[OUTSIDE SCOPE, (b)(2)]

2002-SE - 0000322 REF MIN

CONFINAL MOUNT,

MANJANDA, GEMMAN, NEW TORK CONSTRAINED, MANTHAND CHMEROPHER BHATE, CONNECTIONS (EARLA ROSELENTHEM, FLORIDA JOHN IN MONTH ROSELA ROSELENTHEM, FLORIDA JOHN IN MONTH ROSELA ROSELA

ONE HUNDRED SEVENTH CONGRESS

Congress of the United States

House of Representatibes 09

2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON DC 20515-6143

Madiente (200 201-007) Faccional (200 201-007) Montrer (200 201-007)

moletwog.sauch.www

RANGING LINCOUTTY NEGALIA TOM LINTOS CALIFORNIA, NEW YORK ROCK PLAS TOWNS, NEW YORK ROCK PLAS TOWNS, NEW YORK RATEYY, MINA, NAMES CAROLYN B. NALONEY, NEW YORK REMARKS, ROLLINGS RAYFLAND DEFINICY OF COLLABOR RELIAM E. GUARANCE, AUYILLAND DEFINICY OF COLLABOR RELIAM E. GUARANCE, AUYILLAND DEFINICY OF COLLABOR RANGING R. GUARANCE, AUYILLAND DEFINICY COLLABOR SAME R. GAMES, BLANCE JOHN F. TOWNEY, MAGGINERATE JANCE C. SCHANDWIGHT, REPORT WILLIAMY C. SCHANDWIGHT, REPORTS WILLIAMY C. SCHANDWIGHT, REPORTS WILLIAMY C. SCHANDWIGHT, REPORTS WILLIAMY C. SCHANDWIGHT, REPORTS

REMARD SANCEAR VERNONT.

January 11, 2002

The Honorable Paul H. O'Neill Secretary of the Treasury 15th St. & Pennsylvania Ave., NW Washington, DC 20220

The Honorable Donald L. Evans Secretary of Commerce 14th St. & Constitution Ave., NW Washington, DC 20230

Dear Secretary O'Neill and Secretary Evans:

I am writing to request information about your communications with Enron Chairman Kenneth L. Lay and possibly other Enron officials or representatives prior to the company's bankruptcy filing. The purpose of the request is to determine why the Administration apparently did nothing to mitigate the harm of the Enron bankruptcy to thousands of its employees and shareholders. I am also interested in knowing why it has taken so long to learn that two Cabinet Secretaries had early warning of Enron's impending bankruptcy.

News accounts of January 11, 2002, indicate that Secretary O'Neill received calls from Mr. Lay on October 28 and November 8. In one or both of these calls, Mr. Lay reportedly informed Secretary O'Neill that he was concerned that Enron might not be able to meet its financial obligations and that the results could be similar to those that occurred when Long-Term Capital Management went bankrupt. Mr. Lay reportedly also had a conversation on October 29 with Secretary Evans. In this conversation, Mr. Lay apparently stated "that he was having problems with his bond rating and he was worried about its impact on the energy sector," and

Enron Asked for Help from Cabinet Officials, Washington Post (Jan. 11, 2002); Enron Contacted 2 Cabinet Officers before Collapsing, N.Y. Times (Jan. 11, 2002).

that "he would welcome any support the Secretary thinks appropriate." In addition, Enron President Lawrence "Greg" Whalley reportedly telephoned the Treasury Undersecretary for domestic finance, Peter Fisher, six or eight times in late October and early November.

White House Press Secretary Ari Fleischer stated that as a result of your conversations with Mr. Lay, Secretary O'Neill asked Undersecretary Fisher to explore whether the "financial condition of Enron could have similar implications as Long Term Capital." According to Mr. Fleischer, you decided to do nothing. Mr. Fleischer stated:

[T]he government...took a look at this from a substantive matter, from when Mr. Lay made those phone calls, and decided the appropriate step was not to intervene or take any action....This was done based on judgment of the Cabinet Secretaries and the merits, and they decided properly and wisely so, in the President's opinion, that the government should not have intervened in any way after Mr. Lay made the phone call to Secretary Evans."

On December 2, Enron filed for bankruptcy. Approximately 4,000 Enron employees have been laid off, and an additional 3,500 have been placed on leave. Many Enron employees have lost virtually their entire retirement accounts, which were heavily tied up in Enron stock. Numerous other investors, including many retirement plans around the country, have lost millions of dollars.

Mr. Lay's discussions with the two of you took place squarely within a lock-down period, when an estimated 12,000 participants in Enron's 401(k) plan were prevented from accessing

Id.

GId.

²Enron's Lay Sought Cabinet Officials' Help, Wall Street Journal (Jan. 11, 2002); Enron Chairman Warned Bush Officials on Collapse, N.Y. Times (Jan. 10, 2002).

³Enron Asked Treasury for Credit Aid, Associated Press (Jan. 11, 2002).

^{*}White House Press Briefing (Jan. 10, 2002).

⁷Labor Opens ERISA Investigation of Enron Assistance to Dislocated Workers, U.S. News and World Report (Dec. 5, 2001).

their retirement accounts and selling their plummeting Enron stock. If Mr. Fleischer's representations are accurate, it would appear that no one in the Bush Administration acted on the knowledge of Enron's rapidly declining financial condition to help employees whose retirement plan collectively lost an estimated \$1 billion. The life savings of many Enron employees simply evaporated during this period. Moreover, based on the scant information that this Administration has provided to date, it appears that no one bothered even to ask whether any remedies, administrative or legislative, were available to help the Enron employees frozen out of their retirement accounts.

In fact, some senior Administration officials have publicly expressed surprising indifference to the fate of Enron employees and shareholders. Secretary O'Neill stated this morning that "while Enron may be important, . . . in the world that I live in, with hundreds of other things going on, this is just another piece of business." The President's chief economic advisor, Larry Lindsey, called the Enron debacle a "tribute to American capitalism."

In addition, accounts of your early conversations with Mr. Lay raise concerns about whether advance notice of Enron's desperate financial condition was taken into account as the Administration formulated positions on important matters of public policy. For example, throughout the month of November, you continued to advocate for retroactive repeal of the alternative minimum tax.¹² This legislation would have had dramatic implications for Enron, as it would have given the company a government-funded infusion of \$254 million.¹³

Given the magnitude of the financial harm caused by Enron's collapse, and the close ties

Fair Shares? Why Company Stock is a Burden for Many, Wall Street Journal (Nov. 27, 2001).

See Enron Employees Enraged Over Losses, Business Insurance (Dec. 10, 2001).

¹⁰Transcript of Good Morning America (Jan. 11, 2002).

¹¹ Interview with Lawrence Lindsey, Fox News Sunday Roundtable (Jan. 6, 2002).

¹²See Deal Breaker, New Republic (Nov. 29, 2001); U.S. Panel Says that Recession.
Officially Began in March, Business Day (Nov. 28, 2001); Economic Aid Stalled Amid
Recession, Newsday (Nov. 27, 2001); U.S. Department of the Treasury, O Neill Urges Senate to
Act Quickly on a Bipartisan Economic Stimulus Bill (Nov. 8, 2001) (press release).

¹³Citizens for Tax Justice, House GOP "Stimulus" Bill Offers 16 Large, Low-Tax Corporations \$7.4 Billion in Instant Tax Rebates (Oct. 16, 2001, updated Oct. 26, 2001).

between the company and the Bush Administration, the public deserves to know what Administration officials knew and when they knew it about the situation of Enron and its employees. Therefore, I request that the two of you individually respond to the following questions:

- (1) Please provide details regarding your conversations with Mr. Lay of October 28, October 29, and November 8. Please provide any written or electronic materials held by your Department that relate to this question.
- (2) Please provide details regarding Undersecretary Fisher's conversations with Mr. Whalley in October and November. Please provide any written or electronic materials held by your Department that relate to this question.
- (3) Did you, any other person in your Department, or to your knowledge any other official in the Administration have any other communications with Mr. Lay or any other Enron officials or representatives in 2001, beyond those referred to in questions 1 and 2? If so, please provide names, dates, form of communication, and information exchanged or matters discussed.
- (4) Upon receiving the information regarding Enron's financial situation in October, did you convey information about Enron's financial condition to any person, apart from Undersecretary Fisher? If so, please provide the names, dates, form of communication, and the information exchanged, including copies of any written or electronic materials.
- (5) Did you, any other person in your Department, or to your knowledge any other official in the Administration convey this information to any person within the Vice President's office or any of the advisors to the President? If so, please provide the names, dates, form of communication, and the information exchanged, including copies of any written or electronic materials.
- (6) Please provide details about Undersecretary Fisher's review. For example, over what time period did Undersecretary Fisher explore the financial implications of a potential Enron bankruptcy? What was the scope of the exploration? Did the Department of the Treasury or the Department of Commerce examine the impact of Enron's potential bankruptcy on the employees of the corporation? On the shareholders of the corporation? On other creditors of the corporation? What were your respective departments's conclusions regarding the impacts of an Enron bankruptcy on each of these groups? On the energy sector? On the financial sector? On the economy at large? Please provide any written or electronic materials held by your respective departments that relate to any of these questions.

- (7) How did Undersecretary Fisher conduct this investigation? Did he or his staff communicate with any Enron officials or representatives? If so, please indicate names, dates, form of communications, and information exchanged. Did he or his staff communicate with Enron's auditors or any financial backers? Did he or his staff communicate with any financial experts outside of the Commerce or Treasury Departments? Did he or his staff communicate with any others within the Administration? Please provide any written or electronic materials held by your respective departments that relate to any of these questions.
- (8) At the time that you decided to take no action, had you considered the potential impacts of an Enron bankruptcy on its employees? Did you make any attempt to obtain information about the impact of such a bankruptcy on the employees?
- (9) The Bush Administration continued to advocate for retroactive repeal of the corporate alternative minimum tax throughout the month of November, when repeal could have had a significant impact on Enron's financial situation. Did any Enron official or representative ask you, any other person in your Department, or to your knowledge any other official in the Administration, to support this legislation? Were you aware that Enron favored adoption of this legislation?
- (10) Why did it take so long for the public to learn about your contacts with Enron prior to its bankruptcy filing?

I want to make clear that I believe it is inappropriate to make any ethical allegations against you or any other Administration official at this time. I think it is essential, however, that these questions be answered so that there is a clear public accounting of this matter. We all owe that to the thousands of families that are facing financial ruin from the Enron bankruptcy, and I hope that it will be possible for you to provide the answers I'm seeking by January 18, 2002.

Sincerely,

Ranking Minority Member

FAX COVER

COMMITTEE ON GOVERNMENT REFORM

DEMOCRATIC STAFF OFFICE

HON, HENRY A. WAXMAN

RANKING MINORITY MEMBER B350A RAYBURN HOUSE BUILDING PHONE (202) 225-5051 FAX (202) 225-4784, 8185

DATE: January 11, 2002
TO: Secretary Paul H. O'Neill
FAX:(202) 622 - 0073
FROM: Rep. Henry A. Waxman
SUBJECT:
NO. OF PAGES: 6 (INCLUDING COVER SHEET)
COMMENT:

IF THERE IS A PROBLEM WITH THIS TRANSMITTAL, PLEASE CALL OFFICE A.S.A.P.

[OUTSIDE SCOPE, (b)(2)]

[OUTSIDE SCOPE, (b)(2)]

Bieger, Peter

Gabilondo, Jose From:

Thursday, November 01, 2001 3:48 PM Sent: To: McInerney, Roberta; Bieger, Peter Subject: Enron meeting - 4:00 pm Friday

Roberta.

When I got back to my office, I got your message and one from Betty asking if I could attend a 4:00 meeting tomorrow with David and Peter Fisher on Enron. I checked with Martha (who put it on your calendar - Yvette was not around), looked for Peter, and then called Betty back to say that we would attend tomorrow. I hope that's OK. Just so that you know, I hadn't exchanged a word with David since we worked on the Argentina deal, i.e. I didn't solicit this assignment from anyone.

On Tuesday when he called me into his office to discuss Enron, David told me that he wanted to meet that day or the following after I'd done some research. By noon yesterday, I'd learned some things and made some notes that I wanted to pass on before the meeting, because I wanted to be responsive to his urgency. Of course I wanted to clear them with you but you were on the hill, Peter was busy, and after waiting a while I decided to leave a draft in his box upstairs with a note saying that neither you nor Peter had vetted the document but that I wanted him to see a rough draft because it had seemed like a fairly urgent priority when we talked. They are background rather than legal notes (copy below), so -- although I hesitated at length before sending them -- it seemed OK.

José



Gabilondo, Jose

From: Omalley, Sean P. [OmalleyS@SEC.GOV]
Sent: Thursday, November 01, 2001 5:07 PM
To: 'Jose.Gabilondo@do.treas.gov'
Subject: RE: Enron meeting - 4:00 pm Friday

[OUTSIDE SCOPE, (b)(6)]

----Original Message---From: Jose.Gabilondo@do.treas.gov [mailto:Jose.Gabilondo@do.treas.gov]
Sent: Thursday, November 01, 2001 3:53 PM
To: omalleys@sec.gov
Subject: FW: Enron meeting - 4:00 pm Friday

[OUTSIDE SCOPE, (b)(6)]

José

```
> -----Original Message-----
> From:
           Gabilondo, Jose
           Thursday, November 01, 2001 3:48 PM
> Sent:
> To: McInerney, Roberta; Bieger, Peter
> Subject: Enron meeting - 4:00 pm Friday
> Roberta.
     When I got back to my office, I got your message and one from Betty
> asking if I could attend a 4:00 meeting tomorrow with David and Peter
> Fisher on Enron. I checked with Martha (who put it on your calendar -
> Yvette was not around), looked for Peter, and then called Betty back to
> say that we would attend tomorrow. I hope that's OK. Just so that you
> know, I hadn't exchanged a word with David since we worked on the
> Argentina deal, i.e. I didn't solicit this assignment from anyone.
      On Tuesday when he called me into his office to discuss Enron, David
> told me that he wanted to meet that day or the following after I'd done
> some research. By noon yesterday, I'd learned some things and made some
> notes that I wanted to pass on before the meeting, because I wanted to be
> responsive to his urgency. Of course I wanted to clear them with you but
> you were on the hill, Peter was busy, and after waiting a while I decided
> to leave a draft in his box upstairs with a note saying that neither you
> nor Peter had vetted the document but that I wanted him to see a rough
> draft because it had seemed like a fairly urgent priority when we talked.
> They are background rather than legal notes (copy below), so -- although I
> hesitated at length before sending them -- it seemed OK.
> José
```



Azurix 333 Cley Street, Suite 1000 Houston, TX 77002-7361 713-646-6421

John L. Garrison President and Chief Executive Officer P. O. Bex 1188
Heusen, TX 77251-1188
Fax 713-646-9577
Cellular 713-503-4592
jgarriz@azuris.com

-					
Т	u	r	ĸ	e	v

Marshall Mills, Treasury (ISM) 9/28/01 622-9398

Davis, Michele

From: Sent: Marien John L [John.L.Marien@IRSCOUNSEL.TREAS.GOV]

Sent: To: Subject: Tuesday, January 15, 2002 7:17 AM 'Michele.Davis@do.treas.gov'

RE: Congressional Hearings on Enron

I assume that you sent me this in error.

John L. Marien Technical Advisor Section 419/419A (VEBA's) (716) 961-5071 or (716) 551-5614 x 15

----Original Message----

From: Michele.Davis@do.treas.gov [mailto:Michele.Davis@do.treas.gov]

Sent: Monday, January 14, 2002 7:32 PM

To: Tim.Adams@do.treas.gov

Cc: Robert.Nichols@do.treas.gov; John.L.Marien@IRSCOUNSEL.TREAS.GOV

Subject: RE: Congressional Hearings on Enron

yes, we'll make a staff assistant available to gather info as needed. Marie, whatever they need, please ask Sharon to do

> ----Original Message---> From: Adams, Tim
> Sent: Monday January 14, 2002 6:05 PM
> To: Davis, Michele
> Co: Nichols, Robert
> Subject: Congressional Hearings on Enron
>
> Michele -- to prepare for the onslaught of document requests and hearings,
> David Aufhuaser and John Duncan are setting up a prep/response team. We
> need your help. Can you assign someone (or multiple someones) from your
> office to help us pull articles, build timelines, monitor the press, etc?
> Thanks

Strickler, Marie

From:

Hardesty, Joann

Sent:

Friday, January 11, 2002 4:30 PM

To:

Strickler, Marie; Joseph, Verlene; Ridgway, Diana; Starks, Ora; Gathers, Shirley; Freeland,

Barbara: Anderson, Judy

Subject:

(P) 2002-SE-000322: Enron Bankrupty

A TADS document has been routed to you.

To view the folder in FAD, please click on the following link: HTTP://Fadme.do.treas.gov/Fad/Getprofile.asp?page=0&displaytype=F&profile=2002-SE-000322

FAD Menu Templates Page 1 of 1

Login Search Results Folder Reports Workload Help

E-Mail Folder: Cover:

2002-SE-000322

Routing

Documents: (Add New)

1) Incoming (6 Pages)

Indexing Information

Profile Number:

2002-SE-000322

Owner:

EXECUTIVE SECRETARIAT

Due Date:

1/18/02

Required Action:

Direct Reply

Task Language:

Please respond within five business days and clear with Legislative Affairs.

Priority:

Υ

Classified:

N

Other Ref. Number:

Cross Reference:

1/11/02

Index Date: Closure Date:

Closure Type:

Comments:

Jan Bufffer privated

ANTELLON E DELLANDE, 1987 FORM DESCRIPTION OF SERVICE AND MEMORITHMENT OF SERVICE AND

ONE HUNEYARD SEVENTH CONGRESS

Congress of the United States

Douse of Representatibes 09

COMMITTEE ON GOVERNMENT REFORM 2157 RAYBURN HOUSE OFFICE BUILDING WASHINGTON DC 20515-6143

- F

www.house.gov/reform

Colling were announced, with "TOP's Equation in control of the Colling Opposition of Collings Collings Collings of Collings Colli

REPORT SANCHER VERNISH

January 11, 2002

The Honorable Paul H. O'Neill Secretary of the Treasury 15* St. & Pennsylvania Ave., NW Washington, DC 20220

The Honorable Donald L. Evans Secretary of Commerce 14th St. & Constitution Ave., NW Washington, DC 20230

Dear Secretary O'Neill and Secretary Evans:

I am writing to request information about your communications with Enron Chairman Kenneth L. Lay and possibly other Enron officials or representatives prior to the company's bankruptcy filing. The purpose of the request is to determine why the Administration apparently did nothing to mitigate the harm of the Enron bankruptcy to thousands of its employees and shareholders. I am also interested in knowing why it has taken so long to learn that two Cabinet Secretaries had early warning of Enron's impending bankruptcy.

News accounts of January 11, 2002, indicate that Secretary O'Neill received calls from Mr. Lay on October 28 and November 8. In one or both of these calls, Mr. Lay reportedly informed Secretary O'Neill that he was concerned that Euron might not be able to meet its financial obligations and that the results could be similar to those that occurred when Long-Term Capital Management went bankrupt. Mr. Lay reportedly also had a conversation on October 29 with Secretary Evans. In this conversation, Mr. Lay apparently stated "that he was having problems with his bond rating and he was worried about its impact on the energy sector," and

¹Enron Asked for Help from Cabinet Officials, Washington Post (Jan. 11, 2002); Enron Contacted 2 Cabinet Officers before Collapsing, N.Y. Times (Jan. 11, 2002).

that "he would welcome any support the Secretary thinks appropriate." In addition, Enron President Lawrence "Greg" Whalley reportedly telephoned the Treasury Undersecretary for domestic finance, Peter Fisher, six or eight times in late October and early November.

White House Press Secretary Ari Fleischer stated that as a result of your conversations with Mr. Lay, Secretary O'Neill asked Undersecretary Fisher to explore whether the "financial condition of Enron could have similar implications as Long Term Capital." According to Mr. Fleischer, you decided to do nothing. Mr. Fleischer stated:

[T]he government...took a look at this from a substantive matter, from when Mr. Lay made those phone calls, and decided the appropriate step was not to intervene or take any action....This was done based on judgment of the Cabinet Secretaries and the merits, and they decided properly and wisely so, in the President's opinion, that the government should not have intervened in any way after Mr. Lay made the phone call to Secretary Evans.'*

On December 2, Erron filed for bankruptcy. Approximately 4,000 Enron employees have been laid off, and an additional 3,500 have been placed on leave. Many Erron employees have lost virtually their entire retirement accounts, which were heavily tied up in Enron stock. Numerous other investors, including many retirement plans around the country, have lost entillions of dollars.

Mr. Lay's discussions with the two of you took place squarely within a lock-down period, when an estimated 12,000 participants in Enron's 401(k) plan were prevented from accessing

²Enron's Lay Sought Cabinet Officials' Help, Wall Street Journal (Jan. 11, 2002); Enron Chairman Warned Bush Officials on Collapse, N.Y. Times (Jan. 10, 2002).

³Enron Asked Treasury for Credit Aid, Associated Press (Jan. 11, 2002).

^{*}White House Press Briefing (Jan. 10, 2002).

Ild.

^{*}Id.

[†]Labor Opens ERISA Investigation of Enron Assistance to Dislocated Workers, U.S. News and World Report (Dec. 5, 2001).

their retirement accounts and selling their plummeting Enron stock. If Mr. Fleischer's representations are accurate, it would appear that no one in the Bush Administration acted on the knowledge of Enron's rapidly declining financial condition to help employees whose retirement plan collectively lost an estimated \$1 billion. The life savings of many Enron employees simply evaporated during this period. Moreover, based on the scant information that this Administration has provided to date, it appears that no one bothered even to ask whether any remedies, administrative or legislative, were available to help the Enron employees frozen out of their retirement accounts.

In fact, some senior Administration officials have publicly expressed surprising indifference to the fate of Euron employees and shareholders. Secretary O'Neill stated this morning that "while Euron may be important, . . . in the world that I live in, with hundreds of other things going on, this is just another piece of business." The President's chief economic advisor, Larry Lindsey, called the Euron debacle a "tribute to American capitalism."

In addition, accounts of your early conversations with Mr. Lay raise concerns about whether advance notice of Enron's desperate financial condition was taken into account as the Administration formulated positions on important matters of public policy. For example, throughout the month of November, you continued to advocate for retroactive repeal of the alternative minimum tax.¹³ This legislation would have had dramatic implications for Enron, as it would have given the company a government-funded infusion of \$254 million.¹³

Given the magnitude of the financial harm caused by Enron's collapse, and the close ties

^{*}Fair Shares? Why Company Stock is a Burden for Many, Wall Street Journal (Nov. 27, 2001).

^{*}See Enron Employees Enraged Over Losses, Business Insurance (Dec. 10, 2001).

¹⁰Transcript of Good Morning America (Jan. 11, 2002).

¹⁵ Interview with Lawrence Lindsey, Fox News Sunday Roundtable (Jan. 6, 2002).

[&]quot;See Deal Breaker, New Republic (Nov. 29, 2001); U.S. Panel Says that Recession
Officially Began in March, Business Day (Nov. 28, 2001); Economic Aid Stalled Amid
Recession, Newsday (Nov. 27, 2001); U.S. Department of the Treasury, O'Neill Urges Senate to
Act Quickly on a Bipartisan Economic Stimulus Bill (Nov. 8, 2001) (press release).

¹³Citizens for Tax Justice, House GOP "Silmulus" Bill Offers 16 Large, Low-Tax Corporations \$7.4 Billion in Instant Tax Rebates (Oct. 16, 2001, updated Oct. 26, 2001).

between the company and the Bush Administration, the public deserves to know what Administration officials knew and when they knew it about the situation of Euron and its employees. Therefore, I request that the two of you individually respond to the following questions:

- (1) Please provide details regarding your conversations with Mr. Lay of October 28, October 29, and November 8. Please provide any written or electronic materials held by your Department that relate to this question.
- (2) Please provide details regarding Undersecretary Fisher's conversations with Mr. Whalley in October and November. Please provide any written or electronic materials held by your Department that relate to this question.
- (3) Did you, any other person in your Department, or to your knowledge any other official in the Administration have any other communications with Mr. Lay or any other Enron officials or representatives in 2001, beyond those referred to in questions 1 and 2? If so, please provide names, dates, form of communication, and information exchanged or matters discussed.
- (4) Upon receiving the information regarding Enron's financial situation in October, did you convey information about Enron's financial condition to any person, apart from Undersecretary Fisher? If so, please provide the names, dates, form of communication, and the information exchanged, including copies of any written or electronic materials.
- (5) Did you, any other person in your Department, or to your knowledge any other official in the Administration convey this information to any person within the Vice President's office or any of the advisors to the President? If so, please provide the names, dates, form of communication, and the information exchanged, including copies of any written or electronic materials.
- (6) Please provide details about Undersecretary Fisher's review. For example, over what time period did Undersecretary Fisher explore the financial implications of a potential Enron bankruptcy? What was the scope of the exploration? Did the Department of the Treasury or the Department of Commerce examine the impact of Enron's potential bankruptcy on the employees of the corporation? On the sharcholders of the corporation? On other creditors of the corporation? What were your respective departments's conclusions regarding the impacts of an Enron bankruptcy on each of these groups? On the energy sector? On the financial sector? On the economy at large? Please provide any written or electronic materials held by your respective departments that relate to any of these questions.

- (7) How did Undersecretary Fisher conduct this investigation? Did he or his staff communicate with any Euron officials or representatives? If so, please indicate names, dates, form of communications, and information exchanged. Did he or his staff communicate with Enron's auditors or any financial backers? Did he or his staff communicate with any financial experts outside of the Commerce or Treasury Departments? Did he or his staff communicate with any others within the Administration? Please provide any written or electronic materials held by your respective departments that relate to any of these questions.
- (8) At the time that you decided to take no action, had you considered the potential impacts of an Euron bankruptcy on its employees? Did you make any attempt to obtain information about the impact of such a bankruptcy on the employees?
- (9) The Bush Administration continued to advocate for retroactive repeal of the corporate alternative minimum tax throughout the month of November, when repeal could have had a significant impact on Enron's financial situation. Did any Enron official or representative ask you, any other person in your Department, or to your knowledge any other official in the Administration, to support this legislation? Were you aware that Enron favored adoption of this legislation?
- (10) Why did it take so long for the public to learn about your contacts with Enron prior to its bankruptcy filing?

I want to make clear that I believe it is inappropriate to make any ethical allegations against you or any other Administration official at this time. I think it is essential, however, that these questions be answered so that there is a clear public accounting of this matter. We all owe that to the thousands of families that are facing financial ruin from the Enron bankruptcy, and I hope that it will be possible for you to provide the answers I'm seaking by January 18, 2002.

Sincerely,

Ranking Minority Member

FAX COVER

COMMITTEE ON GOVERNMENT REFORM

DEMOCRATIC STAFF OFFICE

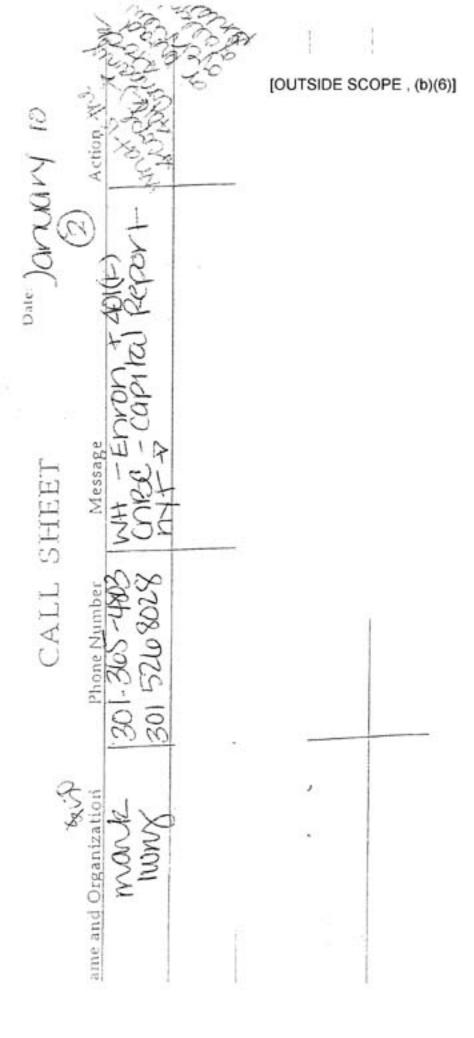
HON, HENRY A. WAXMAN

RANKING MINORITY MEMBER B350A RAYBURN HOUSE BUILDING PHONE (202) 225-5051 FAX (202) 225-4784, 8185

DATE: January 1	1, 2002
TO: Secretary P	aul H. O'Neill
FAX: (202) 622 -	0073
FROM: Rep. Her	nry A. Waxman
SUBJECT:	
NO. OF PAGES:_	(INCLUDING COVER SHEET)
COMMENT:	

IF THERE IS A PROBLEM WITH THIS TRANSMITTAL, PLEASE CALL OFFICE A.S.A.P.

[OUTSIDE SCOPE]



	Action	[OUTSIDE SCOPE]	CYVY	
Date JOHN LICHTY	A.	[OUTSIDE SCOPE]	IS 185 INVESTIGATING	
SHEET	Message		15 125 I	
S CALL S	Dhana Mumher	[OUTSIDE SCOPE]	3832210	[OUTSIDE SCOPE]
Extract.	A prominent	[OUTSIDE SCOPE]	Mikemee	
	Janie 7 - 4			0080000000085

Bradshaw, Tara

From: Young, JT

Sent: Wednesday, January 16, 2002 9:45 AM

To: Sweetnam, Bill Jr; Weinberger, Mark; Reeder, W Thomas; Olson, Pam; Walker, Deborah;

Bradshaw, Tara; Bair, Sheila; McCall, Neal; DeMarco, Edward

Subject: RE: Senate Hearing on Enron-Related Pension Issues

i have also heard kennedy is doing something. I have also heard that finance is notat this time

-----Original Message-----

From: Sweetnam, Bill Jr

Sent: Tuesday, January 15, 2002 8:20 PM

To: Weinberger, Mark; Reeder, W Thomas; Olson, Pam; Walker, Deborah; Young, JT; Bradshaw, Tara; Bair, Sheila; McCall, Neal;

DeMarco, Edward

Subject: Senate Hearing on Enron-Related Pension Issues

I have heard, second hand, that Sen. Kennedy will schedule a hearing on February 7 to discuss the pension issues surrounding Enron. He will have a government panel and will ask for testimony from DOL and Office of Tax Policy. He will also have a victims panel and a panel of academic experts.

William F. Sweetnam, Jr. Benefits Tax Counsel Office of Tax Policy Treasury Department 1500 Pennsylvania Avenue NW Washington DC 20220

Phone: 202-622-0170 Fax: 202-622-0646

[OUTSIDE SCOPE]

Dan McCardell
DAS, Public Liaison
Contact/Correspondence with Enron Corporation

- Enron Government Relations Representative (Carolyn Cooney) was on a broad distribution
 list used by the Office of Public Liaison to distribute Treasury-related news to government
 relations representatives, associations, think tanks, etc. These e-mails included news clips
 concerning remarks by Secretary O'Neill, public remarks, and Treasury releases. Any such
 e-mails sent to Enron were always part of a broad-based distribution.
- In July, 2001 there was a brief e-mail exchange with Michele Davis concerning a possible site visit to Enron's Trading Floor in London. Public Liaison was involved in finding a site such as a trading floor for a photo opportunity for the Secretary while visiting London. No action was taken on pursuing this option, and the Secretary did not visit that trading floor.
- Others: Two incoming e-mails from Office of the Assistant Secretary (Public Affairs)
 requesting above summary of contacts with Enron, several incoming e-mails that included
 news articles concerning Enron collapse.

To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto; Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin, Thomas; wallarjg; wayneea Subject: Financial Markets Night Report 1/16/02

From: Sharer, James
Sent: Tuesday, January 15, 2002 4:43 PM
To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto;
Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,
Thomas; wallarjg; wayneea
Subject: Financial Markets Night Report 1/15/02

```
From: Zackal, Heather
Sent: Tuesday, January 15, 2002 1:55 PM
To: Pedri, Melissa
          RE: pretzel
Subject:
did you read the second part of this article about Enron and the pesky
Treasury secretary?
----Original Message-----
From: Pedri, Melissa
Sent: Tuesday, January 15, 2002 1:46 PM
To: Zackal, Heather
Subject:
           pretzel
never thought there would be so much discussion over a pretzel.....
http://www.washingtonpost.com/wp-dyn/articles/A47813-2002Jan15.html
From: Pedri, Melissa
To: Zackal, Heather
Sent: Tuesday, January 15, 2002 9:46 AM
          Read: more Enron stuff
Subject:
From: Zackal, Heather
Sent: Tuesday, January 15, 2002 9:45 AM
To: Pedri, Melissa
           more Enron stuff
Subject:
http://www.foxnews.com/story/0,2933,42632,00.html
From: Zackal, Heather
Sent: Monday, January 14, 2002 10:16 AM
To: Pedri, Melissa
           RE: west wing
Subject:
```

did you see the Enron article in the Saturday Post? Front page. Mentioned PF a lot.

----Original Message----

From: Pedri, Melissa

Sent: Monday, January 14, 2002 10:14 AM

To: Zackal, Heather Subject: RE: west wing

kind of how everyone I spoke to this weekend in PA asked me about what I knew about Enron - as if I even knew Enron. :-)

[(b)(6)]

----Original Message-----

From: Zackal, Heather

Sent: Monday, January 14, 2002 9:39 AM

To: Pedri, Melissa Subject: RE: west wing

True. But it's fun to try to find stuff wrong. You know, you feel like you have some inside info since you live in DC. Plus, they could at least get the names of the house committees and the placement of the Washington Monument correct. [(b)(6)]

----Original Message----

From: Pedri, Melissa

Sent: Monday, January 14, 2002 9:34 AM

To: Zackal, Heather Subject: RE: west wing

think they're being a little too critical ---- it's a TV show - you're supposed to enjoy it!! I heard that it's actually one of the best depictions of what REALLY goes on in the white house --- who cares if they list fighter squads that aren't really there! UGH! That Carrie is right - people really do have too much time on their hands!

----Original Message-----

From: Zackal, Heather

Sent: Monday, January 14, 2002 9:30 AM

To: Pedri, Melissa Subject: FW: west wing

check this out....they said someone from Treasury wrote in with feedback and I looked him up on Outlook and he actually exists. fun.

Heather

----Original Message----

From: Carrie_D_Lynch@icpmech.navy.mil [mailto:Carrie_D_Lynch@icpmech.navy.mil] Sent: Monday, January 14, 2002 7:19 AM To: Heather.Zackal@do.treas.gov Subject: west wing

These people have too much time on their hands, but it is interesting. Carrie

http://www.govexec.com/dailyfed/westwing.htm

From: Pedri, Melissa

Sent: Monday, January 14, 2002 10:14 AM To: Zackal, Heather

RE: west wing Subject:

kind of how everyone I spoke to this weekend in PA asked me about what I knew about Enron - as if I even knew Enron. :-)

[(b)(6)]

----Original Message----

From: Zackal, Heather

Sent: Monday, January 14, 2002 9:39 AM

To: Pedri, Melissa Subject: RE: west wing

True. But it's fun to try to find stuff wrong. You know, you feel like you have some inside info since you live in DC. Plus, they could at least get the names of the house committees and the placement of the Washington Monument correct. [(b)(6)]

----Original Message----

From: Pedri, Melissa

Sent: Monday, January 14, 2002 9:34 AM

To: Zackal, Heather Subject: RE: west wing

think they're being a little too critical ---- it's a TV show - you're supposed to enjoy it!! I heard that it's actually one of the best depictions of what REALLY goes on in the white house --- who cares if they list fighter squads that aren't really there! UGH! That Carrie is right - people really do have too much time on their hands!

----Original Message----

From: Zackal, Heather

Sent: Monday, January 14, 2002 9:30 AM

To: Pedri, Melissa Subject: FW: west wing

check this out....they said someone from Treasury wrote in with feedback and I looked him up on Outlook and he actually exists. fun.

Heather

----Original Message----

From: Carrie D Lynchwicpmech.navy.mil

```
[mailto:Carrie_D_Lynch@icpmech.navy.mil]
Sent: Monday, January 14, 2002 7:19 AM
To: Heather.Zackal@do.treas.gov
Subject: west wing
These people have too much time on their hands, but it is interesting.
Carrie
http://www.govexec.com/dailyfed/westwing.htm
From: Zackal, Heather
Sent: Friday, January 11, 2002 2:50 PM
To: Pedri, Melissa
Subject:
            RE: interesting.....
Did you send this to Ed?
 ----Original Message----
From:
            Pedri, Melissa
Sent: Friday, January 11, 2002 2:47 PM
To: Zackal, Heather
Subject: interesting.....
FYI
http://www.cnn.com/2002/LAW/01/11/enron/index.html
From: Pedri, Melissa
Sent: Friday, January 11, 2002 2:47 PM
To: Zackal, Heather
           interesting.....
Subject:
FYI
http://www.cnn.com/2002/LAW/01/11/enron/index.html
From: Sharer, James
Sent: Wednesday, January 09, 2002 8:24 AM
       DL Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto;
Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,
Thomas; wallarjg; wayneea
Subject:
            Financial Markets Morning Report 1/9/02
```

```
From: Byrne, Kathleen
Sent: Tuesday, December 18, 2001 8:05 AM
To: _DL_Market Group; Andrew D. Sacher (E-mail); David Griffiths; E.A.
Wayne; Enrique Perez (E-mail); Eric H. Otto (E-mail); J.P. Reid; Jay
Hoffman; Meg Lundsager; Philippa Malmgren; T.J. Shevlin
Subject: AM Global Financial Markets - December 18, 2001
```

From: Cetina, Jill

Sent: Thursday, December 06, 2001 12:42 PM
To: _DL_Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths;
Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne
Subject: Market Noon Report, Dec 6th

From: Cetina, Jill
Sent: Wednesday, December 05, 2001 12:57 PM
To: _DL_Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths;
Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne
Subject: Market Noon Report, Dec 5th -- "Recession over" mood

prevails

From: Cetina, Jill
Sent: Tuesday, December 04, 2001 12:27 PM
To: _DL_Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths; Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne
Subject: Market Noon Report -- Dec 4th

From: Cetina, Jill Sent: Tuesday, December 04, 2001 7:53 AM

To: _DL Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths; Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne Subject: Market Morning Report, Dec 4th

From: Sharer, James

Sent: Monday, December 03, 2001 5:19 PM

To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto; Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,

Thomas; wallarjg; wayneea

Subject: Financial Markets Night Report 12/3/01

From: Cetina, Jill
Sent: Monday, December 03, 2001 12:48 PM
To: _DL_Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths;
Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne

Subject: Market Noon Report.

From: Cetina, Jill

Sent: Monday, December 03, 2001 7:49 AM

To: _DL_Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths;
Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne
Subject: Market Morning Report, Dec 3rd

Prom: Byrne, Kathleen

Sent: Friday, November 30, 2001 5:48 PM

To: _DL_Market Group; Andrew D. Sacher (E-mail); David Griffiths; E.A. Wayne; Eric H. Otto (E-mail); J.P. Reid; Jay Hoffman; Meg Lundsager;

Philippa Malmgren; T.J. Shevlin

Global Market Developments, Week of Nov. 26-30, 2001 Subject:

[(b)(5)]

From: Cetina, Jill

Sent: Friday, November 30, 2001 8:00 AM

To: DL_Market Group; Andrew Sacher; ClayLowery; Bric Otto; Griffiths; Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne

Subject: Market Morning Report, Nov 30th

Prom: Cetina, Jill

Sent: Thursday, November 29, 2001 5:24 PM

To: _DL_Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths;

Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne

Subject: Market Closing Report; Nov 29th

-- Latin assets under pressure; Treasuries rally; stocks higher.

From: Cetina, Jill

Sent: Monday, October 29, 2001 12:27 PM
To: _DL_Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths;
Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne
Subject: Financial Market Noon Report, Oct 29th

From: Sharer, James
Sent: Monday, October 29, 2001 4:44 PM
To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto;
Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,
Thomas; wallarjg; wayneea
Subject: Financial Markets Night Report 10/29/01

From: Sharer, James

Sent: Tuesday, October 30, 2001 4:54 PM

To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto;

Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,

Thomas; wallarjg; wayneea Subject: Pinancial Markets Night Memo 10/30/01

From: Cetina, Jill

Sent: Wednesday, October 31, 2001 1:02 PM
To: _DL_Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths;

Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne

Subject: Oct 31 Noon Report -- A morning of surprises.. better-than-

expected data but the curve flattens

From: Sharer, James

Sent: Wednesday, October 31, 2001 5:03 PM
To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto;
Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,

Thomas; wallarjg; wayneea

Subject: Financial Markets Night Report 10/31/01

From: Cetina, Jill

Sent: Thursday, November 01, 2001 12:45 PM

To: _DL_Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths; Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne Subject: Market Noon Report -- Nov 1 -- Fixed income still the focus

```
From: Sharer, James
Sent: Thursday, November 01, 2001 5:16 PM
To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto;
Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,
Thomas; wallarjg; wayneea
Subject: Financial Markets Night Report 11/1/01
```

Prom: Sharer, James
Sent: Monday, November 05, 2001 8:12 AM
To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto;
Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,
Thomas; wallarjg; wayneea
Subject: Pinancial Markets Morning Report 11/5/01

From: Sharer, James

Sent: Tuesday, November 06, 2001 12:54 PM
To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Bric H. Otto;
Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,

Thomas; wallarjg; wayneea

Subject: Financial Markets Noon Report 11/6/01

```
From: Byrne, Kathleen
Sent: Tuesday, November 06, 2001 4:33 PM
To: _DL_Market Group; Andrew D. Sacher (E-mail); David Griffiths; E.A.
Wayne; Eric H. Otto (E-mail); J.P. Reid; Jay Hoffman; Meg Lundsager;
Philippa Malmgren; T.J. Shevlin
Subject: Financial Markets Closing Report, Nov. 6, 2001 - Fed Cuts
Rates, U.S. Equities & Treasuries rally
```

```
From: Cetina, Jill
Sent: Tuesday, November 20, 2001 12:22 PM
To: _DL_Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths;
Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne
Subject: Market Noon Report, Nov 20th

[(b)(5)]
```

From: Sharer, James

Sent: Thursday, November 08, 2001 12:55 PM

To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto; Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,

Thomas; wallarjg; wayneea Subject: Financial Markets Noon Report 11/8/01

From: Sharer, James

Sent: Tuesday, November 20, 2001 5:06 PM
To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto;
Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,
Thomas; wallarjg; wayneea
Subject: Financial Markets Night Report 11/20/01

From: Cetina, Jill

Sent: Wednesday, November 21, 2001 12:22 PM
To: _DL_Market Group; Andrew Sacher; ClayLowery; Eric Otto; Griffiths;
Hoffman; MegLundsager; Paul Reid; PMalmgren; Wayne
Subject: Market Noon Report -- Volumes thin as Thanksgiving looms

From: Byrne, Kathleen

Sent: Monday, November 26, 2001 12:18 PM
To: DL Market Group; Andrew D. Sacher (E-mail); David Griffiths; E.A.
Wayne; Bric H. Otto (E-mail); J.P. Reid; Jay Hoffman; Meg Lundsager;
Philippa Malmgren; T.J. Shevlin

Market Noon Report, Nov 26th Subject:

```
From: Sharer, James
Sent: Friday, November 23, 2001 1:26 PM
To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto;
Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin,
Thomas; wallarjg; wayneea
Subject: Pinancial Markets Afternoon Report 11/23/01
```

```
From: Byrne, Kathleen
Sent: Wednesday, November 28, 2001 1:08 PM
To: _DL_Market Group; Andrew D. Sacher (E-mail); David Griffiths; E.A.
Wayne; Eric H. Otto (E-mail); J.P. Reid; Jay Hoffman; Meg Lundsager;
Philippa Malmgren; T.J. Shevlin
Subject: Market Noon Report, Nov 28th
```

```
From: Byrne, Kathleen
Sent: Wednesday, November 28, 2001 5:03 PM
To: _DL_Market Group; Andrew D. Sacher (E-mail); David Griffiths; E.A.
Wayne; Bric H. Otto (E-mail); J.P. Reid; Jay Hoffman; Meg Lundsager;
Philippa Malmgren; T.J. Shevlin
Subject: Closing Global Financial Markets - November 28, 2001
```

From: Byrne, Kathleen

Sent: Thursday, November 29, 2001 12:36 PM
To: _DL_Market Group; Andrew D. Sacher (E-mail); David Griffiths; E.A.
Wayne; Eric H. Otto (E-mail); J.P. Reid; Jay Hoffman; Meg Lundsager;
Philippa Malmgren; T.J. Shevlin
Subject: Market Noon, Nov 29th

From: Byrne, Kathleen

Sent: Thursday, November 29, 2001 7:59 AM

To: DL Market Group; Andrew D. Sacher (E-mail); David Griffiths; E.A.

Wayne; Eric H. Otto (E-mail); J.P. Reid; Jay Hoffman; Meg Lundsager;

Philippa Malmgren; T.J. Shevlin

Subject: Market Morning Report, Nov 29th