarter loss of $638 million. It also declares a $1.01-billion non-recurring charge against its balance sheet, partly related to "structured finance" operations run by CFO Fastow. In an analyst conference call that day, Lay announces a $1.2-billion cut in shareholder equity.
Oct. 17	A *Wall Street Journal* article, written by John Emshwiller and Rebecca Smith, appears. The article reveals, for the first time, the details of Fastow's Special Purpose Entities and shows the precarious nature of Enron's business.
Oct. 22	Enron acknowledges there is a SEC inquiry into a possible conflict of interest related to the company's use of Special Purpose Entities.
Oct. 23	Lay professes support for Fastow, saying he has the "highest regard" for his character during a conference call with analysts and at an employee meeting. In a massive shredding operation, Arthur Andersen destroys one ton of Enron documents.
Oct. 24	Enron ousts Fastow.
Oct. 31	The company announces the SEC inquiry has been upgraded to a formal investigation.
Nov. 8	Enron files documents with the SEC revising its financial statements for last five years to account for $586 million in losses.
Nov. 28	Enron shares plunge below $1 and its bonds are downgraded to "junk" status.
Dec. 2	Enron files for Chapter 11 bankruptcy protection. With $62 billion in assets, it is the largest corporate bankruptcy at the time.
Dec. 3	Enron lays off approximately 4,000 workers in the United States, the first of many layoffs. [68] [69]

[68] *Enron: The Rise and Fall*

[69] http://www.pbs.org/independentlens/enron/timeline80s.html

After Enron

The impact of the fall of Enron rippled through a variety of communities. Not only were many Enron executives tried and found guilty of crimes related to keeping company stock prices high, many individuals were directly impacted. People who had investments or retirement funds that included Enron stock saw the value of those funds disappear. The American public's faith in the financial reporting made by major corporations also was severely shaken.

The majority of Enron's employees were not involved in the financial practices that led to the company's collapse: 20,000 employees lost their jobs—the average severance pay was $4,500—and medical insurance. In 2001, Enron employees lost $1.2 billion in retirement funds, and retirees lost $2 billion in pension funds.

Also in 2001, top Enron executives cashed in $116 million in stock and were paid $55 million in bonuses.

Arthur Andersen, one of the largest and most respected accounting firms in the United States, could not recover from the scandal. In 2001, the firm received $1 million a week from Enron. By Aug. 31, 2002, it had lost the right to practice accounting in the U.S., and 85,000 people had lost their jobs.

In the wake of the Enron crisis, Congress passed the Sarbanes Oxley Act of 2002, and President George W. Bush signed it into law. The legislation imposed strict rules on corporations, requiring chief executive officers and chief financial officers to certify under oath their financial statements are accurate and they have established an effective set of internal controls to insure all relevant information reaches investors. Knowingly signing a false statement is a criminal offense punishable with up to five years in prison.

Sarbanes Oxley has not been used to prosecute any executives in the ongoing banking and mortgage-loan crises.[70]

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[70] http://www.cbsnews.com/8301-18560_162-57336042/prosecuting-wall-street/?pageNum=3&tag=contentMain;contentBody

Discussion Questions

About the Play

1. Playwright Lucy Prebble uses some very theatrical devices in the play. What reasons do you thing she might have for showing three blind mice, raptors, and puppets on stage? How do these non-realistic elements work in the play?
2. The play was very popular in London and harshly criticized in New York City. Do you think enough time has passed to have perspective on the Enron scandal? How do you think the story resonates differently for Americans?

About the Context

1. Many Americans remember the Enron scandal. What is the value of looking at this corporate crisis and thinking about our current companies and corporate scandals?
2. If you recall the Enron scandal, have your feelings about the scandal changed since it erupted? Does it have the same magnitude as recent banking and housing crises?
3. Do you feel our country has changed since the Enron scandal or not?

About the Production

1. There are certain sections of the play that call for the actors to sing. What is the effect of these musical interludes? Composer Kevin O'Donnell composed music for these sequences. How does it change the tone of the play when he uses barbershop music as opposed to slow tonal singing?
2. The production calls of various historical images on videos. How do the historical videos resonate now? The play also features videos of Skilling with his daughter. What purpose does seeing Skilling with his daughter serve? Did it change how you felt about him?
3. The play is staged in the round. How does it feel to see actors moving in and out through that space? What is the effect of the large television screens?

Further Resources

Books

- *The Smartest Guys in the Room* – Bethany McLean and Peter Elkind
- *After Enron* – William Niskanen Ed.
- *Enron: The Rise and Fall* – Loren Fox
- *Pipe Dreams* – Robert Bryce

Articles

- *Fortune* Magazine "Is Enron Overpriced?" — Bethany McLean
  http://money.cnn.com/2006/01/13/news/companies/enronoriginal_fortune/index.htm

Films

- *The Smartest Guys in the Room*
  http://www.pbs.org/independentlens/enron/timeline.html
- *PBS Frontline: Bigger than Enron*
  http://www.pbs.org/wgbh/pages/frontline/shows/regulation/
- *The Corporation*
  http://www.thecorporation.com/index.cfm?page_id=46