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Bush/Enron Chronology

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[Desdemona Despair Bush/Enron Chronology](#)

Posted by Jim at [Monday, September 20, 2010](#)

In years past, when Desdemona was still in the grip of delusional hope, there was the possibility that the internet might spark a revolution in human consciousness, and that we might overthrow the sociopaths who dominate the various power elites.

Desdemona had been scrutinizing the Bush family very closely, after watching, with increasing horror, the Iran-Contra proceedings unfold on daytime TV. Once you realize that a secret state-within-the-state has been funding illegal wars by [shipping cocaine](#) and doing arms deals with [official enemies](#), really anything at all is conceivable.

So when a Bush family scion took the White House in 2000, Desdemona knew it could portend only bad things. As the Enron story broke, Desdemona said, "All we need now is a dead body, and we'll have a full-scale conspiracy on our hands." A few days later, [Cliff Baxter](#) turned up dead in Sugar Land, Texas. Desdemona had a new project.

The result was the *Bush/Enron Chronology*. It's been languishing since that same Bush scion illegally invaded Iraq, causing Des to start warblogging ([Iraq Front News](#)). But it's resurrected here for the edification of search engines and conspiracy theorists everywhere. It has a bad case of link rot, and it may not be as relevant in the Great Recession era, but it serves to demonstrate how easy it is for a well-heeled company to hack the US political system.



rev 0.18
10 August 2002
By Jim Galasyn

1978

1978: Ken Lay contributes handsomely to Bush's 1978 congressional campaign, a full sixteen years before Bush will tell the press he got to know Lay on 10 January 2002. ([Bush Caught Red-Handed in Lie to American People](#))

1977-2001

1977-2001: Deputy Attorney General Larry Thompson is a partner in the law firm of King & Spalding, which represents Enron. Thompson will take over the Justice Department's Enron investigation when Attorney General Ashcroft recuses himself on 10 January 2002. ([Caught Red-Handed in Lie to American People](#))

1985

May 1985: Enron is born, as Omaha-based InterNorth Inc. agrees to take over Houston Natural Gas Corp. Six months later, Kenneth Lay becomes chief executive. ([Seeds of a scandal](#))

1986

April

April 1986: Enron says it has "no plans" to move its headquarters to Houston; one month later, it announces the shift. Around the same time, it creates the first "off-the-books" financing deal. ([Seeds of a scandal](#))

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September

September 1986: Spectrum 7 and Harken Energy announce an agreement for Harken to buy Spectrum 7. Spectrum 7, a privately owned oil company chaired by George W. Bush faces serious trouble. Two years ago, Bush merged his failing Bush Exploration Company (previously Arbusto) with the profitable Spectrum 7, and he was named chief executive and director of the company. Bush was paid \$75,000 a year and handed 1.1 million shares. Under this deal, Bush ended up owning about 15 percent of Spectrum 7. By the end of 1985, Spectrum's fortunes had reversed. With oil prices falling, the company was losing money and on the verge of collapse. To save the firm, Bush began negotiations to sell Spectrum 7 to Harken Energy, a large Dallas-based energy firm owned mostly by billionaire George Soros, Saudi businessman Abdullah Taha Baksh and the Harvard Management Corporation. Spectrum 7 shareholders, under the plan, will receive Harken stock. Bush publicly says that Spectrum 7 will continue to operate in Midland, Texas, as a wholly-owned subsidiary of Harken and that he will become an active member of Harken's board of directors. ([W.'s First Enron Connection: Update on the Bush-Enron Oil Deal](#))

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October

October 1986: Enron uses employee pension funds to buy out corporate raider Irwin Jacobs. ([Seeds of a scandal](#))
16 October 1986: Enron Oil and Gas Company, a subsidiary of Enron Corporation, announces that it has completed a well producing both oil and natural gas in Martin County, Texas. An Enron Oil and Gas press release reports the well is producing 24,000 cubic feet of natural gas and 411 barrels of oil per day in the Belspec Fusselman Field, 15 miles northeast of Midland. Enron holds a 52 percent interest in the well. According to the company's announcement, 10 percent belongs to Spectrum 7, which will be Bush's company until Harken completes the acquisition of the Spectrum 7 in early November. George W. Bush and Ken Lay are in business together. ([W.'s First Enron Connection: Update on the Bush-Enron Oil Deal](#))

1987

April

29 April 1987: Enron CEO Ken Lay decides to keep two executives, who misappropriated between \$2 million and \$4 million in a rogue trading operation, on the payroll. Louis Berger and Thomas Mastroeni are later prosecuted by the U.S. attorney and will plead guilty to conspiracy to defraud and to filing false tax returns. An Enron auditor involved in unraveling the fraud declares that "Lay read the (internal investigation) report and he read his budget, and estimated how much money they made and if they were fired what could he lose. My conclusion was that this is a guy who puts earnings before scruples, rather than reacting to the dishonesty right in front of him. I can remember Ken Lay sitting there saying 'I have made the decision'...What can I say? He was the CEO, and he felt that they could put controls in place and that he needed those earnings. That was his call...We all knew those people were crooks! We told him that." ([Shady Enron Doings Go Back to '87 - Report; Enron: A Pattern of Abuses?](#))

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October

October 1987: Enron's speculative oil trading causes up to \$150 million loss; executives were warned nearly a year ago. ([Seeds of a scandal](#))

1988

1988: George W. Bush pitches an Enron gas pipeline in Argentina. Neil Bush uses defrauded investors' money from Silverado to drill for oil in Argentina. ([Don't Cry for Bush, Argentina](#); [Bush Friend Arrested for Illegal Arms Trafficking](#))

1989

1989: Carlos Menem is elected president of Argentina. He enthusiastically embraces Enron's privatization and deregulation policies. ([With help from a friend, Enron fleeces South America](#); *La Nacion* (Argentina))

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June

15 June 1989: Bush meets with the president and CEO of Harken Energy Corp. shortly before the controversial sale of the company's Aloha Petroleum subsidiary. ([Papers Show Bush Played Active Role at Harken](#); [Further Harken Documents](#))

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October

11 October 1989: The "Gas Bank" is established; Enron begins its push into trading and financial services. ([Seeds of a scandal](#))

1990

February

February 1990: Enron announces its first significant profits since its creation in the 1985 merger. ([Seeds of a scandal](#))

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June

11 June 1990: Bush and other members of Harken Energy's audit board (including Harken's president, former Arthur Andersen accountant Mikel Faulkner) meet with Harken's accountants: Arthur Andersen. According to Robert Jordan, Bush's lawyer during ensuing the SEC probe, neither the accountants nor the committee members discuss the company's budget woes at this meeting - despite the fact that Harken is about to take a hefty \$23.2 million loss for the second quarter of the fiscal year, which is just ending. The minutes of the meeting would verify this claim, Jordan will tell the *Washington Post* in a 1999 campaign profile of Bush. But Harken refuses to release those records. ([Bush and Andersen's Texas Two-Step](#))

22 June 1990: Bush dumps Harken stock just before the company's \$23.2 million loss for the second quarter is disclosed. ([The Family that Preys Together](#))

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August

1 August 1990: Jeffrey Skilling starts at Enron; four months later, Andrew Fastow joins Skilling's group. ([Seeds of a scandal](#))

1991

January

1 January 1991: Enron adopts its aggressive accounting form that hastens cultural change. ([Seeds of a scandal](#))

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September

20 September 1991: Enron forms the first of Fastow's off-balance sheet partnerships. ([Seeds of a scandal](#))

1992

June

5 June 1992: Enron sends a group of officials to New Delhi to make arrangements to survey the land around Dabhol for the purpose of building a large power plant. ([How Much Were Bush and Cheney Involved?](#))

17 June 1992: The Enron team arrives in Mumbai, India. ([A short history](#))

20 June 1992: A Memorandum of Understanding is signed between India's State Government of Maharashtra and Enron, probably the largest civilian deal in the history of India. This gives birth to an entity called the Dabhol Power Company (DPC), a joint venture of Enron and two other American corporations, General Electric and Bechtel. However, Enron is to be the principal player and as far as most people in India are concerned, DPC is Enron. The memorandum draws widespread criticism because it is negotiated in three-days' time, with no competitive bidding, is suspiciously vague and costs \$3 billion. ([A short history](#); [Enron Does India, Part One: The Contract for the Dabhol Power Project](#))

July

8 July 1992: A World Bank report, solicited by the government of Maharashtra, states that the Dabhol Power Purchase Agreement is likely to have an adverse financial impact on the Maharashtra State Electricity Board (MSEB). ([A short history](#))

November

November 1992: Beginning the day after the election of Bill Clinton, wholesale document shredding begins on the DOJ's sixth floor, where the key administrative offices are located. The shredding occurs against a backdrop of chaos at the Department of Justice. The DOJ is awash in allegations of deception, cover-up, perjury, theft, and obstruction of justice. Even as Attorney General William Barr is refusing to comply with congressional demands for an independent special prosecutor to investigate the BNL case and the illegal arming of Iraq, his Justice Department is under investigation by FBI Director William Sessions, who is himself briefly the target of a DOJ criminal probe. ([Shredded Justice](#))

November 1992: Several corporations - including oil giants Exxon and Mobil as well as J. P. Morgan and Chase Manhattan - are clamoring to get into the energy futures market. Some of those companies ask Wendy Gramm, chairwoman of the Commodity Futures Trading Commission and wife of Senator Phil Gramm, to exempt energy derivative contracts and related swaps from government oversight. Gramm acts quickly, scheduling a vote on the rule for January 1993, days before the Clinton administration would take over. Boosted by her support, the proposed rule passes. In five weeks (1 March 1993) she will join the board of Enron. ([Enron made a sound investment in Washington; Enron's Web of Complex Hedges, Bets](#))

1993

1993: Future Bush FBI Director Robert S. Mueller III provides legal advice to Milford Power Co., an Enron subsidiary, as a partner in the Washington office of Hale and Dorr, the Boston law firm. Mueller is hired by Enron to determine if the company should refer for official investigation the subsidiary's purchase of a vacant 6-acre site in Milford for 15 times its assessed value. ([So, who else worked for Enron? Oh let's see: How about FBI Director Mueller?](#))

February

February 1993: In spite of widespread criticism and misgivings by the World Bank, a formal Power Purchase Agreement is signed by the state of Maharashtra and Enron. This agreement calls for a plant that could generate about 2000 megawatts at an overall cost of \$2.65 billion. The project is to be split into two phases, with the second phase optional. The first phase will consist of building a plant with the capability to produce about 700 megawatts. Even pared down, this is the largest contract in Indian history. The result would be the world's largest gas-fired power plant. ([Enron Does India, Part One: The Contract for the Dabhol Power Project](#))

March

1 March 1993: Wendy Gramm joins the Enron board after successfully pushing the Commodity Futures Trading Commission to exempt from regulation Enron's energy derivative contracts from government oversight. ([Seeds of a scandal](#))

April

April 1993: The World Bank rejects India's request for financing of Enron's Dabhol power plant project, stating that it is "not economically viable." ([Enron Does India, Part One: The Contract for the Dabhol Power Project](#))

June

Keeping partnerships such as Jedi off its balance sheet was a paramount concern for Enron. The company created scores of partnerships so it could keep their debts off its balance sheet. In Jedi's case, as much as \$711 million in debts were held off the books, according to SEC filings.

June 1993: California Public Employees' Retirement System (CalPERS) and Enron begin their relationship in June [date?]. Each puts \$250 million into Joint Energy Development Investments. Its name shortened to Jedi, after the Jedi knights from "Star Wars," the partnership will invest in an array of North American natural gas businesses. ([CalPERS inadvertently linked to fall of Enron](#))

August

August 1993: The Central Electricity Authority (CEA) in New Delhi raises more questions about the financing of the Dabhol project. The agreement calls for all costs of construction and operation of the Dabhol plant to be covered by the tariff Enron will charge MSEB for electricity. The cost of the tariff would be passed on by MSEB to power consumers. The cost of the tariff was agreed to be \$1.3 to \$1.4 billion a year for the life of the twenty-year agreement. This will be approximately \$9 for each dollar Enron will put into the project. The tariffs also are negotiated in US dollars without regard to currency fluctuations, so if the rupee decreases against the dollar, Enron is protected from any currency fluctuations. A high tariff means greater profits for Enron, so CEA withholds its approval. ([Enron Does India, Part One: The Contract for the Dabhol Power Project](#))

November

November 1993: The Central Electricity Authority (CEA) in New Delhi begins a new investigation to determine whether the costs of the Dabhol project are justified; specifically, the CEA asks whether the construction costs and the date of completion have changed. Dabhol Power Company informs the CEA that it has changed, but that this is of no concern to the CEA since the tariff is guaranteed. In spite of the fact that Enron refuses to provide requested information to the CEA, the CEA does not hold up the project. Under pressure from the central government's Ministry of Finance, the CEA agrees to the Ministry of Finance's positive evaluation of the project costs and the tariff, in spite of the fact that under Indian law, it is the CEA and not the Ministry of Finance that is supposed to make such evaluations. The CEA gives provisional clearance to the project. It is the largest single foreign investment in India. ([Enron Does India, Part One: The Contract for the Dabhol Power Project](#))

December

8 December 1993: Enron and India's State Government of Maharashtra sign the Power Purchase Agreement (PPA) for the 700 megawatt Dabhol power plant. The agreement, signed by the Congress Party, is met with intense criticism from the opposition parties, BJP and Shiv Sena, who allege malfeasance and corruption at the highest level. ([Arundhati Roy, Power Politics, p 55-6,](#))

1994

1994: Enron lobbies the Securities and Exchange Commission to receive an exemption from the Public Utility Holding Company Act. The Depression-era law was designed to prevent utilities from owning multiple plants in one geographic area, allowing them to jack up rates. ([Enron made a sound investment in Washington](#))

1994: The Washington-based Export-Import Bank approves a \$302 million loan toward Enron's \$3 billion Dabhol power plant in India. President Clinton takes an interest in the deal, asking the U.S. ambassador India and his former chief of staff, Thomas F. "Mack" McLarty, then a presidential adviser, to monitor the proposal. ([How Much Were Bush and Cheney Involved?](#))

1994: Enron pays \$2.5 million in bribes to Bolivian officials of the state-owned oil and gas company, known as YPFB, to influence the privatization process. The original contract between Enron and the government will be lost, with only one photocopy surviving. ([Enron keeps role in Bolivia pipeline project Criticism grows -- records missing](#))

March

March 1994: In a letter to chairman of the Export-Import Bank Kenneth Brody, Ken Lay and executives from GE and Bechtel make an appeal to expedite \$336 million in financing for the Dabhol plant: "We are requesting your help in

making whatever special arrangements are needed internally to truly ensure that the June time frame can be met." Lay stresses the "importance ... to the United States, as well as the companies involved." In eight months Export-Import Bank officials bitterly will complain in e-mails and hand-written notes that Enron is threatening to "pound on the table and complain to others at the bank" to get the agreement drafted. ([Export-Import Bank questioned Enron's India project](#))

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July

July 1994: Ramdas Nayak, a member of India's BJP party, then the opposition party in Maharashtra, files a suit against the Dabhol Power Purchase Agreement's lack of transparency and competitive bidding and alleges that the counter-guarantees to DPC violate provisions of Indian law concerning government borrowing. ([Enron Does India, Part One: The Contract for the Dabhol Power Project](#))

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August

August 1994: The Ramdas Nayak suit against the Dabhol Power Purchase Agreement is dismissed. ([Enron Does India, Part One: The Contract for the Dabhol Power Project](#))

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September

16 September 1994: The government of India signs the counter-guarantee on Enron's Dabhol power plant. ([A short history](#))

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November

I have been involved in a lot of transactions and come in contact with any number of poorly behaved people..., but I think that Enron's attitude and demeanor in this transaction has been extraordinarily bad and very counterproductive.

— Unnamed Export-Import Bank official, on Enron demands for US Government funding for the Dabhol plant
November 1994: Export-Import Bank officials bitterly complain in e-mails and hand-written notes that Enron is threatening to "pound on the table and complain to others at the bank" to get the Dabhol agreement drafted. "I have real trouble imagining how they are going to function in India on a long-term basis," writes one official. ([Export-Import Bank questioned Enron's India project](#))

1995

1995: Jeb Bush invests nearly \$92,000 in an Enron affiliate, Enron Liquids Pipeline. He will sell his interest in 10 months for a \$7,100 profit. ([Letter to Florida Gov. Jeb Bush: About You and Enron](#))

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Welcome to the HOTEL MARK TO MARKET / Such a lovely place, such a fragile place. / They're livin' it up at the HOTEL CRAM IT DOWN YA, / When the suits arrive, bring your alibis. / Mirrors on the 10K, make it look real nice / And she said, "We only make disclosures here of our own device." / And in the partners' chambers, cooking up a new deal / Three percent in a S-P-E / But they just can't make it real. / Last thing I remember, I was running for the door / I had to find the entries back to the GAAP we had before. / Relax said the client, we are programmed to succeed. / You can audit any time you like, but we will never bleed.

— James Hecker, Houston-based Andersen partner, on Enron and Andersen accounting practices
1995: Houston-based Andersen partner James A. Hecker writes a parody of the Eagles song, "Hotel California" with cynical lyrics describing Enron accounting practices. When pressed by prosecutors at the Andersen trial on 9 May 2002, Hecker will claim the parody is not based on truth, saying "I had a little idle time on my hands. . . I took some time and wrote a joke." ([Jurors hear Enron song parody](#))

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1995: Enron wins a contract to build a pipeline from Mozambique to South Africa. The Houston Chronicle reports that then-National Security Advisor Anthony Lake put pressure on Mozambique to make an agreement with Enron; pressure was also applied by US Agency for International Development and the US embassy in Maputo. John Kachamila, Mozambique's natural resources minister, defends himself from charges in the press that he is holding out for a percentage of the deal. The Chronicle quotes Kachamila: "Enron was forever playing games with us and the embassy

forever threatening to withdraw aid . . . all I wanted was a better deal for the state." ([Enron Does India, Part One: The Contract for the Dabhol Power Project](#))

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1995: The *New York Times* reports that the CIA has gathered information about the risks of the Dabhol power plant project and about British companies that are competing with Enron to build it. ([Security team leaves Enron to form firm](#))

January

January 1995: Ken Lay sends a note to chairman of the Export-Import Bank, Kenneth Brody, thanking him for his "personal involvement" in rushing through the financing for the Dabhol plant. In the same letter, Lay thanks the Export-Import Bank staffers who had challenged the deal in November: "Recognizing that your team is stretched very thin and does not receive the kind of rewards they might in the private sector, this level of sustained effort warrants special appreciation." ([Export-Import Bank questioned Enron's India project](#))

February

February 1995: An alliance of India's BJP and Shiv Sena parties is elected, and the new Chief Minister, Manohar Joshi, announces a review of the Dabhol project by a committee chaired by Deputy Chief Minister Gopinath Munde. Party leader L. K. Advani attacks the deal as "loot-through-liberalization" and accuses the Congress Party of taking a thirteen million dollar bribe from Enron. Enron has openly spent millions of dollars to "educate" the politicians involved in the deal. ([Arundhati Roy, Power Politics, pp 53-4](#); [Enron Does India, Part One: The Contract for the Dabhol Power Project](#))

May

30 May 1995: "Dear George," writes Enron CEO and Chairman Ken Lay to Texas Governor George Bush, "I am writing to urge you to sign S.B. 373, the electric portion of the PUC Sunset legislation, which was passed by the Senate on Friday ... S.B. 373 is absolutely critical to the development of a competitive power market in Texas and I urge you to sign it into law." ([The Smoking Gun Archive](#))

August

August 1995: The Maharashtra Cabinet Subcommittee (Munde Subcommittee) recommends scrapping the project. ([The Munde Subcommittee Report](#))

August 1995: Maharashtra files a suit against DPC and MSEB in the Bombay High Court, seeking cancellation of the Power Purchase Agreement on grounds of fraud, corruption and misrepresentation. ([A short history](#))

August 1995: Clinton administration's cabinet members, Treasury Secretary Robert Rubin and Energy Secretary Hazel O'Leary, personally urge India to accept Enron's proposed project. ([How Much Were Bush and Cheney Involved?](#))

October

October 1995: Indian Prime Minister Rao and Iranian Foreign Minister Ali Akbar Velayati discuss routing alternatives for a natural gas pipeline, including one which would run through Turkmenistan, Afghanistan, and Pakistan. ([How Much Were Bush and Cheney Involved?](#))

November

7 November 1995: Rebecca Mark, Enron International CEO, misses a scheduled appointment with Maharashtra CM to meet Bal Thackeray, the leader of the Shiv Sena Party, BJP's main coalition partner in Maharashtra. ([A short history](#))

8 November 1995: After U.S. Ambassador Frank Wisner makes several statements deploring the cancellation of the Dabhol power plant project, the BJP-Shiv Sena government in Maharashtra announces the formation of a "re-negotiation" committee. Wisner will join Enron as a director soon after his term as ambassador ends. ([Arundhati Roy, Power Politics, p 54](#); [A short history](#))

19 November 1995: The Maharashtra Renegotiation Committee submits its report. ([A short history](#))

1996

1996: BP Amoco and Occidental join Enron in the U.S.-Colombia Business Partnership to lobby for more military aid for Plan Colombia. ([USA: Halliburton -- To the Victors Go the Markets](#))

1996: Republican Gov. Pete Wilson signs legislation to open California's electricity market to competition. ([Chronology of California's power crisis](#))

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1996: [date?] Federal energy regulators adopt a new rule, Order 888. The rule forces reluctant local utilities to open transmission lines to power being shipped from one state to another. In effect, Order 888 turns the nation's electricity transmission grid into an interstate highway system for energy. ([Enron made a sound investment in Washington](#))

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1996: Enron and its subsidiary, Enron Global Power & Pipelines, buy a controlling interest in Transportadora de Gas del Sur S.A. (TGS), owner of a 4,104-mile natural gas pipeline system in Argentina. The pipeline is the largest in South America, with a capacity of 1.9 billion cubic feet of gas per day. Enron CEO Kenneth Lay says the purchase of TGS "reflects our continued confidence in Argentina and TGS." ([Enron fleeces South America](#))

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1996: Enron and Shell jointly acquire a 50 percent stake in all the transportation assets of the 1,655 mile pipeline owned by Bolivia's Yacimientos Petroliferos Fiscales Bolivianos (YPFB), a nationalized energy company. Enron and Shell also take a 50 percent ownership of the 1,438 mile long pipeline that will reach from Bolivia to Brazil. An Enron news release reports, "The remaining interest in the transportation assets will be held by the Bolivian Pension Fund." ([Enron fleeces South America](#))

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1996: "Mack" McLarty, who will become a paid Enron director, speaks with Ken Lay on several occasions about the Dabhol plant. Four days before India grants approval for Enron's project, the Houston-based firm contributes \$100,000 to the Democratic Party. ([How Much Were Bush and Cheney Involved?](#))

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1996: Enron signs a contract giving it rights to explore 11 gas fields in Uzbekistan, a project costing \$1.3 billion. The goal is to sell gas to the Russian markets, and link to Unocal's southern export pipeline crossing Turkmenistan, Uzbekistan and Afghanistan. ([How Much Were Bush and Cheney Involved?](#))

January

8 January 1996: The Government of Maharashtra announces it will accept a renegotiated Power Purchase Agreement with Enron. The business press in India is incredulous. *Business Line*, a major Indian financial paper, calls the renegotiated deal "unacceptably advantageous" to Enron. ([A short history](#); [A short history](#); [How Much Were Bush and Cheney Involved?](#))

April

April 1996: The Center for Indian Trade Unions (CITU), in conjunction with a young energy analyst named Abhay Mehta, files a new law suit challenging the renegotiated Dabhol deal on the grounds that it is unsustainable and was obtained by the filing of fraudulent documents. CITU is concerned about the high cost of the project that will be borne by consumers. ([Enron Does India, Part One: The Contract for the Dabhol Power Project](#))

May

27 May 1996: A minority federal government, headed by the BJP party, is sworn in at New Delhi. It lasts for exactly thirteen days, then resigns before facing a vote of no confidence in the parliament. While the vote of no confidence is in progress, the cabinet meets for a "lunch" and re-ratifies the national government's counter-guarantee on the Dabhol plant, which had been annulled by the cancellation of the agreement. ([Arundhati Roy, Power Politics, p 54](#); [A short history](#))

August

August 1996: The government of Maharashtra signs a new contract with Enron. The earlier contract had involved annual payments to Enron of \$430 million for Phase I (695 megawatts) of the project, with Phase II (2,015 megawatts) optional. The "re-negotiated" Power Purchase Agreement makes Phase II mandatory and legally binds the Maharashtra State Electricity Board (MSEB) to pay \$30 billion to Enron, the largest contract ever signed in the history of India. ([Arundhati Roy, p 54-5, Power Politics](#))

September

September 1996: Greased with over \$1.8 million in contributions from the big three utility companies, California lawmakers unanimously enact deregulation law. Legislation promises competition, 20% decreases. Gov. Pete Wilson signs the bill into law, saying that the "landmark legislation is a major step in our efforts to guarantee lower rates, provide consumer choice and offer reliable service, so no one literally is left in the dark. We've pulled the plug on another outdated monopoly and replaced it with the promise of a new era of competition." ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

December

December 1996: The Center for Indian Trade Unions (CITU) petition against the Dabhol power plant is dismissed. In dismissing the case, the two judges write concerning the corruption charges: "We find enough indications in the Munde Committee report which suggest corruption by those who were responsible for the deal and the PPA." ([Enron Does India, Part One: The Contract for the Dabhol Power Project](#))

10 December 1996: Jeffrey Skilling is named Enron's president and chief operating officer. ([Seeds of a scandal](#))

20 December 1996: Harris County medical examiner, Dr . Elizabeth Johnson, is dismissed as chief of the medical examiner's DNA laboratory. She sues for wrongful termination, alleging that her firing came because she reported the suppression of evidence favorable to a murder defendant and two instances of "sabotage" in the office in late 1995. She said she discovered that film records were destroyed by exposing them to light, and tests were fouled by the mixing of chemical reagents. She also accused a co-worker and prosecutors of trying to cover up evidence of the possible innocence of capital murder suspect Joe Durrett in April 1995. Johnson said the office hid the existence of hair and blood samples from the murder scene while Durrett languished in jail. The Harris County medical examiner's office will perform the autopsy on Enron vice-chairman and chief strategic officer, Cliff Baxter. ([Medical Examiner fired for refusing to falsify evidence- says she suspected a frame-up in case - Prosecutors upset analysis didn't back theory](#))

1997

1997: Barclays de Zoete Wedd bank provides a \$240 million loan and finances an \$11.4 million purchase of equity in Chewco and another Enron special-purpose vehicle [which?]. ([Barclays exec quizzed over Enron](#))

1997: The California Public Employees' Retirement System (CalPERS) decides to get out of the Jedi partnership. Rather than simply pay CalPERS off, Enron sets in motion a convoluted debt plan to raise the money and uses questionable accounting methods to keep the whole matter a secret from shareholders. This enables Enron to hide more than a half-billion dollars in debts. ([CalPERS inadvertently linked to fall of Enron](#))

But here's the catch. While Enron was making billions selling energy stability, they were busy pushing a deregulation agenda across the nation. In Montana, as is well-known, the 1997 Republican-dominated Legislature, at the urging of then-Governor Marc Racicot, suspended the rules of the Legislature to introduce and pass the dereg bill in the last weeks of the session. Suddenly, substituting raw political power for careful policymaking, Montana found itself one of the few western states to leap into dereg—and oh, how we now wish we had looked a lot harder before that tragic leap.

1997: Gov. Marc Racicot, at the behest of Enron, foists energy deregulation on the state of Montana. ([Energy karma - For Enron and dereg, what goes around comes around](#))

1997: The Whitewing partnership is formed as an Enron subsidiary. In 1999, Enron will decide to move Whitewing off its books, which it will accomplish by giving half of the partnership's control to an unnamed investor. ([Enron Raised Funds In Private Offering - Shareholders in Dark, Documents Show](#))

1997: As an advisor for Unocal, Zalmay Khalilzad draws up a risk analysis of a proposed gas pipeline from the former Soviet republic of Turkmenistan across Afghanistan and Pakistan to the Indian Ocean. He participates in talks and social meetings between Unocal and Taliban officials in 1997. Khalilzad will be appointed U.S. special envoy to Afghanistan on 31 December 2001. ([How Much Were Bush and Cheney Involved?](#))

March

March 1997: Enron hires the former boss of a leading staff official at the Securities and Exchange Commission to represent it in negotiations with the agency. In an unheralded five-paragraph order in March 1997 [date?], the S.E.C. official, Barry P. Barbash, gives Enron's foreign operations a broad exemption from the law - the Investment Company Act of 1940. Had Enron not been granted the exemption, some of its operations in South America and in Europe would not have been able to structure financial operations to both conceal them from investors and shift debt off their books. ([1997 Exemption Set Stage for Enron Woes](#))

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April

1 April 1997: The Indian village of Katalwadi, at the forefront of protests against Enron's Dabhol Power project, is attacked by Enron supporters armed with swords, sharpened hoes (colloquially known as "choppers"), wooden sticks, light bulbs filled with acid, and explosive soda bottles. Following the attack, the police arrests and charge the anti-Enron villagers with criminal offenses, including attempted murder, under the Indian Penal Code. The perpetrators of the attack, however, are detained only briefly the following day and are not charged with assault. 1997 sees a number of attacks on people opposed to Enron's power plant. ()

3 April 1997: "You will be meeting with Ambassador Sadyq Safaev, Uzbekistan's Ambassador to the United States on April 8th," writes Enron CEO and Chairman Ken Lay to Texas Governor George Bush. "I know you and Ambassador Safaev will have a productive meeting which will result in a friendship between Texas and Uzbekistan." ([The Smoking Gun Archive](#))

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May

May 1997: Police beat and arrest nearly 180 protesters who are demonstrating peacefully outside the Dabhol Power Corporation gates. ([The Enron Corporation: Corporate Complicity in Human Rights Violations](#))

May 1997: The Supreme Court of India refuses to entertain an appeal against Enron and the Dabhol power plant. ([Power Politics](#))

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June

3 June 1997: Maharashtra police raid a fishing village where many residents oppose the Enron power plant. They arbitrarily beat and arrest dozens of villagers, including Sadhana Bhalekar, the wife of a well-known protester against the plant. They break down the door and window of Bhalekar's bathroom and drag her naked into the street, beating her with batons. Bhalekar is three months pregnant at the time. ([Enron: History of Human Rights Abuse in India](#); [How Much Were Bush and Cheney Involved?](#))

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July

July 1997: [date?] Bush advisor, Karl Rove, arranges a job for Ralph Reed, former executive director of the Christian Coalition, at Enron. ([Associates of Bush Aide Say He Helped Win Contract](#))

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September

September 1997: Enron pays Ralph Reed \$10,000 to \$20,000 a month, the amount varying by year and the particular work. He will work intermittently for Enron until the company collapses. ([Associates of Bush Aide Say He Helped Win Contract](#))

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October

17 October 1997: Ken Lay writes a letter to Bush: "I very much appreciate your call to Governor Tom Ridge a few days ago. I am certain that will have a positive impact on the way he and others in Pennsylvania view our proposal to provide cheaper electricity to consumers in Philadelphia." ([The Smoking Gun Archive](#))

31 October 1997: Nearly two months before formally leaving the Whip's office, Tom DeLay's chief of staff Edwin Alexander Buckham establishes his lobbying firm, Alexander Strategy Group. Under federal law, Buckham is barred from lobbying DeLay or his staff for one year after leaving office. Federal regulations also prohibit a lawmaker or Congressional employee from using his or her official position to solicit employment for when they leave public service. ([DeLay Advisers Reaped Enron Windfall](#))

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November

Significant issues, perhaps ethics, might arise from the 'outside' rather than from the 'inside.' We do not see these as 'internal threats to security,' but view them as champions for special interests to game the system, at the very least through lobbying for changes that might favor their clients...The competitive advantages of knowing the algorithms and positioning to game the market based upon such information would appear to be the biggest threat.

— Carol Malugari, Cal-ISO security official, on the possibility of outside consultants rigging the new California energy market

November 1997: An email from Cal-ISO security official Carol Malugari warns that former state employees or hired consultants could penetrate the complex energy-trading system to favor their new, private employers. The email warns that those who helped set up the system could later "leverage advantages and influence policy changes that might result in advantages for some interests." The e-mail identifies two key people who worked on the system who had close connections to energy companies: Paul Gribik of Texas-based Perot Systems and ISO worker Carl Imparato. They "had intimate knowledge" of the grid's setup, and other employees also had knowledge, the memo says. "[I]t appears that Perot Systems has full access to all aspects of the system, including root password." ([Memo warned of energy 'gaming'](#))

12 November 1997: Two Tom DeLay operatives send a proposal to conduct a national grassroots campaign operated solely at the direction and benefit of Enron. Karl Gallant, a consultant to DeLay's political action committee, and John Hoy, a partner in the California-based consulting firm of Schuman, Hoy & Associates, which worked for DeLay during the 1996 GOP convention, are both veterans of stealth offenses promoting the tobacco industry. ([DeLay Advisers Reaped Enron Windfall](#))

14 November 1997: Enron International's CEO Rebecca Mark unveils an energy plan that includes a \$300 million project to build a pipeline from Dabhol to Hazira and to the North to add 1200 km of complementary pipeline system to the existing HBJ pipeline at a cost of \$900 million. ([How Much Were Bush and Cheney Involved?](#))

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December

The Islamic warriors appear to have been persuaded to close the deal, not through delicate negotiation but by old-fashioned Texan hospitality. Last week Unocal, the Houston-based company bidding to build the 876-mile pipeline from Turkmenistan to Pakistan, invited the Taliban to visit them in Texas...The Taliban ministers and their advisers stayed in a five-star hotel and were chauffeured in a company minibus...The men, who are accustomed to life without heating, electricity or running water, were amazed by the luxurious homes of Texan oil barons. Invited to dinner at the palatial home of Martin Miller, a vice-president of Unocal, they marvelled at his swimming pool, views of the golf course and six bathrooms. After a meal of specially prepared halal meat, rice and Coca-Cola, the hardline fundamentalists - who have banned women from working and girls from going to school - asked Mr Miller about his Christmas tree.

December 1997: Unocal executives fête Taliban ministers at their homes in Texas. ([Oil barons court Taliban in Texas; Taleban in Texas for talks on gas pipeline](#))

9 December 1997: The Enron executive committee approves a buyout - that includes a corporate guarantee of \$633 million - of the interest of the California public employees pension fund in the JEDI partnership. ([Enron Directors Backed Moving Debt Off Books](#))

20 December 1997: Edwin Buckham leaves Tom DeLay's staff but is immediately hired as a consultant for the lawmaker's leadership PAC, Americans for a Republican Majority. ([DeLay Advisers Reaped Enron Windfall](#))

30 December 1997: The Chewco transaction closes. ([Seeds of a scandal](#))

1998

1998: Unocal cancels plans to exploit massive natural gas deposits in Turkmenistan. ([Hell to pay](#))

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1998: California utilities begin taking steps to divest themselves of power generation plants. Rates they can charge consumers are capped until the utilities complete that task, expected in 2002. ([Chronology of California's power crisis](#))

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1998: In email, George Serice, an executive with Chase Global Syndicated Finance Group in Houston, writes that "Enron loves these deals." He adds that Enron officials "are able to hide funded debt from their equity analysts because they (at the very least) book it as deferred [revenue] or (better yet) bury it in their trading liabilities." Another memo from the

same Chase group notes that "we have become the first stop for Enron for this type of transaction." ([Loans Hidden, Enron Probers Say](#))

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1998: To hawk the new Enron Energy Services venture to Wall Street at a 1998 conference, Enron builds a make-believe command center and orders employees to act like they are cutting deals months before it will become operational. Ken Lay, Jeff Skilling and Thomas White lead a rehearsal the day before the show opens. Former Enron senior director Joseph Phelan calls the stage-managed war room Enron's "Potemkin Village," a reference to the sham villages set up by Russian general Grigory Potemkin to impress Catherine the Great when she toured the Crimea in 1787. Others refer to it as "The Sting," a reference to the 1973 movie about an elaborate confidence game. ([Enron Built Fake Nerve Center; Enron's classic con job worthy of 'The Sting'; Ex-Enron Staff Tie Army's White To Unit's Deceptions](#))

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January

January 1998: At his home in Sugarland, Texas, Tom DeLay reviews plans to have Enron bankroll a new grassroots operation to promote energy deregulation with three of his operatives: Ed Buckham, who has just left the Congressional payroll as DeLay's chief of staff while simultaneously launching his own lobbying firm; Karl Gallant, a consultant to DeLay's political action committee; and John Hoy, a partner in the California-based consulting firm of Schuman, Hoy & Associates, which worked for DeLay during the 1996 GOP convention. Shortly after this meeting, a coalition financially dominated by Enron, called Americans for Affordable Electricity, will award a \$750,000 contract to DeLay's operatives. ([DeLay Advisers Reaped Enron Windfall](#))

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February

2 February 1998: A jury returns a \$315,000 judgment against Harris County, Texas, ruling that the Medical Examiner's Office wrongly fired DNA lab director Dr. Elizabeth "Libby" Johnson for speaking out about abuses in the office. She accused the office of bias toward law enforcement and prosecutors, and called for an investigation into allegations of the suppression of evidence and two instances of sabotage of tests in the lab. The jurors deliberated less than two hours. The Harris County medical examiner's office will perform the autopsy on Enron vice-chairman and chief strategic officer, Cliff Baxter. ([Victory for Crime Lab Director accusing TX Lab of abuses](#))

12 February 1998: Testimony of John J Maresca, vice-president, international relations, Unocal Corporation is heard by the House Committee on International Relations and the Subcommittee on Asia and the Pacific regarding "a proposed extension (of the proposed trans-Caspian pipeline) would link with the SUI pipeline system, moving gas to near New Delhi, where it would connect with the existing HBJ pipeline..." ([How Much Were Bush and Cheney Involved?](#))

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March

March 1998: Competition is supposed to begin in the deregulated California energy market. California electricity consumers may choose alternative energy providers. Per deregulation law, retail electricity rates are frozen at historically high 1996 level, more than 40% above national average through 2002. California's three private utilities - Southern California Edison, Pacific Gas & Electric and San Diego Gas & Electric - begin surcharging ratepayers to pay off previous debts incurred through mismanagement, poor regulation and cost overruns on nuclear plants. This is the first utility bailout. Fewer than 3% of residential customers leave their own utility companies. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

Tom White was there every step of the way. He was the leader.

— Steve Barth, former vice president of special projects for EES, on mark-to-market accounting practices approved by Thomas White

March 1998: Thomas E. White, Enron Energy Services (EES) vice chairman, approves the use of "aggressive" accounting methods that eventually will make the unit appear profitable when it actually isn't. He will continue to approve these methods until he is appointed Secretary of the Army by Bush in May 2001. ([Ex-Enron Staff Tie Army's White To Unit's Deceptions](#))

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April

April 1998: Enron European chief executive Mark Frevert meets Geoff Norris, Mr Blair's senior energy adviser in the Downing Street policy unit, in No 10 to discuss the future of British energy policy. In a separate meeting on the same subject, Enron International's chief operating officer Jeffrey Skilling meets Ed Balls, the chancellor's chief economic adviser, at the Treasury. ([No 10 did not reveal all Enron talks](#))

April 1998: Tom DeLay publicly describes himself as "re-energized" about the chances for his deregulation legislation, even though the bill is buried in the House Energy and Commerce Committee. Former Rep. Tom Bliley (R-Va.), the panel's chairman at the time, jokingly refers to DeLay's legislation as "the Enron bill." DeLay continues to push his legislation, with Enron's help. The Majority Whip even calls a "Power Summit" in Houston to urge adoption of his plan, which would open all U.S. electricity markets to competition within a year, a potentially huge victory for Enron. ([DeLay Advisers Reaped Enron Windfall](#))

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May

May 1998: Enron executives meet the then paymaster general, Geoffrey Robinson, and Welsh minister Peter Hain. Keith Vaz, former minister for Europe, yesterday said he had no recollection of a claimed meeting with company representatives to discuss European energy policy. ([No 10 did not reveal all Enron talks](#))

4 May 1998: Under Argentine President Carlos Menem, Enron's wholly owned Argentine subsidiary, Enron Comercializadora de Energia Argentina, is "granted the first power marketer license in Argentina," permitting Enron to buy and sell electricity. Scott Porter, executive secretary of Enron International, calls the license, "an important step in Enron's strategic efforts to establish marketing operations in Latin America and to further participation in the future integration of the Southern Cone's energy markets." ([With help from a friend, Enron fleeces South America;](#))

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June

June 1998: [June?] Tony Blair actively intervenes to water down a moratorium on gas-fired power stations after direct lobbying from energy companies, including Enron. Downing Street played a crucial role in rewriting a review of energy policy which called for a freeze on building new gas-fired plants. Former Paymaster General Geoffrey Robinson's memoirs record the sudden intervention of the Prime Minister "right at the last moment". According to Mr Robinson's account, Downing Street refused to approve the conclusions of a six-month-long review conducted by the Department of Trade and Industry (DTI) and the Treasury in 1997 which called for a halt to the consents policy for more gas-fired plants. Mr Robinson asserts that Mr Blair, after direct lobbying from multinational energy companies, instructed the Cabinet Office to launch a rearguard action and review his own ministers' painstaking work. Downing Street's intervention led to the redrafting of a statement by Margaret Beckett, at the time the Trade and Industry Secretary, made in June 1998, so it was more acceptable to the energy companies. The revelations, in the book Unconventional Minister by Mr Robinson, who played a key role in the energy review, puts Downing Street under fresh pressure to reveal the extent of its dealings with Enron before its collapse. Mr Robinson said that the multinational energy companies had a direct line to lobby Number 10, bypassing the DTI and the Treasury. ([Blair 'weakened' gas policy after Enron lobbying](#))

17 June 1998: On the Yahoo board for Enron, JanisJoplin298 writes that Enron's financial structure is highly complex. The company "could just as easily bring greater shareholder value by simplifying the capital structure and clearly articulating its deals." ([The Bears on This Message Board Had Enron Pegged](#))

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July

July 1998: Turkmen Minister of Oil and Gas Arazov announces Turkmenistan's selection of Enron to carry out a feasibility study funded by the Trade and Development Agency for a trans-Caspian gas pipeline. The State Department is pleased. ([How Much Were Bush and Cheney Involved?](#))

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August

August 1998: Five months after ascending to CFO of Enron, Andrew Fastow pays \$289,000 for 68 wooded acres with a cabin near Norwich, Vt. The mortgage will be paid off in March 2000. ([Architects of Enron's rise bred its demise](#))

20 August 1998: U.S. Tomahawk cruise missiles target Kandahar Afghanistan and sites believed to be Osama bin Laden's training camps. Shortly after, the UN imposes sanctions on Afghanistan that isolate the nation. ([How Much Were Bush and Cheney Involved?](#))

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October

October 1998: A message on the Yahoo Enron board message says that under Ken Lay, Enron has "developed a flashy reputation. He has not delivered value. His management team is smoke and mirrors." ([The Bears on This Message Board Had Enron Pegged](#))

28 October 1998: "Look at the lease obligations in the footnotes of the 10-K. There are a lot of liabilities that are not included in the balance sheet numbers" writes an anonymous poster on Yahoo's Enron discussion board. The author continues: Add these liabilities to the balance sheet and "you might think a little differently about the valuation of ENE." ([The Bears on This Message Board Had Enron Pegged](#))

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December

December 1998: Steven Gary Todoroff, director of marketing and trading at Enron subsidiary EOTT, negotiates a contract exchanging 100,000 barrels of butane gas between EOTT and Petrogas, Inc. Todoroff diverts the butane from Petrogas to a company he owns and sells it for almost \$1 million, which he places in a personal account. He will plead guilty to money laundering on 16 May 2002. ([Ex-Enron-subsiary executive pleads guilty in money laundering](#))

1999

1999: Enron's entrance into Colombia is mired by a political scandal that leads to the resignation of the president of state oil concern Ecopetrol, Carlos Rodado Noriega. Rodado accuses Enron of trying to coerce him into signing a contract for a pipeline to export Colombian gas to Panama at floating prices. In a debate in the Colombian Congress, he denounces the \$300 million contract for a gas pipeline from Guajira to Columbus and refuses to sign "a harmful contract for the interests of the company and the country." His denunciations are effective, and the contract is not signed, saving Ecopetrol an estimated \$700 million. Enron holds a 43% stake in Colombian gas distribution company Promigas. ([Latin America: Enron Fallout is a Hot Issue](#); [El ABC de Enron](#))

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1999: Enron decides to move its Whitewing partnership off its books, which it will accomplish by giving half of the partnership's control to an unnamed investor. The arrangement allows Enron to escape reporting losses on some assets that are no longer worth what Enron originally paid for them, according to some company officials. Such losses would hurt Enron's stock price, as investors believe Enron is succeeding in its shift to becoming a trading firm. In her August 2001 letter warning Lay about "accounting scandals," Enron Vice President Sherron Watkins will cite "valuation issues with our international assets" that could be written down in future financial reports. Enron will have to "pony up stock" to Whitewing in 2003, she will say, "and that won't go unnoticed." ([Enron Raised Funds In Private Offering - Shareholders in Dark, Documents Show](#))

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What our investigation has uncovered is that Enron did not weave its elaborate web alone. Without the support and assistance of major financial institutions, Enron could not have engaged in the extent of the deceptions that it did.

— Carl Levin, Senator (D-MI), on the complicity of banks in concealing Enron debt

1999: Merrill Lynch purchases a Nigerian barge system from Enron for \$7 million, a deal that helps Enron artificially polish its financial statements at the end of 1999. Merrill will sell the barges to LJM2 Co-Investment LP, a partnership run by Enron Chief Financial Officer Andrew S. Fastow, for the same price it paid for them. Schuyler Tilney, managing director of Merrill's Global Energy and Power group, will play a key role in engineering the deal. ([Merrill Suspends Banker For Refusing to Testify](#); [Silence on Enron earns rebuke for Merrill exec](#))

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1999: Phase I of Enron's Dabhol power plant comes online. ([A short history](#))

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January

25 January 1999: Human Rights Watch releases a report that indicates human right violations have occurred as a result of opposition to the Dabhol Power project. Beginning in late 1996 and continuing throughout 1997, leading Indian environmental activists and representatives of villagers' organizations in the affected area organized to oppose the project and, as a direct result of their opposition, were subjected to beatings, repeated short-term detention and were not paid. ([How Much Were Bush and Cheney Involved?](#))

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February

February 1999: A joint agreement is signed by Turkmenistan and two American companies, Bechtel and GE Capital Services, to build a \$2.5 billion trans-Caspian pipeline, after Enron conducted a feasibility study. ([How Much Were Bush and Cheney Involved?](#))

February 1999: Azurix lobbyist James Garner seeks a meeting between Azurix and the new Florida governor, Jeb Bush. Bush had previously asked for Garner's recommendations to fill slots within the water management districts. But in an interoffice e-mail obtained under Florida's Sunshine law, it is clear that Garner has another goal for the meeting. Garner wants to discuss "public/ private partnership with Enron in which he has an interest - specific to water supply development." The meeting is postponed until September 1999. ([Dead in the Water: Enron's grab for Florida's water was factor in collapse](#))

7 February 1999: The audit committee of Enron's board of directors gathers in London to hear some rather startling news: the company's auditors describe Enron's accounting practices as "high-risk." David B. Duncan, who heads up the Arthur Andersen LLP team at the company, informs the committee that Enron's accounting is "pushing limits" and is "at the edge" of acceptable practice. None of the directors objects to the procedures described by the auditors, requests a second opinion, or demands a more prudent approach. Similar briefings by Andersen officials will occur once or twice each year from 1999 through 2001 with the same result: The auditors will tell board members that Enron is following high-risk accounting and no one will drill deep enough to learn the details or object. ([No Excuses for Enron's Board](#))

April

April 1999: Ken Lay sends letters to executives asking for contributions to the Bush campaign, including what some call a menacing reference to compensation as highly paid employees. More than 100 other Enron executives, and many spouses, will give "hard money" contributions to Bush, much of it during the campaign's critical early money phase. Some will acknowledge in interviews that they gave solely because they got Lay's pointed letter. The contributions help Lay fulfill his commitment as a Bush "Pioneer," the campaign's term for its top rainmakers. Bush will collect nearly \$114,000 in individual and political action committee contributions from Enron in 1999-2000 ([Hard Money, Strong Arms And 'Matrix'](#))

April 1999: Enron's plan to feed the Dabhol plant with liquefied natural gas (LNG) from Qatar, where Enron has a joint venture with the state-owned Qatar Gas and Pipeline Company, falls through. The project is cancelled because of the global oil and gas glut. The Qatar project is one of the reasons why Enron selected India to set up Dabhol: it has to ensure that its Qatar gas does not remain unsold. With Qatar gone, Enron has no inexpensive source of LNG. One of its only options is a trans-Afghan pipeline built by Unocal. ([The Puzzle of the Enron Coverups](#))

June

10 June 1999: Enron's Azurix subsidiary raises \$695 million in a public stock offer. ([Dead in the Water: Enron's grab for Florida's water was factor in collapse](#))

Mr. Skilling noted that due to changes in the accounting treatment of off-balance-sheet transactions, the company had been analyzing new types of financing vehicles. He called on Mr. Fastow to discuss the proposal.

— Ken Lay, Enron CEO, as described in Enron meeting minutes

28 June 1999: At a special Enron board meeting, Ken Lay calls on Andrew Fastow and Jeff Skilling to discuss the creation of a partnership to help the company hedge against risky investments, including shares in a young DSL provider, Rhythms NetConnections. The partnership needs to be independent from Enron in order for the hedge to work, so Fastow tells other Enron officials he will personally invest \$1 million in the partnership and get \$15 million from outside investors. Fastow will serve as the managing partner of LJM Cayman, a move that will require Enron's board of directors to waive its ethics code. The Enron board waives its ethics rules and appoints Fastow as general partner of the first LJM partnership. Fastow solicited Credit Suisse First Boston and National Westminster as investors. CSFB created an entity called ERNB Ltd. to channel \$7.5 million to LJM Cayman, while National Westminster created Campsie Ltd. to deliver its \$7.5 million investment. That \$15 million, combined with Fastow's \$1 million, was used to essentially purchase warrants for 3.4 million Enron shares. The parties then used 1.6 million of those shares to create yet another partnership, named Swap Sub. Enron partnership Swap Sub enters into a hedge agreement with Enron where it purchases the right to buy up to 5.4 million shares of Rhythms NetConnections stock. The idea is that if the value of the Rhythms stock declines, Swap Sub will make up the difference Enron lost on that stock. ([More light may be shed on Enron; Enron Directors Backed Moving Debt Off Books; Seeds of a scandal](#))

30 June 1999: Andrew Fastow solicits Credit Suisse First Boston and National Westminster as investors in the LJM partnership. CSFB creates an entity called ERNB Ltd. to channel \$7.5 million to LJM Cayman, while National Westminster creates Campsie Ltd. to deliver its \$7.5 million investment. That \$15 million, combined with Fastow's \$1 million, is used to essentially purchase warrants for 3.4 million Enron shares. The parties then use 1.6 million of those shares to create

yet another partnership, named Swap Sub. Enron partnership Swap Sub enters into a hedge agreement with Enron where it purchases the right to buy up to 5.4 million shares of Rhythms NetConnections stock. If the value of the Rhythms stock declines, Swap Sub will make up the difference Enron lost on that stock. ([More light may be shed on Enron](#))

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July

July 1999: San Diego Gas & Electric (SDG&E) customers pay off the utility's past debts. The statutory rate freeze is lifted for customers of SDG&E, making it the first region with both wholesale and retail deregulation. Customers' electricity prices are no longer limited by state law. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

21 July 1999: Enron subsidiary Azurix sets up a two-day Marco Island seminar for public sector water officials. Speakers include two top Enron-Azurix executives, a consultant, and the chief of Jeb Bush's Department of Environmental Protection, David Struhs. Topics are privatization of water supplies and use of an aquifer storage and recovery system developed by Azurix. ([Dead in the Water: Enron's grab for Florida's water was factor in collapse](#))

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September

21 September 1999: Leaders of Enron subsidiary Azurix Corp. make Florida Governor Jeb Bush an extraordinary offer: They will help pay Florida's multibillion-dollar share of the restoration effort to replumb and revive the Everglades - if they can then sell water captured by the project. The water privatization scheme is not implemented. In two weeks, Bush will appoint Azurix lobbyist James Garner III to the Governor's Commission for the Everglades. ([How Enron Sought to Tap the Everglades](#); [Letter to Florida Gov. Jeb Bush: About You and Enron](#); [How Enron Sought to Tap the Everglades](#))

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October

October 1999: Colombian president Andrés Pastrana meets with the executives of the principal oil and electricity companies in the United States. The meeting is held in Houston and coordinated by Governor George W Bush. Pastrana promises major oil and gas exploration concessions and the continuation of the privatizations in the electricity sector, part of which is already property of one of the represented companies, Reliant Energy. Also present is Enron, the main owner of household gas networks in Colombia, and other major players in the oil industry. ([Plan Colombia: Throwing Gasoline on a Fire](#))

October 1999: Enron subsidiary Azurix proposes an Everglades water privatization plan to the South Florida Water Management District ("Softmud"). Azurix proposes to Softmud that the company would pay to build several massive plants to manage water. Those plants could help provide water to South Florida while improving flow into the Everglades, which has been tapped as a supply to the point of crisis. The water plants would feature injection sites that would pump water into the aquifer in order to replenish the underground supply on its way into the Everglades. On a statewide scale, Azurix seeks to convince local governments to employ the company to build and operate Aquifer storage and recovery systems. ([Dead in the Water: Enron's grab for Florida's water was factor in collapse](#))

11 October 1999: Enron CFO Andrew Fastow discusses the company's mix of "on-balance and off-balance sheet debt" with the board of directors, according to meeting minutes acquired by the *Washington Post*. A board resolution says one purpose of the LJM2 partnership is to create "a potential ready purchaser of the company's businesses and assets."

([Enron Directors Backed Moving Debt Off Books](#))

12 October 1999: Enron outside director Herbert Winokur - now a member of the board's special investigating committee - recommends that the board approve Fastow's participation in the LJM2 partnership. ([Enron Directors Backed Moving Debt Off Books](#))

26 October 1999: EnronOnline is launched. ([Seeds of a scandal](#))

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November

November 1999: Enron purchases 5.1 percent of the company that operates the country's sole long-distance gas pipeline, which runs from the offshore gas fields in the Bombay High area to the country's capital, New Delhi. ([How Much Were Bush and Cheney Involved?](#))

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December

December 1999: Enron wins another significant decision from federal regulators: Order 2000. Under this order, the commission asks local electric companies to join "regional transmission organizations" to coordinate the flow of power

from state to state. This eliminates some of the "tolls" on the energy superhighway and makes the trading of energy contracts even easier. ([Enron made a sound investment in Washington](#))

December 1999: Enron executives urge employees to invest all their retirement money in Enron stock at a videotaped company meeting. A woman who is identified only as "Cindy" on the video responds "absolutely" when asked by an employee, "should we invest all of our 401(k) in Enron stock?" Skilling nods his head in agreement to the word "absolutely." Enron executive Cindy Olson will testify on 5 February 2002 that the company was legally prohibited from giving investment advice to employees. ([Videotape Shows Enron Management Urging Employees to Invest All Retirement Money in Enron Stock: Congressman](#))

The document is extremely damaging. It's a memo that is potentially incriminating. The documents showing that Merrill Lynch executives foresaw the risk that could be viewed as assisting Enron's fraud could lead prosecutors to say this is a knowing violation.

— John Coffee, securities law professor at Columbia University School of Law, on Merrill Lynch's complicity in Enron's fraudulent accounting practices

12 December 1999: Merrill Lynch's senior finance chief, James Brown, writes that Merrill's tentative deal with Enron to invest in the so-called Nigerian Barge power generators represents "reputational risk *i.e.* aid/abet Enron income stmt [sic] manipulation." The note is scrawled on a fax cover sheet by Brown, just days before the deal will be inked, handing Enron \$12 million for its bottom line. ([Smoking Memo](#))

This was absolutely a sham transaction, and it was an 11th hour deal. We did this deal to get 1999 earnings.

Anonymous Enron executive, on the sham energy deal with Merrill Lynch

30 December 1999: Enron's chief accounting officer, Richard A. Causey, writes a letter to Merrill Lynch & Co., finalizing a sham energy deal that lets Enron book \$60 million of profit for the fourth-quarter. Without these sham energy trades, Enron will miss analysts' profit expectations, likely causing a fall in Enron's stock price. For its role in the deal, Merrill will receive about \$8 million from Enron in April 2000. Merrill Lynch's sales force is also actively promoting Enron's stock and Merrill's private equity group is asking investors to contribute over \$250 million to one of Enron's off-balance-sheet partnerships [which?]. Merrill executives are so concerned about Enron's accounting for the deal that they demand a letter signed by Causey, stating that Enron did not rely on Merrill Lynch for accounting advice. Andersen accountants oppose the final deal and warn Enron that if no gas is delivered in 2000, they might force the company to restate its 1999 earnings. The hurried deal involves a series of complex gas and power trades, and with time winding down on the fourth quarter, Enron has put pressure on Merrill and the Andersen accountants to rush it through. People have worked 14-hour days to finish the complicated transaction in just 10 days. The effort has been headed up by J. Clifford Baxter, the chairman and chief executive of Enron North America, whose body will be found on 25 January 2002. One of his contacts on the deal at Merrill is Schuyler M. Tilney, who will invoke his Fifth Amendment right against self-incrimination and refuse to testify before the Senate Permanent Subcommittee on Investigations on 26 July 2002. By allowing the company to meet its internal profit targets, the power deal triggers the payment of millions of dollars in bonuses and restricted stock to high-ranking executives, including Ken Lay and Jeff Skilling. ([Ex-Executives Say Sham Deal Helped Enron](#))

2000

They made their pipeline and then violated their word.

— Carlos Cuasace, president of the Chiquitano Indigenous Organization, on Enron's failure to deliver promised land deeds in Bolivia

2000: Hundreds of indigenous protesters in Bolivia block access to three Enron construction camps for 16 days, after Enron fails to deliver promised land titles as part of a compensation package for allowing the pipeline to be built through Indian territory. The Chiquitano and Ayoreo indigenous communities, who number some 58,000 inhabitants and have historical land claims of some 37 percent of the Chiquitano forest, will still not have received their land deeds from Enron by June 2002. ([Enron keeps role in Bolivia pipeline project Criticism grows -- records missing](#))

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2000: While the Argentine economy plunges deeper into recession and 80 percent of the population falls below the poverty line, Eduardo Ojea Quintana, CEO of TGS crows that "our revenues increased a record 11 percent - the highest revenue growth since the commencement of our operations." Argentina's energy regulatory agency, known by its acronym ENARGAS, pleads with Enron to postpone a rate increase pegged to the U.S. producer price index. Like the pegging of the Argentine peso to the dollar, this rate increase will be ruinous for the fragile and depressed Argentine

economy. Quintana brushes aside this request. "We will maintain the firm position of strictly applying the clauses agreed upon in the privatizing process," he wrote to Enron shareholders. "Any violation of them would imply serious damage to the country's credibility." ([With help from a friend, Enron fleeces South America;](#))

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2000: Over several meetings in 2000, the board's compensation committee approves \$750 million in cash bonuses to Enron executives, in a year when the company reports a net income of \$975 million. The directors hand over an amount equal to more than three-quarters of reported profits to salaried managers--at the expense of the shareholders. ([No Excuses for Enron's Board](#))

February

February 2000: "This whole [LJM] deal looks like there is no substance," writes Andersen partner Carl Bass, of the Professional Standards Group, in an internal email. He expresses concerns that Enron deals involving the special-purpose entities are fraudulent. He believes the transactions are not within the rules and that off-the-books partnerships should be consolidated with Enron's financials. ([Enron Documents Indicate Possible Cover-Up](#))

7 February 2000: Three big Texas energy producers, all of which made lavish contributions to George W. Bush's presidential campaign, stand to gain from soaring electricity prices in California. That's one reason the watchdog group Public Citizen says Bush has no interest in promoting price caps, even though such caps are recommended by Republican as well as Democratic governors and members of Congress. ([Bush's Biggest Donors Gain From High Prices in California Crunch](#))

14 February 2000: A presentation to El Paso Corporation's chief executive, William A. Wise, describes the rationale for one El Paso subsidiary to buy a large amount of capacity on the pipeline to California owned by another El Paso subsidiary. The presentation outlines what it terms "strategic advantages" of the deal, including "more control of total physical markets" and the "ability to influence the physical market to the benefit of any financial/hedge position." Under the heading "Challenges," the presentation also states that storage is "needed to help manipulate physical spreads, adding to the overall transport/storage cost." ([Signs of Abuse Seen by Judge in Gas Case](#))

19 February 2000: David Bermingham, Gary Mulgrew and Giles Darby, investment bankers at National Westminster Bank, plan to execute a fraudulent deal with Andrew Fastow and Michael Kopper, using Enron's Southampton and LJM partnerships. A series of emails and a pitch to Fastow ensue over the next few days, detailing how they can engineer a deal to allow them to profit personally from increased value in the LJM Cayman subsidiary Swap Sub, by tricking NatWest into selling it. Bermingham e-mails Mulgrew and Darby: "Story looks compelling, and even Andy [Fastow, Enron's chief financial officer] would have trouble arguing that the benefit split is anything other than equitable. For your info, our minimum profit per these slides would be \$8 million, rising to \$17 million for the middle bit, and then finally up to around \$30 million. Everybody wins ... Even the LPs [the limited partners Campsie and ERNB] don't end up looking too shabby." ([3 British Bankers Are Accused of Fraud in Offshoot of Enron Case](#); [The e-mail trail](#))

20 February 2000: David Bermingham e-mails Gary Mulgrew to say he cannot guarantee Fastow a \$25 million profit — an amount he apparently thinks will push the Enron executive to do the fraudulent deal: "If I knew there was a realistic way to 'lock in' the \$40 million and give him \$25 million, we would also jump all over it I guess, since it would give us \$15 million ... I will be the first to be delighted if he has found a way to lock it in and steal a large portion himself ... We should be able to appeal to his greed." ([The e-mail trail](#))

21 February 2000: David Bermingham e-mails Gary Mulgrew and Giles Darby: "This in an attempt to head the obvious off at the pass and keep the lid on the thing. Large numbers of people are asking what we are up to. I hate lies." Bermingham forwards the e-mail to a NatWest employee: His message adds that Darby and Mulgrew are going to Houston, Texas, to do a deal and that their boss was "in the loop", but that the other employee should "not speak to anyone" and should "just act dumb please". ([The e-mail trail](#))

22 February 2000: Giles Darby, Gary Mulgrew and David Bermingham travel to Houston. The three make a presentation to Fastow. Darby tells colleagues not to worry because they are "going to get rich". ([The e-mail trail](#))

23 February 2000: Enron CFO Andrew Fastow buys a \$1.32 million property in River Oaks. New construction comes to \$1.53 million. No mortgage is recorded. ([Architects of Enron's rise bred its demise](#))

26 February 2000: David Bermingham e-mails Gary Mulgrew on the tax consequences of the coming deal: "We know the minimum profit of CayCo [the Southampton K company they set up for the deal] will be \$7 million". Mulgrew writes back: "I understand (it's so much easier to focus when it's your own dough)." ([The e-mail trail](#))

March

March 2000: Enron president Jeff Skilling moves treasurer Jeff McMahon to another position in the company after McMahon raises concerns about Enron deals with the Raptor partnerships. ([House Panel Chairman Sees Illegal Enron Acts](#))

March 2000: Fastow pays off the mortgage on his Vermont estate, purchased in August 1998. ([Architects of Enron's rise bred its demise](#))

March 2000: Andersen partner Carl Bass writes a memo outlining issues with an Enron deal involving the Blockbuster unit of Viacom, the Raptor transactions structured by former Enron Chief Financial Officer Andrew Fastow, and other matters. ([Enron Documents Indicate Possible Cover-Up](#); [Andersen Partner Raised Enron Alarm in '99](#))

March 2000: In a meeting in the Cayman Islands [date?] Giles Darby, one of three investment bankers at National Westminster Bank proposes that the board of Campsie agree to sell its interest in LJM Cayman subsidiary Swap Sub for \$1 million — far less than the investment is worth. David Bermingham, a banker at National Westminster Bank, and a Campsie board member, votes to approve the sale. In a few days [date?] Michael Kopper of Enron sends a letter to Darby with a formal offer to buy Campsie's interest in Swap Sub for \$1 million. On the same day, Darby prepares a memorandum advising his superior that the Swap Sub investment could not make any profit until 2004. ([3 British Bankers Are Accused of Fraud in Offshoot of Enron Case](#))

1 March 2000: An anonymous posting on the Yahoo Enron group reads: "Dig deep behind the Enron financials and you'll see a growing mountain of off-balance-sheet debt which will eventually swallow this company. There's a reason they layer so many subsidiaries and affiliates. Be careful." Enron stock is trading at \$69. ([The Bears on This Message Board Had Enron Pegged](#))

17 March 2000: The efforts of investment bankers Gary Mulgrew, Giles Darby and David Bermingham, and Enron executives Andrew Fastow and Michael Kopper, to defraud National Westminster Bank out of \$7.3 million of its holdings, bear fruit. Southampton, the partnership secretly owned by Fastow, Kopper and other Enron executives, buys Swap Sub, an LJM Cayman subsidiary, for \$1 million, far less than the investment is worth. The three bankers profit handsomely through a related entity called the Southampton K Company. ([3 British Bankers Are Accused of Fraud in Offshoot of Enron Case](#))

At some point in my development, I began to reject reductivist approaches in favor of one capable of evoking the complexity, venality and occasional brutality of the times. What emerged was a study of 'irregular' financial transactions, with special emphasis on those undertaken in secret by select groups of influential yet silent partners.

— Mark Lombardi, artist, on his diagrams of the shadow government

22 March 2000: Artist Mark Lombardi is found dead in his apartment, hanged. He had made a splash in the New York art community by diagramming the covert relationships among US and Saudi power elites; one of his pieces specifically dissects the connections between the Bush family and the bin Laden family ("George W. Bush, Harken Energy, and Jackson Stevens, c. 1979-1990"). Although his friends believe he was murdered, his death is ruled a suicide. ([in memoriam](#); [Mark Lombardi, 48, an Artist Who Was Inspired by Scandals](#); [Bush Body Count](#); [Mark Lombardi](#); [Toward a Diagram of Mark Lombardi](#); [Mark Lombardi](#); [Mark Lombardi - In Memory](#))

28 March 2000: A memo "to the files" concerning the Raptor transaction from David Duncan, Andersen's top partner on the Enron account, and others is written to back the auditors' conclusion that the LJM2 partnership is not in fact just another part of Enron under the rules for special-purpose entities. It will be "amended" on 21 October 2001 - just days before Enron will begin the disclosure of its partnership accounting, leading to its bankruptcy - apparently to read, "Carl Bass of the Professional Standards Group who concurred with our conclusion." ([Enron Documents Indicate Possible Cover-Up](#))

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April

April 2000: Lay is a \$250,000 sponsor of the GOP's fundraising gala in Washington. He also helps raise money for a literacy charity headed by Barbara Bush, mother of George W. Bush. ([Enron made a sound investment in Washington](#))

7 April 2000: A federal jury awards \$250,000 to Marilyn Murr Doyle, a former Harris County pathologist who said she was fired in 1998 for blowing the whistle on what she considered illegal activity in the medical examiner's office. The award marks the second time a jury has sided with a fired worker in the medical examiner's office who crossed Dr. Joye Carter to report problems in that county office. Dr. Joye Carter will perform the autopsy on Enron vice-chairman and chief strategic officer, Cliff Baxter. ([Whistle-blower gets \\$250,000 judgment](#))

18 April 2000: The Raptor partnership is formed. It is the first of four that will hide \$1 billion in losses. ([Seeds of a scandal](#))

28 April 2000: The fraudulent Swap Sub transaction pays off quickly. Fastow calls Gary Mulgrew and tells him that he and the other two bankers have just made \$7 million. The total amount — \$7.3 million — will be wired to a Southampton K account at the Bank of Bermuda on 1 May 2000. ([3 British Bankers Are Accused of Fraud in Offshoot of Enron Case](#))

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May

May 2000: Alberto Gonzales is the author of a Texas Supreme Court opinion that hands the energy industry one of its biggest Texas legal victories in recent history. In Bernal vs. Southwestern Refining, Texas justices, voting 6-3, throw out a class-action suit by 885 Corpus Christi homeowners whose families were harmed and property damaged by heat, smoke and toxic fumes in a 1994 refinery tank explosion. The day the ruling is released, Gonzales' campaign treasury records a check from the Petroleum Club - a private oilman's business club in Midland - for refreshments at a reception. Enron and Enron's law firm were Gonzales' biggest contributors in his 2000 judicial election, giving \$35,450. All told, Gonzales' campaign amassed \$102,838 from energy interests. Gonzales will be appointed White House counsel when Bush takes office. ([New Bush Tie to Enron](#))

May 2000: Maharashtra Electricity Regulatory Committee (MERC) rules that no power should be bought from Enron, deciding that it is cheaper to just pay Enron for the mandatory fixed charges for maintenance and administration of the Dabhol plant than to actually buy any of its exorbitantly priced power. The fixed charges alone are about \$220 million per year for the next twenty years. The power produced by the Dabhol plant is twice as expensive as the nearest competitor, and seven times as expensive as the cheapest power available in Maharashtra. ([Arundhati Roy, Power Politics, p 56,](#))

1 May 2000: Money from Fastow's fraudulent Swap Sub transaction — \$7.3 million — is wired to a Southampton K account at the Bank of Bermuda. According to Robert McCullough, a Portland, Ore.-based economist, the Southampton partners may have earned more than this, however. A split in Enron's stock in August 1999 doubled the number of shares in Swap Sub from 3.4 million to 6.8 million. When Swap Sub is finally unwound, these additional 3.4 million shares, plus 300,000 left over, are never accounted for. If the stock was valued at about \$80 at that time, there is about \$233 million in value that has yet to be accounted for. ([3 British Bankers Are Accused of Fraud in Offshoot of Enron Case](#); [More light may be shed on Enron](#))

1 May 2000: Enron CFO Andrew Fastow informs the board of directors about the risk of "accounting scrutiny" on the Raptor partnership. A chart labeled "LJM2 Update," attached to the agenda for a finance committee meeting, says the partnership had made seven investments, all purchased from Enron. ([Enron Directors Backed Moving Debt Off Books](#))

2 May 2000: Harris County Commissioner Steve Radack places an item on the county court's agenda calling on the county to hire a law firm "to form an outside review of the employment practices of the medical examiner's office." Radack says he wants "to find out a very respectable law firm's opinion of what's going on over there." Chief Medical Examiner Dr. Joye Carter will perform the autopsy on Enron vice-chairman and chief strategic officer, Cliff Baxter. ([Legal review of examiner's office sought](#))

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June

June 2000: Colombia announces its largest oil discovery since the 1980s. The announcement confirms a deposit about 55 miles southwest of Bogotá. An international consortium led by Canadian Occidental Petroleum expects as much as 300 million barrels from the oilfield, called Boquerón, making it the nation's third-largest deposit. ([Oil Rigged](#))

June 2000: Enron spends up to \$940,000 lobbying for *S. 2522, Ex-Im Bank and OPIC reauthorization*. ([Corporate Lobbying on Latin America: Jan. 1, 1996 through Dec. 31, 2000](#))

June 2000: Instead of going down, as deregulation supporters promised, wholesale electricity rates in California begin to rise - as much as 300%. SDG&E passes these higher prices for purchasing power through to local customers, pursuant to the lifting of the rate freeze. An estimated \$800 million is transferred out of the local economy. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

June 2000: [date?] John Clifford Baxter is named Enron chief strategy officer. His body will be found on 25 January 2002 with a single gunshot wound to the head. ([Former Enron executive dies in apparent suicide](#))

20 June 2000: Traders from Atlanta-based Mirant Corp. and Public Service Co. of Colorado, an Xcel division are taped discussing market manipulation practices, taking power from northern California and moving it in the south. The tape

will be revealed on 11 June 2002, by Minneapolis-based Xcel Energy Inc. in a filing with federal regulators. "I mean, it's just kind of loop-t-looping but it's making money," says the Mirant trader. "So what, it works," the other trader responds. "So they got to be loving you for that." "It's working pretty well so far, hopefully it keeps going," the Mirant trader replies. ([Xcel trader tape jars industry](#))

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July

July 2000: Enron subsidiary Azurix sets up a second Marco Island seminar for Florida public sector water officials. Speakers include three top Enron-Azurix executives. ([Dead in the Water: Enron's grab for Florida's water was factor in collapse](#))

28 July 2000: Senators Schumer, Bennett and Bayh, along with others on the Banking Committee, such as Gramm, Allard, Bunning and Santorum, send SEC chairman Arthur Levitt a letter expressing concern about a proposed rule that would have barred accounting firms from doing both auditing and consulting work for the same client. ([13 senators pressured SEC to abandon proposed audit rule](#))

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August

7 August 2000: At a meeting of the Enron finance committee, chaired by Herbert Winokur, the off-balance-sheet partnerships are described as "the vehicles the company was utilizing to manage its balance sheet debt." Directors Wendy Gramm and Ken Lay are among other board members who attend the meeting. ([Enron Directors Backed Moving Debt Off Books](#))

17 August 2000: A Southern California Edison memo notes "simultaneous outages" from generating units under contract to deliver electricity. The memo says that when other generators were sought to fill the gap, the Independent System Operator could find just one, and the owner of that plant used a market gaming strategy to increase its payments for meeting the shortfall. ([Enron lawyers say company heeded call to halt schemes](#))

23 August 2000: Enron stock peaks at \$90.56; large-scale insider selling is underway. ([Seeds of a scandal](#))

30 August 2000: California state lawmakers, facing revolt at the November elections, order temporary rate rollback for SDG&E customers. The legislation, backed by utility lobbyists, requires SDG&E customers to repay balance of higher energy prices, with interest, beginning in 2003. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

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September

September 2000: Enron's Whitewing partnership is disclosed in a confidential, 100-page offering to private investors, to raise an additional \$1.1 billion for Whitewing. The private-offering memo "prohibits" prospective investors from copying the document or disclosing its terms. Whitewing is owned jointly by Enron and an unnamed partner. Whitewing borrowed the \$1.1 billion from private investors in the United States and Europe. The investors received interest-bearing notes from a trust named Osprey, controlled by Whitewing. Whitewing split its revenue between Enron and the other unnamed Whitewing partner. Enron received revenue of \$632 million in 2000 and \$192 million in 1999 from Whitewing, Enron's recent filings show. To protect the Osprey investors, whose notes had to be repaid in 2003, the offering memo said Enron would contribute shares of common stock to make up a shortfall if Whitewing assets dropped in value. If the Enron shares could not be sold because of stock market conditions or regulatory delays, Enron promised to cover the investors' losses with cash. Adding another layer of complexity, Enron created an entity called Condor, under Whitewing, to hold a special kind of Enron security that would be converted into shares of Enron common stock if needed to cover the obligation to Osprey investors. The most Enron disclosed about Whitewing was in a footnote in its 1999 annual report. It said Enron "could be obligated" to issue shares of common stock under certain circumstances, which it did not explain. Enron advised the Osprey investors - but not its public shareholders - that Enron indirectly controlled Whitewing and thus its executives had "significant influence" over Whitewing, including decisions on which projects to buy from Enron and how much Whitewing would pay. Andrew S. Fastow, received \$30 million in fees and profits from his participation in a group of Enron-created outside entities known as LJM, which also invested in Osprey. ([Enron Raised Funds In Private Offering - Shareholders in Dark, Documents Show](#))

10 September 2000: Enron Chairman Kenneth Lay contributes more than \$290,000 to George W. Bush's election campaign. ([Timeline of Enron's Collapse](#))

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Fall

Fall 2000: In California, deregulation's rate freeze turns on its own sponsors. Forbidden by the terms of the deregulation law they sponsored from raising retail rates beyond the frozen surcharge level, the state's larger utilities, Pacific Gas &

Electric (PG&E) and Southern California Edison, are now forced to cover the excess cost of deregulated electricity out of their own pockets. They begin to pressure the Public Utilities Commission for permission to impose rate increases on utility customers. The California Public Utilities Commission rejects the request, asserting that the PUC does not have the authority to rewrite the deregulation law mid-way through the transition to deregulation. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

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October

October 2000: [date?] Enron holds an executive meeting in Palm Beach, Florida, in which the off-balance-sheet partnerships are the topic of discussion. CEO Jeff Skilling will testify on 7 February 2002 that he has no memory of the meeting, but Amy Flores, who works for former Enron Chief Financial Officer Andrew Fastow as office manager for the LJM2 partnership, will tell ABC News on 8 February 2002 that Skilling approves the LJM2 partnership, corroborating meeting minutes. ([Ex-Fastow aide says Skilling lied at hearing](#))

3 October 2000: Enron attorney Stephen Hall warns company executives that tactics used to manipulate California's energy market are possibly criminal, violating ISO tariffs as well as state criminal laws. Richard Sanders, vice president and general counsel for Enron Wholesale Services, is in attendance. He takes no action until receiving a memo from Hall on 6 December 2000. ([Enron lawyer says he warned energy traders](#))

It seems that Enron is spending a lot of money and time to get Bush elected. I don't think this is something a corporation should focus on, do you?

— Enron employee, at a videotaped meeting

3 October 2000: "It seems that Enron is spending a lot of money and time to get Bush elected. I don't think this is something a corporation should focus on, do you?" asks an Enron employee at a videotaped meeting. "I thought I might be the right one to answer that," replies Ken Lay. "I strongly supported him when he ran for governor of Texas both times. I strongly supported his father back before that." Later in the same meeting, Jeff Skilling claims that "Our accounting policies are not only appropriate, in my opinion, they're conservatively executed. So we're in a strong position from an accounting basis." ([Quotes from October 3, 2000 Videotape](#))

10 October 2000: Enron hires Linda Robertson, from the Clinton administration, as vice president for federal government affairs to head its Washington office, infuriating Republican leaders who oppose business groups hiring Democratic lobbyists. ([Timeline of Enron's Collapse](#))

18 October 2000: Enron promotes John Clifford Baxter to vice chairman of Enron. His body will be found on 25 January 2002. ([Enron press release](#))

23 October 2000: In a seven-page memo to Enron, Ralph Reed offers to help Enron deregulate the electricity industry by working his "good friends" in Washington and by mobilizing religious leaders and pro-family groups for the cause. "We are a loyal member of your team and are prepared to do whatever fits your strategic plan...In public policy, it matters less who has the best arguments and more who gets heard - and by whom." Reed proposes two lobbying strategies, one costing \$177,000 and the other \$386,500. Reed proposes sending 20 "facilitating letters" to each of 17 members of the congressional commerce committees that handle deregulation. Under the proposal, Enron would pay Reed's firm \$170,000 for generating the letters, each signed by a third party. Reed asks Enron to pay his firm \$25,000 to generate letters to the editors of newspapers, each signed by a prominent figure. "These op-eds and letters are then blast faxed to elected officials, opinion leaders and civic activists for use in their own letters and public statements." He claims his firm has recently "placed" opinion pieces in the *Washington Post* and the *New York Times*. ([Bush 2000 Adviser Offered To Use Clout to Help Enron](#))

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November

November 2000: An internal Andersen document shows that it had concluded Enron's internet services unit, considered to be crucial to the company's growth, had poor controls. There is a "high risk" that financial results in the unit would be misrepresented because of them, it says. ([Enron shredding continuing, claims worker](#); [Ex-Official Says Enron Employees Shredded Papers](#))

November 2000: Lobbyists for utilities demand that the California Legislature order rate increases to bail out utilities from current losses. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

November 2000: The average price of Dabhol Power Company power is Rs. 7.81 per unit. The price of power even at full purchase price would have been Rs. 5.26 per unit. ([A short history](#))

November 2000: During the 2000 presidential election recount battle, Bush's campaign uses jets owned by several large corporations that will come under federal investigation for fraud, including Enron and Halliburton. The Bush-Cheney Recount Fund pays more than \$13,000 to Enron and \$2,400 to Halliburton for use of company planes. ([Records: Bush campaign used Enron, Halliburton jets](#))

December

This strategy appears not to present any problems, other than a public relations risk arising from the fact that such [electricity] exports may have contributed to California's declaration of a Stage 2 Emergency yesterday.

— Enron lawyers, in an internal Enron memo describing market-rigging tactics

6 December 2000: An internal memo, written by Enron lawyers Christian Yoder and Stephen Hall a day after the state's first near-blackout, details how company employees who bought and sold megawatts in California provided false information to officials running the state's power grid and played on loopholes in energy rules. Also discussed is whether Enron is violating laws governing electricity delivery. This and other memos detailing Enron's market-rigging strategies, will be released by FERC on 6 May 2002. At least 10 strategies are described, called variously "Death Star," "Get Shorty," "Ricochet," "Load Shift," and "Fat Boy." (['Smoking gun' Enron memos 'Death Star,' 'Get Shorty' strategies show how firm manipulated energy to state in attempt to boost profits](#))

7 December 2000: The California grid operator announces the first Stage Three "rolling blackout" alert, signaling that the state is close to exhausting its electricity reserve capacity. At the same time, wholesale power prices average as much \$1,000 per megawatt-hour and spike as high as \$1,500/MWh - a 3000% increase over 1999 levels. The state's major utilities threaten imminent bankruptcy if they are not allowed to increase rates by at least 30%. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

8 December 2000: Terry Winter, the state official charged with keeping power flowing throughout California, delivers a 50-page plea to FERC asking for price limits to be lifted. Winter's plea to the regulatory commission, later referred to in Sacramento as the "palace coup," prompts the commission to act quickly to repeal the price limits, and power sellers returns to California. Winter made the plea without telling Gov. Gray Davis or the ISO board that had implemented the price limits. ([Memos show makings of power crisis - State sought to lift price caps after Enron manipulated market](#))

13 December 2000: Jeff Skilling is promoted to CEO of Enron. He has just begun selling 10,000 shares of stock weekly. ([Seeds of a scandal](#))

15 December 2000: FERC rejects price cap on wholesale electricity, even as prices continue to soar above \$1,000/MWh. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

15 December 2000: Senator Phil Gramm co-sponsors the the Commodity Futures Modernization Act, which deregulates energy futures. The bill does not undergo the usual committee hearings and preliminary votes, and is immediately attached as a rider to an 11,000-page appropriations bill. Two Republicans from Texas, Reps. Dick Armey and Tom DeLay, are instrumental in pushing the legislation through the House. DeLay's wife, Christine, works for a lobbying firm, Alexander Strategies, that Enron has hired for up to \$200,000 a year to push energy deregulation. ([Phil Gramm's Enron Favor; Enron made a sound investment in Washington](#))

15 December 2000: Enron subsidiary Azurix announces that its publicly held stock will be bought back by Enron. Enron buys back Azurix's stock for \$9 per share from investors, many of whom had paid \$19 or more. ([Dead in the Water: Enron's grab for Florida's water was factor in collapse](#))

21 December 2000: President Bill Clinton signs into law the Commodity Futures Modernization Act as part of an 11,000-page appropriations bill. ([Phil Gramm's Enron Favor](#))

December 2000: Unbeknownst to elected officials or the public, state employees of the Department of Water Resources (DWR) begin to secretly take over some of the utilities' power procurement responsibilities, buying electricity from the private power generators on the spot market. Meanwhile, utilities threaten to default on payments they owe to wholesale energy suppliers. ([Hoax: How Deregulation let the Power Industry Steal \\$71 billion](#))

December 2000: By the end of 2000, Enron has invested, or loaned, \$5.3bn to a number of companies in which it has stakes. ([Enron's new \\$5bn black hole](#))

2001

2001: "There were always constraints on investigating the Saudis," high-placed intelligence sources in Washington tell the UK Guardian: They say the restrictions became worse after the Bush administration took over this year. The intelligence agencies had been told to "back off" from investigations involving other members of the Bin Laden family,

the Saudi royals, and possible Saudi links to the acquisition of nuclear weapons by Pakistan. "There were particular investigations that were effectively killed." ([FBI claims Bin Laden inquiry was frustrated - Officials told to 'back off' on Saudis before September 11](#))

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2001: MSEP defaults on its bill for Nov 2000, and the Maharashtra State counter-guarantee is invoked. Maharashtra expresses unwillingness to pay. Maharashtra creditworthiness downgraded by CRISIL to 'speculative'. DPC invokes counter guarantee. MSEP and Maharashtra then clear bill. ([A short history; Dabhol finally invokes Centre's counter-guarantee; Maharashtra creditworthiness downgraded by CRISIL to 'speculative'; A short history; Dabhol finally invokes Centre's counter-guarantee; A short history; A short history](#))

January

January 2001: The Maharashtra government, with the Congress Party in charge, announces that it does not have funds to pay Enron. ([Arundhati Roy, Power Politics, p 57](#))

January 2001: Ken Lay writes to Clay Johnson, White House personnel director, with a list of some eight candidates to be considered for presidential appointments. ([The Trail Out Of Texas](#))

3 January 2001: Ken Lay is one of the 474 people Bush names to advise his presidential transition team. ([Timeline of Enron's Collapse](#))

3 January 2001: Foundation for Taxpayer and Consumer Rights (FTCR) calls on California Governor Gray Davis to seize, by eminent domain, power plants improperly kept off-line in order to protect the reliability and affordability of electricity. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

4 January 2001: The California PUC imposes its first residential rate hike of approximately 10%, reversing its previous decisions that rejected such increases on the grounds that they would be illegal. Governor Gray Davis, who has appointed a majority of PUC, promises there will be no more rate hikes. Utilities say they require more rate increases. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

5 January 2001: Ken Lay and Jeff Skilling are both announced as \$100,000 donors to Bush inauguration. ([Seeds of a scandal](#))

6 January 2001: Southern California Edison announces it will cut 1,450 jobs and reduce equipment maintenance in an effort to avoid bankruptcy. The company has been hit by rising prices for purchases of electricity, which it has not been able to pass on to its customers. ([Monthly Energy Chronology - January 2001 to June 2001](#))

11 January 2001: Ken Lay receives a bonus check for \$3,600,000, paid under the Performance Unit Plan for hitting profit and stock price targets. Cliff Baxter receives \$200,000. Richard Causey receives \$350,000. Andrew Fastow receives \$350,000. Richard Buy gets \$75,000. Mark Haedicke gets \$175,000 and James Derrick receives 484,000. ([Enron Paid Huge Bonuses in '01; Experts See a Motive for Cheating](#))

12 January 2001: California narrowly avoids rolling blackouts as its power crisis again reaches a "Stage 3" alert. The state Department of Water Resources steps in to purchase power from suppliers in the Pacific Northwest, who had become unwilling to sell to the California Independent System Operator (ISO) due to its unstable financial condition. ([Monthly Energy Chronology - January 2001 to June 2001](#))

16 January 2001: California Edison defaults on \$596 million worth of payments to power companies and bondholders. Edison and PG&E announce they can no longer afford to pay wholesale energy companies for electricity. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

18 January 2001: Northern California experiences its first rolling blackouts since World War II. Panicked state lawmakers and the Governor draft emergency legislation in which a state agency, DWR, would temporarily take over the utilities' duty to buy power for all their customers. Foundation for Taxpayer and Consumer Rights (FTCR) testifies against the measure, saying it represents a blank check for wholesale energy companies. The bill passes the Senate on Thursday night, January 18, and is signed by the Governor on Friday. Rolling blackouts end that day. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

18 January 2001: The Department of Energy issues a rule which will tighten efficiency standards for air conditioners and heat pumps by 30%. The rule is designed to help hold down future growth in electricity demand during peak usage periods. ([Monthly Energy Chronology - January 2001 to June 2001](#))

20 January 2001: Bush is sworn in. Enron and chairman Kenneth Lay both contribute \$100,000 to inaugural committees. George H. W. Bush is flown to the inauguration in an Enron corporate jet. ([Key Dates in Enron Case; When Dubya and Lay Were as Closeasthis](#))

20 January 2001: Sen. Dianne Feinstein sends first of three letters to Bush requesting a meeting to discuss California's dire energy situation. These requests are denied. ([Bush Opened Door to Enron, but Not to a State in Crisis](#))

21 January 2001: Ken Lay attends a private luncheon at the White House. That night, Enron hosts a private dinner for several congressmen [who?]. Lay does not attend, but his second in command, Jeff Skilling, does. ([Web of Details Did Enron In as Warnings Went Unheeded](#))

22 January 2001: Bush names Curt Hébert as Chairman of FERC. ([Bush Names Wood to Head FERC](#))

23 January 2001: Florida Governor Jeb Bush writes the Interior Department urging the cancellation of Lease Sale 181 "to protect sensitive natural resources" and tourism along Florida's west coast from drilling. ([Oil Executives Lobbied on Drilling](#))

29 January 2001: Bush names Cheney to chair the National Energy Policy Development Group, a White House task force which will oversee the new administration's efforts in devising a national energy policy. ([Monthly Energy Chronology - January 2001 to June 2001](#))

31 January 2001: The California Senate passes a bill to authorize the state government to spend up to \$10 billion for the purchase of electricity, to be financed by the issuance of state bonds. The plan envisioned by the bill would have the state government enter into long-term power purchase agreements with suppliers, and resell the electricity at cost to private California utilities. Two of the largest California utilities, Southern California Edison and Pacific Gas and Electric (PG&E) have been unable to secure adequate supplies of electricity from other firms due to cash flow and credit problems. State intervention is intended to overcome these financial hurdles. ([Monthly Energy Chronology - January 2001 to June 2001](#))

31 January 2001: Enron invokes the counter-guarantee clause in its contract for the Dabhol power plant. If the government can not pay Enron, Enron will auction the government properties named in the contract. ([Arundhati Roy, Power Politics, p 57-8](#))

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February

February 2001: Enron and Eli Lilly, the Indianapolis pharmaceutical manufacturer, sign a \$1.3 billion contract, turning all its energy requirements over to Enron for 15 years. But Enron pays Eli Lilly \$50 million upfront to win the deal, according to a former senior executive of Enron. ([Army Secretary's Enron Role Probed](#))

1 February 2001: Jeffrey Skilling is named Enron CEO. ([Key Dates in Enron Case](#))

1 February 2001: California Public Employees' Retirement System (CalPERS) invests \$425 million with The Carlyle Group. CalPERS initial funding will consist of a \$250 million investment in various new Carlyle private equity funds and a \$175 million investment for a minority equity stake in The Carlyle Group. ([CalPERS Invests \\$425 Million in The Carlyle Group](#))

1 February 2001: California legislature enacts new law (AB 1x), pursuant to which the state takes over power procurement for the foreseeable future. The legislation allows the state to purchase electricity on the spot market and to sign long term contracts to meet the shortfall of electricity. Energy supplies remain tight as smaller, California based independent energy companies - many of them providers of renewable resources - demand payment to continue their operations. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

2 February 2001: California Governor Gray Davis signs into law a bill which authorizes the state government to sell up to \$10 billion in bonds to finance purchases of electricity, in a bid to alleviate the state's electricity supply shortage. The state will enter into long-term contracts with suppliers, which are expected to bring a reduction in the rates paid over the last several months on the spot market. ([Monthly Energy Chronology - January 2001 to June 2001](#))

4 February 2001: Harris County chief medical examiner, Dr. Joye Carter, is fined \$1,000 as part of a settlement with the Texas State Board of Medical Examiners for allowing an unlicensed pathologist to perform autopsies. She had faced stiffer punishment, including revocation of her medical license and the loss of her job, as a result of the investigation. Dr. Joye Carter will perform the autopsy on Enron vice-chairman and chief strategic officer, Cliff Baxter. ([Harris County medical examiner fined for illegal autopsies, keeps job](#))

5 February 2001: Arthur Andersen discusses whether to retain Enron as a client amid concern over Enron's use of special partnerships to disguise debt. David B. Duncan and Thomas H. Bauer - two of the firm's lead accountants on the Enron account - join a group of six colleagues in a conference room for a meeting. Six more Andersen executives [who?] are patched in by speakerphone. For a significant amount of time, according to notes of the meeting, the Andersen accountants debate a critical point: What should they do about two partnerships - LJM1 and LJM2 - that had been set up 18 months earlier by Enron's chief financial officer, Andrew S. Fastow? They draw up a "to do" list, which includes suggesting that a special committee of the Enron board be set up to review the fairness of the LJM deals. They also

decide to make sure with Enron that LJM meets accounting tests that allow it to be treated as a separate entity, rather than as a subsidiary whose financial results would have to be shown on Enron's books. ([Timeline: Enron](#); [Web of Details Did Enron In as Warnings Went Unheeded](#))

5 February 2001: Scores of special bonus checks are cut for Enron executives, who collect tens of millions of dollars because of the company's strong reported profits. Ken Lay receives a check for \$7 million, Jeff Skilling receives \$5.6 million, Cliff Baxter - \$2,586,000, Richard Causey - \$1.2 million. ([Web of Details Did Enron In as Warnings Went Unheeded](#); [Enron Paid Huge Bonuses in '01](#); [Experts See a Motive for Cheating](#))

6 February 2001: President Bush allows the expiration of an emergency federal order requiring wholesale electricity companies to sell to California. ([Chronology of California's power crisis](#))

6 February 2001: A federal judge in Sacramento orders major power wholesaler Reliant Energy to keep selling to the state despite the expiration of the emergency federal directive. U.S. District Judge Frank Damrell cites the possibility of "obvious irreparable harm to the public" that blackouts pose. This decision will be overturned by the federal appeals court on April 5. ([Chronology of California's power crisis](#))

6 February 2001: Anderson email suggests dropping Enron as a client, due to concerns about Enron bookkeeping. ([Andersen Considered Severing Enron Ties](#))

Can Watson be replaced now at the request of the U.S.?

Enron fax to White House, demanding the removal of Dr. Robert Watson as IPCC chairman

6 February 2001: Dr. Robert Watson, a respected atmospheric scientist and chair of the Intergovernmental Panel on Climate Change (IPCC) since 1996, is targeted by ExxonMobil for removal from the IPCC. ExxonMobil sends a fax to the White House Council on Environmental Quality asking "Can Watson be replaced now at the request of the U.S.?" and recommending the "U.S. restructure attendance at upcoming IPCC meetings to assure none of the Clinton/Gore proponents are involved in any decisional activities. [emphasis in original]" Bush will move to oust Dr. Watson on 2 April 2002. This fax is liberated under the Freedom of Information Act. ([Confidential Papers Show Exxon Hand in White House Move to Oust Top Scientist from International Global Warming Panel](#))

7 February 2001: Oval Office meeting with Ken Lay and 19 other business leaders. ([White House, Congress Battle Over Enron](#))

8 February 2001: Citing an energy crisis of "catastrophic proportions," a federal judge [who?] orders three major electricity suppliers to continue to supply electricity to California despite their concerns over the financial health of the state's two main investor-owned utilities. ([Monthly Energy Chronology - January 2001 to June 2001](#))

8 February 2001: Shell Oil and Anadarko Petroleum executives meet with Cheney, urging him to stick to a long-standing plan to open a huge tract in the eastern Gulf of Mexico to oil and gas exploration, in spite of Jeb Bush's objection of 23 Jan 2001. They will get most of what they want: In July, the administration will allow drilling in a 1.5 million-acre sector of the Gulf's outer continental shelf. In a December auction, Anadarko and Shell will win the right to develop several prime sites. ([Oil Executives Lobbied on Drilling](#))

9 February 2001: After concluding that Osama bin Laden's al Qa-ida had carried out the October 2000 attack on the USS Cole - a conclusion stated without hedge in a February 9 briefing for Vice President Cheney - the new administration chooses not to order armed forces into action. ([A Strategy's Cautious Evolution - Before Sept. 11, the Bush Anti-Terror Effort Was Mostly Ambition](#))

12 February 2001: The Enron board's audit and compliance committee holds a meeting, and both David Duncan and Thomas Bauer from Andersen attend. At one point, all Enron executives are excused from the room, and the two Andersen accountants are asked by directors if they have any concerns they wish to express, documents show. Subsequent testimony by board members suggests the accountants raise nothing from their to-do list, drawn up on 5 Feb 2002. ([Web of Details Did Enron In as Warnings Went Unheeded](#))

12 February 2001: Jeff Skilling becomes chief executive of Enron. Ken Lay remains as chairman. ([Timeline: Enron](#))

12 February 2001: A federal judge denies a request by Southern California Edison (SCE) to remove a rate freeze which has kept the company from recouping the costs imposed on it by soaring wholesale power prices from its customers. ([Monthly Energy Chronology - January 2001 to June 2001](#))

17 February 2001: Treasury Secretary Paul O'Neill announces that sanctions, proposed by the Clinton administration, against money-laundering havens will be reviewed, effectively delaying them. He will announce on November 27 that the Cayman Islands will not have to tighten its banking laws until 2004. ([Evidence Indicates That O'Neill Helped Enron Hide Financial Condition](#))

20 February 2001: A federal jury returns a \$500-million judgment against ExxonMobil for allegedly inflating wholesale fuel prices charged to independent retailers over a 12-year period from 1983 to 1994. ([Monthly Energy Chronology - January 2001 to June 2001](#))

20 February 2001: A coalition of nearly 30 environmental groups asks to meet with Energy Secretary Spencer Abraham to discuss the energy policy. Energy Department officials decline the request, citing Abraham's "busy schedule." But in the next few weeks, Abraham will meet with 109 representatives of energy industry companies and trade associations, many of whom are executives of corporations that are among the most generous financial supporters of Bush's presidential campaign and the Republican Party. Among the individuals and groups that will meet with Abraham, 18 have contributed a total of \$16.6 million to the Republican Party since 1999, nearly three times what they have given to the Democratic Party. They include a top executive of the American Coal Company; the chairman of UtiliCorp United, a power company now known as Aquila Inc.; executives from a half-dozen utility companies; executives from a half-dozen nuclear power corporations and the corporate leaders of ExxonMobil, BP/Amoco, Shell, ChevronTexaco, Anadarko Petroleum and Ashland Inc. ([Documents Show Energy Official Met Only With Industry Leaders](#))

21 February 2001: Energy Secretary Spencer Abraham meets with executives of five oil companies, including David O'Reilly, the president of ChevronTexaco, and Steven Miller, the president and chief executive of Shell Oil Company. ([Documents Show Energy Official Met Only With Industry Leaders](#))

21 February 2001: Arthur Andersen chief executive Joseph Berardino, along with the head of Andersen's Houston office and one of the firm's top audit executives, travel to Houston and meet with Enron's chief accounting officer, Richard Causey. Causey, a former Andersen employee, asks if Andersen can devote more personnel and more expertise to the Enron account "to get decisions faster" and "keep pace with the business they were doing." In response, Berardino asks two senior partners to meet with Andersen's Enron team and find out what is required. Causey tells Berardino that on the whole Enron is satisfied with its relationship with Andersen. During the Houston trip, Berardino meets Enron's newly elevated chief executive, Jeff Skilling. ([Andersen CEO Got Warning On Enron](#))

22 February 2001: Energy Secretary Spencer Abraham meets with John W. Snow, the chief executive of the CSX Corporation, one of the nation's largest railroad companies. According to Abraham's calendar, the meeting's topics include "the role coal plays in electric utility generation, mountaintop mining and the National Energy and Environmental Technology Act." ([Documents Show Energy Official Met Only With Industry Leaders](#))

22 February 2001: Enron officials meet with Cheney. ([Key Dates in Enron Case](#))

22 February 2001: For the first time in six weeks, California lifts all alerts on its electric power grid, due to the availability of more imported electricity and the return to service of power plants which had been closed for maintenance. With these developments, power reserves in the state reach 7%. ([Monthly Energy Chronology - January 2001 to June 2001](#))

23 February 2001: The State of California and Southern California Edison (SCE) agree that the company will sell the state government its transmission lines for \$2.76 billion. The utility will be allowed to issue bonds which will recover a "substantial" portion of its uncollected power costs. ([Monthly Energy Chronology - January 2001 to June 2001](#))

26 February 2001: Enron signs a \$1.3-billion energy management contract with pharmaceutical giant Eli Lilly. Enron will provide and manage the supply of electricity and natural gas at Eli Lilly facilities, as well as maintain energy assets and related infrastructure. ([Monthly Energy Chronology - January 2001 to June 2001](#))

February 2001: February 28 Calpine Corporation signs two contracts valued at up to \$8.3 billion to sell electricity to the California Department of Water Resources, which was empowered to purchase power on the wholesale market due to the financial difficulties of the state's two largest investor-owned utilities. Deliveries of power under the contracts will begin July 1, 2001. ([Monthly Energy Chronology - January 2001 to June 2001](#))

March

March 2001: Skilling moves into his sprawling Spanish-style mansion, valued at \$2.47 million, built in River Oaks. ([Architects of Enron's rise bred its demise](#))

March 2001: [dates?] Peabody Energy chairman Irl Engelhardt and other energy executives meet with two Cheney task-force members, Energy Secretary Spencer Abraham and Bush economic adviser Larry Lindsey. Cheney's group also hears from officials from the nuclear-energy industry-whose trade association, the Nuclear Energy Institute, will contribute \$100,000 to the Bush event on 21 May 2001. Both coal and nuclear power will get major endorsements in the task-force report. Peabody Energy is a coal behemoth whose holding company and top officer have given nearly \$200,000 to the President and his party since Bush took office, including \$25,000 for the May gala. ([Getting the Ear Of Dick Cheney](#))

March 2001: Karl Rove, President Bush's senior adviser, meets privately with Intel officials, of which company he owned over \$100,000 worth of shares. Intel is concerned with government approval of a merger between a Dutch company and an Intel supplier. The merger will be later approved. ([Timeline of Enron's Collapse](#))

I would love to meet with Ken.

— Jeb Bush, Governor of Florida, in an email reply to Bill Bryant, a lobbyist representing Ken Lay

March 2001: [date?] "I would love to meet with Ken," writes Florida Governor Jeb Bush in an email reply to Bill Bryant, a lobbyist for a Tallahassee law firm representing Ken Lay. Lay had asked to set up a meeting with the governor, and Bryant e-mailed Bush to say that Lay "has asked if it would be possible to visit you in Tallahassee in the near future. The topic would be the energy deregulation bill pending in Congress and Enron's plan for a national media campaign promoting the benefits of a competitive electric energy market. When the bill now pending in Congress becomes law, a competitive wholesale market will soon follow. Mr. Lay would like to discuss this with you and explain how it would affect Florida." Instead of an actual meeting, a 30-minute phone call between Lay and Bush will be set up April 17. Governor Bush will deny any memory of the phone call on 7 Feb 2002. ([Governor, Enron CEO had phone discussion](#))

March 2001: Laila Helms, the part-Afghan niece of the former CIA director and former U.S. ambassador to Tehran, Richard Helms, is described as unofficial Taliban representative in Washington. Ms Helms brings Sayed Rahmatullah Hashimi, an adviser to Mullah Omar, to Washington after the Taliban destroyed the ancient Buddhas of Bamiyan. Hashimi meets the directorate of Central Intelligence at the CIA and the Bureau of Intelligence and Research at the State Department. ([How Much Were Bush and Cheney Involved?](#))

March 2001: Andersen partner Carl Bass is moved off the Enron account for refusing to "rubber stamp" many of Enron's accounting maneuvers. Bass has written a number of memos questioning Enron accounting, including the Enron deal involving the Blockbuster unit of Viacom and the Raptor transactions structured by Enron Chief Financial Officer Andrew Fastow. ([Enron Documents Indicate Possible Cover-Up; Andersen Partner Raised Enron Alarm in '99](#))

March 2001: Connecticut Governor John Rowland meets with Enron executives four days before the state's trash agency, the Connecticut Resources Recovery Authority, whose directors are appointed by the governor and the state legislature, approves a payment of \$220 million to Enron. The lump sum is handed to Enron as part of a deal the agency says requires Enron to purchase steam energy from the state. Enron will contribute \$80,000, to the Republican Governors Association, which Rowland heads. The governor is further linked to the deal by his two chiefs of staff. One is chairman of the trash authority board and the other is closely tied to a fund-raiser for the Republican governors' group, and also works as a trash authority lobbyist. Rowland will dismiss both aides after details of the Enron deal began to emerge. A February 2002 report by the state attorney general, Richard Blumenthal, will find that the payment to Enron exceeds the trash agency's authority and is an illegal, unsecured loan disguised as an energy transaction. Enron will collapse without buying any Connecticut energy and after repaying just a small portion of the money. ([Enron's Connecticut connection](#))

A moment of truth is arriving. The question is whether environmental policy still prevails over energy policy with Bush-Cheney, as it did with Clinton-Gore.

— Haley Barbour, former RNC chairman, in a memo to Cheney, lobbying on behalf of the coal industry

1 March 2001: Haley Barbour, former RND chairman, writes a memo to Cheney, on behalf of the coal industry, suggesting the president must provide a sound energy policy by not taking action against carbon dioxide. Among Barbour's 50 lobbying clients are the Electric Reliability Coordinating Council, an industry coalition. The lobbying group — which paid Barbour's firm a half-million dollars last year — was set up by power-generation companies including FirstEnergy, Duke Energy and the Tennessee Valley Authority. FirstEnergy was a top contributor to the Bush campaign. ([Former RNC chairman, as lobbyist, urged policy change on plant emissions that Bush later took](#))

2 March 2001: Ken Lay's 2000 pay package triples to \$18.3 million; Jeffrey Skilling's pay package is doubled to \$10.1 million. ([Timeline of Enron Corporation's Demise - Chart](#))

2 March 2001: California's largest utility, Pacific Gas and Electric, secures a \$1 billion loan to pay its creditors and avoid bankruptcy. ([Monthly Energy Chronology - January 2001 to June 2001](#))

4 March 2001: Tests in recent days confirm the world's largest oil find in three decades in the Kashagan field in the Caspian Sea. Kashagan is a single reservoir at least 25 miles across, and two-and-a-half times the size of the nearby Tengiz field. ([Monthly Energy Chronology - January 2001 to June 2001](#))

5 March 2001: Governor Gray Davis of California announces that the state has reached forty separate deals worth \$40 billion to buy power over the next ten years, providing an additional capacity of 8,886 megawatts. ([Monthly Energy Chronology - January 2001 to June 2001](#))

6 March 2001: Documents reveal Bush hosted sleepovers for eight big fund-raisers at the Texas governor's mansion. Don Evans, now Commerce Secretary, stayed at the mansion seven times. Seven other guests were members of Bush's "pioneers," a designation meaning they raised at least \$100,000 each. The "pioneers" included Don Jordan, chairman of Reliant Energy; Brad Freeman of the investment firm Freeman, Spogli & Co.; Texas Public Safety Commissioner Jim Francis; and Indianapolis mayor Steve Goldsmith. ([Bush's Overnight Guests](#))

7 March 2001: Enron officials meet with White House energy task force. ([Key Dates in Enron Case](#))

9 March 2001: Enron and Blockbuster cancel video-on-demand deal. Enron has booked \$111 million in profits from it. ([FBI investigates Enron shredding; Seeds of a scandal](#))

13 March 2001: Bush, in a policy reversal, declares that his administration will not seek to regulate power plants' emissions of carbon dioxide, citing an Energy Department study that regulating these emissions could result in higher electricity prices. ([Monthly Energy Chronology - January 2001 to June 2001](#))

15 March 2001: United States Secretary of Energy Abraham testifies before Congress that power blackouts in California this summer are "inevitable." However, he does not argue for any federal government action to avert this outcome. ([Monthly Energy Chronology - January 2001 to June 2001](#))

19 March 2001: The second set of rolling blackouts hits California, affecting southern California for first time. The blackouts end after two days, when public officials move to ensure that the smaller power producers are paid by the utilities. During this time, the Davis administration, having hired dozens of energy traders and consultants, begins negotiating long-term power contracts with energy wholesalers. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

20 March 2001: An official from the American Petroleum Institute sends an e-mail to Joseph Kelliher, a Department of Energy policy adviser, proposing language for a presidential directive governing energy regulations. API calls it "a suggested executive order to ensure that energy implications are considered and acted on in rulemakings and other executive actions." Bush will issue Executive Order 13211 on 18 May 2001, using nearly identical language to that supplied by API. ([Presidential Order Followed Draft by Lobbyists](#))

22 March 2001: A low-level Energy Department staffer calls Greenpeace and gives the environmental organization 24 hours to provide any input it has on energy policy. Greenpeace decides not to scramble to meet the tight deadline. "If they were serious about getting input," says Greenpeace spokesman Gary Skulnik, "that was certainly not the way to go about it." ([Documents Show Energy Official Met Only With Industry Leaders](#))

26 March 2001: Just days before the end of the first quarter, Enron accountants find a way to refinance the Raptors, using a series of complex and fragile transactions that are still vulnerable to further declines in Enron's stock price. The accountants and financial officers celebrate their ingenuity, according to the board report. ([Web of Details Did Enron In as Warnings Went Unheeded](#))

26 March 2001: Sen. Dianne Feinstein sends the second of three letters to Bush requesting a meeting to discuss California's dire energy situation. These requests are denied. ([Bush Opened Door to Enron, but Not to a State in Crisis](#))

27 March 2001: The California Public Utilities Commission enacts the second consumer rate hike since January, bringing the year's total rate increases to an average of 40% - the largest increase in California history. According to the PUC decision, the rate increase is only to be used to cover the cost of buying power on a "going forward basis" and not to repay the debts incurred by the utilities as a result of high wholesale prices in 2000. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

27 March 2001: The Bush administration declares that it has no interest in implementing or ratifying the international climate treaty negotiated in Kyoto in 1997. ([Monthly Energy Chronology - January 2001 to June 2001](#))

We are the good guys. We are on the side of the angels. We are doing the right thing. We are looking to create open, competitive, fair markets. And in open, competitive, fair markets, prices are lower and customers get better service.

— Jeff Skilling, on PBS Frontline

28 March 2001: "We are the good guys. We are on the side of the angels," says Jeff Skilling in an interview with the PBS show, Frontline. "We are doing the right thing. We are looking to create open, competitive, fair markets. And in open, competitive, fair markets, prices are lower and customers get better service." After the interview, as Skilling leads the film crew out onto the trading floor, he is asked what his top priority will be as chief executive. His answer comes lightning-fast: "To get the stock price up." Few people outside Enron know how important this single goal is. ([Interview: Jeff Skilling; Web of Details Did Enron In as Warnings Went Unheeded](#))

29 March 2001: Cheney's top energy aide, Andrew Lundquist, meets with the Clean Power Group, comprising five power companies [which?], including Enron. The companies seek support for trading of "pollution credits" among corporations, a practice from which Enron could make money. The meeting was arranged by Brad Card, the Clean Power Group's outside lobbyist and brother of White House chief of staff Andrew Card. This meeting is not among the six that will be disclosed on 8 January 2002. ([Enron Disclosures Weigh on Bush; A New Capitol Clash](#))

29 March 2001: Energy Secretary Spencer Abraham meets with Enron executives Joe Hartsoe and Linda Robertson. ([Documents Show Energy Official Met Only With Industry Leaders](#))

Spring

Spring 2001: The energy industry, backed by numerous academics who act as consultants to energy companies, predicts energy shortages will lead to a summer of repeated, lengthy and widespread blackouts. However, a report by the California State Legislative Analyst's Office concludes that the state should be able to avoid blackouts during the summer of 2001. The Davis administration's energy team continues to sign energy contracts, but the governor refuses to make the terms of the contracts public. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

April

April 2001: [date?] During a conference call among large investors, Jeff Skilling gets in a contretemps with Richard Grubman, managing director of Highfields, who is unhappy about Enron not producing certain financial information. Grubman declares: "You're the only financial institution that can't come up with a balance sheet or cash-flow statement after earnings!" ([Buried Treasure](#))

It became obvious that EES had been doing deals for two years and was losing money on almost all the deals they had booked. EES has knowingly misrepresented EES' earnings. This is common knowledge among all the EES employees.

— Margaret Ceconi, EES sales manager, in a letter to Ken Lay

April 2001: After new management, led by David Delaney, takes over Enron Energy Services (EES) from Thomas White, EES is obliged to restate its 2000 revenues to \$1.8 billion from \$4.6 billion. ([Ex-Enron Staff Tie Army's White To Unit's Deceptions](#))

5 April 2001: A federal appeals court blocks a Sacramento judge's [U.S. District Judge Frank Damrell] order that directed Reliant Energy to keep selling power to the state despite the wholesaler's worry struggling utilities won't pay. The appeals court halts the lower court's order while it decides the case, saying Reliant has a strong chance of winning its fight against the requirement. ([Chronology of California's power crisis](#))

5 April 2001: Concluding weeks of secret discussions with the state's utilities for a bailout of their deregulation losses, California Governor Gray Davis makes a televised speech warning that unless the utilities are saved from bankruptcy, California's lights will go off. He announces support for rate increases. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

6 April 2001: PG&E files for Chapter 11 bankruptcy protection, claiming that negotiations between the Governor and that company were not progressing. The utility is attempting to get relief from \$9 billion in debt. ([Monthly Energy Chronology - January 2001 to June 2001](#))

6 April 2001: Secretary of State Colin Powell threatens India's foreign minister with a "serious deterrent effect on investors" if India does not pay \$64 million Enron claims it is owed. ([FBI investigates Enron shredding](#))

6 April 2001: Robert McNally, a special assistant to Bush on energy policy, meets with Enron's chief Washington lobbyist, Linda Robertson, and Ken Lay to discuss electricity issues and changes underway in the wholesale power markets. There is a discussion of power "bundling," a topic before the courts and the Federal Energy Regulatory Commission. Enron is pressing both FERC and the courts to assert jurisdiction over retail sales by utility companies to promote a more seamless national wholesale electricity market. ([White House-Enron Ties Detailed](#))

7 April 2001: Enron-Cheney meeting. ([Key Dates in Enron Case](#))

9 April 2001: Stunned by the April 6 bankruptcy of PG&E, California Governor Gray Davis announces a hastily crafted "Memorandum of Understanding" with Edison in which ratepayers would bail out Southern California Edison in exchange for the transfer of the company's transmission lines to the state. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

9 April 2001: Bush's budget for the Department of Energy is released. It calls for a 50% or \$190 million cut in research programs for renewable energy sources. ([Monthly Energy Chronology - January 2001 to June 2001](#))

12 April 2001: "The Enron executives have been operating an elaborate con scheme that has fooled even the most sophisticated analysts," says an anonymous message on the Yahoo Enron board. "The first sign of trouble will be an earnings shortfall followed by more warnings. Criminal charges will be brought against ENE executives for their misdeeds. Class action lawsuits will complete the demise of ENE." Enron is trading at \$57.30. ([The Bears on This Message Board Had Enron Pegged](#))

13 April 2001: California Independent System Operator (Cal-ISO) releases studies showing the exercise of "market power" by power companies. The study reveals more than \$6 billion of "total potential revenues in excess of competitive rates for the total wholesale market," *i.e.*, \$6+billion in gouging. ([Impacts of Market Power in California Wholesale Energy Market: More Detailed Analysis Based on Individual Seller Schedules and Transactions in the ISO and PX Markets; Further Analyses of the Exercise and Cost Impacts of Market Power in California Wholesale Energy Market; Empirical Evidence of Strategic Bidding in California ISO Real Time Market](#))

16 April 2001: Reliant reports that its income grew 202% in the same period from the previous year. ([Bush Opened Door to Enron, but Not to a State in Crisis](#))

17 April 2001: Duke announces that its first-quarter income has increased 465% from the year before. ([Bush Opened Door to Enron, but Not to a State in Crisis](#))

You're the only financial institution that can't produce a balance sheet or a cash flow statement with their earnings.

— Richard Grubman, Analyst with Highfields Capital Management, in an Enron conference call with Wall Street analysts

17 April 2001: Enron presents its first-quarter results to investors, and the company's executives are positively giddy. With the huge Raptor losses shuffled away, Enron reports \$425 million in earnings, another banner quarter. The company sets up a conference call with Wall Street analysts. Richard Grubman from Highfields Capital Management asks why Enron has not released its balance sheet, listing its assets and liabilities, at the same time it reported its profits. Skilling says that is not Enron's policy. Grubman presses the issue: "You're the only financial institution that can't produce a balance sheet or a cash flow statement with their earnings." Skilling pauses. "Well, thank you very much. We appreciate it." Skilling turns to his colleagues in Houston, and calls Grubman as "asshole." The group in Houston laughs; some of the analysts on the line, who have heard everything, are stunned. ([Web of Details Did Enron In as Warnings Went Unheeded; Seeds of a scandal](#))

17 April 2001: Lay speaks with Cheney once for 30 minutes to discuss "energy policy matters" and the California energy crisis. ([Pressure on Cheney to disclose; Documents Show Energy Official Met Only With Industry Leaders](#))

17 April 2001: Ken Lay hands a memo to Cheney, detailing Enron's demands to the energy task force: "The Administration should reject any attempt to re-regulate the wholesale power markets by adopting price caps...Price caps, even if imposed on a temporary basis, will be detrimental to power markets and will discourage private investment by significantly raising political risk." On 1 Feb 2002, Cheney will deny having seen the memo. ([Memo details Cheney-Enron links](#))

17 April 2001: Lay and Florida Governor Jeb Bush have a 30-minute phone call. On 7 Feb 2002 Governor Bush will deny any memory of the phone call. ([Governor, Enron CEO had phone discussion](#))

18 April 2001: Cheney announces, during a rare phone interview with the Los Angeles Times, that he opposes price caps for California power rates. Dismissing the strategy as "short-term political relief for the politicians," Cheney bluntly declares, "I don't see that as a possibility." ([Energy regulators launch latest investigation of Enron pricing; Enron: What Dick Cheney Knew](#))

19 April 2001: Sen. Dianne Feinstein sends the third of three letters to Bush requesting a meeting to discuss California's dire energy situation. These requests are denied. ([Bush Opened Door to Enron, but Not to a State in Crisis](#))

19 April 2001: California natural gas prices still are exorbitantly high; prices in April for natural gas and electricity typically reach their lowest levels of the season. It is not until June that prices will return to near normal in the natural gas and electricity markets. ([Bush Opened Door to Enron, but Not to a State in Crisis](#))

25 April 2001: Bush names Armed Forces Secretaries with credentials from Enron and GE (Army Secretary Thomas White). ()

25 April 2001: FERC orders a price mitigation plan for the California electricity market. The plan, which would become effective in late May, sets price controls on power sold into the California market during energy emergencies. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

26 April 2001: The Directors of the Dabhol Electricity Plant of India, owned by Enron, decide to halt electricity sales to the Maharashtra state electricity board. The state has declared its willingness to renegotiate the power purchasing agreement with Enron, but the company appears skeptical. The government would have to pay about \$384 million to Enron if the project is terminated. ([Monthly Energy Chronology - January 2001 to June 2001](#))

April 2001: Enron India managing director K Wade Cline and Dabhol Power Corporation vice-president Kenneth Lambardt, in a secret operation carried out simultaneously in Mumbai and at the plant site, destroy all electronic communications of the past seven years. ([IDBI gets another mail indicting DPC](#))

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May

May 2001: A conference held at the Brookings Institution provides evidence that the exploitation of Caspian Basin and Asian energy markets is an urgent priority for the Bush administration, and the centerpiece of its energy policy. ([How Much Were Bush and Cheney Involved?](#))

May 2001: Enron prepares to junk its Azurix subsidiary and sell it for parts. Enron's attempt to duplicate its energy brokerage with a free-market approach to water has resulted in \$900 million in Azurix debt - a factor in Enron's decision to seek protection from creditors in bankruptcy court. ([Dead in the Water: Enron's grab for Florida's water was factor in collapse](#))

1 May 2001: "If we find it, they're going to dread the day they ever thought about doing it," says FERC Chairman Curt Hébert of alleged price gouging. Bush will announce Hébert's replacement by Pat Wood, a close friend of Bush and Ken Lay, on August 14. ([Power Price Gouging Secrets](#))

2 May 2001: Enron Vice Chairman John Clifford Baxter resigns. His body will be found on 25 January 2002. ([Enron press release](#))

2 May 2001: Civil lawsuits for conspiracy and price-fixing are filed against wholesale energy companies in California. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

3 May 2001: The Cheney energy task force meets. Among the attendees are two lobbyists for electric utilities: former Montana Governor and now G.O.P. chairman Marc Racicot and former G.O.P. chairman Haley Barbour. In two weeks, Cheney's report will give the lobbyists much of what they want, including a re-evaluation of a clean-air rule, called the new-source review, which requires new pollution controls when power plants are expanded. ([Getting the Ear Of Dick Cheney](#))

4 May 2001: California Governor Gray Davis announces a \$7 billion agreement by the State to buy electricity over 10 years from Sempra Energy. Governor Davis asserts that this will contribute to bringing reliable power to California at a lower price than the spot market. ([Monthly Energy Chronology - January 2001 to June 2001](#))

7 May 2001: Cheney's energy task force adopts many [17?] Enron proposals. ([Key Dates in Enron Case](#))

7 May 2001: David Struhs, chief of Jeb Bush's Department of Environmental Protection, pulls back from previous strong advocacy of aquifer storage and recovery, citing objections by environmentalists and some legislators. ([Dead in the Water: Enron's grab for Florida's water was factor in collapse](#))

7 May 2001: The third round of California blackouts occurs. Blackouts end after two days, when the state agrees to finance its power purchases through the largest municipal bond issuance in American history. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

9 May 2001: The Department of Energy grants Enron waivers of securities and liabilities regulations. (Federal Register, May 15, 2001)

11 May 2001: Enron executive Ken Lay hosts a Los Angeles meeting with L.A. Mayor Richard Riordan, Arnold Schwarzenegger, Michael Milken and others in an effort to shore up support for deregulation, in spite of the growing catastrophe. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

15 May 2001: A presentation made to the chief of El Paso Corporation on 14 Feb 2000, "certainly has statements in it that could lead one to believe there was an abuse of capacity," says Curtis L. Wagner Jr., the chief administrative law judge at FERC. ([Signs of Abuse Seen by Judge in Gas Case](#))

15 May 2001: The California Public Utilities Commission approves a plan that calls for a \$5.7 billion rate increase, much of it falling on residential customers. The plan is retroactive to March 27, 2001, with rates designed to reward those who conserve and to punish those who do not. ([Monthly Energy Chronology - January 2001 to June 2001](#))

16 May 2001: Bush declares a national energy shortage and announces the recommendations of Cheney's secret task force: relaxation of environmental rules, more oil drilling in preservation lands and more nuclear power plants. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

17 May 2001: The U.S. gives \$43 million to U.N and NGO projects in Afghanistan. ([How Much Were Bush and Cheney Involved?](#))

17 May 2001: The White House's energy policy recommends "the president direct the Secretaries of State and Energy to work with India's Ministry of Petroleum and Natural Gas to help India maximize its domestic oil and gas production." ([How Much Were Bush and Cheney Involved?](#))

18 May 2001: California's Public Utilities Commission president, Lorretta Lynch, alleges collusion among power companies to drive up wholesale power rates. ([California Claims Collusion](#))

18 May 2001: Lou Pai, CEO of Enron subsidiary [which?], begins selling shares worth \$353 million. ([Key Dates in Enron Case](#))

18 May 2001: Bush issues Executive Order 13211, using language that is nearly identical to that supplied by the American Petroleum Institute on 20 March 2001. ([Presidential Order Followed Draft by Lobbyists](#))

19 May 2001: Congress begins implementing President Bush's energy plan into legislation. ([Timeline of Enron's Collapse](#))

21 May 2001: Enron's power generating venture in India, the Dabhol Power Company, serves formal notice that it will terminate its power supply contract and pull out. The \$2.9 billion Dabhol project represents the single largest foreign investment in India. The gas-fired plant already had a generating capacity of 740 megawatts and another 1,444 megawatts was scheduled to go on line in June. ([Monthly Energy Chronology - January 2001 to June 2001](#); [Law firm advised Enron not to worry](#))

21 May 2001: The G.O.P. hosts a gala honoring Bush. While lobbying for energy interests, Haley Barbour has raised at least \$250,000 for the party. The group of utilities Barbour is representing, led by Southern Co., has given \$150,000 to the event. \$25,000 comes from Peabody Energy, another coal behemoth that had entree to the Cheney task force, whose holding company and top officer have given nearly \$200,000 to the President and his party since Bush took office. The nuclear-energy industry's trade association, the Nuclear Energy Institute, contributes \$100,000. The night before the gala, Cheney held a glitzy reception at the vice-presidential mansion for hundreds of the fete's sponsors and longtime party donors. ([Getting the Ear Of Dick Cheney](#))

22 May 2001: Enron tax attorney, Jordan Mintz, writes a confidential memo to Jeff Skilling, saying he wants to bring over unsigned deal approval sheets for Enron's deals with Fastow's partnerships during the previous year so that Skilling can sign them. Skilling never responds. ([Web of Details Did Enron In as Warnings Went Unheeded](#))

24 May 2001: Sen. James Jeffords leaves the Republican party, turning control of the Senate over to the Democrats for the first time since 1994. Enron can no longer count on controlling both the Executive and Legislative branches of the United States government. ([Democrats regain Senate power with Jeffords' bolt](#))

25 May 2001: The California Independent System Operator (Cal-ISO) files an emergency motion with FERC to suspend market-based rate authority to Williams Energy Marketing. It also moves for refunds, with interest, back to May 1, 2000. ([FERC Filings](#))

29 May 2001: California Governor Gray Davis meets with Bush and informs him that he plans to file a lawsuit against the Federal Energy Regulatory Commission to force the federal government to impose price controls on wholesale electricity in California. President Bush reiterates his opposition to price caps. ([Monthly Energy Chronology - January 2001 to June 2001](#))

The warm water Enron let into the sea is killing fish. You can tell when they release it every month, because it's blue and smells.

— Prabhata Narvankar, fisherman, on poisonous discharges from Enron's Dabhol plant

29 May 2001: Enron's Dabhol plant in India shuts down, leaving grievous human rights violations and environmental damage in its wake. From 1994 through 1997 farmers protested and were brutalized by Dabhol guards who then took their land. The guards truncheoned, jailed and sexually abused the protesters, according to Human Rights Watch. Enron, which had hired the guards, never condemned the violence or replaced the guards. Fish takes in the local waters have declined %50 due to discharges from the plant, say fisher people and environmentalists. A local group called the Anti-Enron Campaign is preparing a lawsuit against Enron for losses incurred by damage to the environment. ([Half a world away from Houston, idle Enron complex darkens futures](#); [Enron shuts down power station](#))

June

June 2001: Marc Racicot lobbies successfully for the wheat gluten industry. ([Racicot's Business Ties Draw Questions](#))

June 2001: Enron officials have extensive contact with Vice President Dick Cheney and his aides, as they work together on a response to a much ballyhooed but quickly deflated energy crisis in the spring of 2001. ([The Enron Chain Saw Massacre](#))

The cause of the outrageous prices is the exercise of raw market power.

— Michael Kahn, chairman of the board of governors of the California Independent System Operator

1 June 2001: "The cause of the outrageous prices is the exercise of raw market power," says Michael Kahn, chairman of the board of governors of the California Independent System Operator. He notes, for example, that while demand for energy has actually decreased by 5 to 10 percent this year, the total costs surged from \$27 billion in 2000 to an expected \$50 billion in 2001 if prices stay at current rates. In 1999, the state paid only \$7 billion. "The load is down, yet prices are up and there is no other explanation for the differential other than the exercise of market power." ([Cal-ISO chairman sees tough road ahead for California](#))

5 June 2001: Karl Rove, Bush's senior adviser, divests his stocks in energy, defense and pharmaceutical companies. Rove sells at least \$996,000 in stock, three weeks after the announcement of Cheney's energy plan. The sale includes at least \$50,000 in Enron stock. Rove owned holdings worth more than \$100,000 in each Enron, Boeing, General Electric and Pfizer. ([On Capitol Hill, Enron's Fall Was Felt at the Personal Level](#); [Timeline of Enron's Collapse](#))

7 June 2001: Former President of Argentina, Carlos Menem, a golfing partner and business benefactor of the elder Bush, is arrested on charges of illegal arms trafficking. He is suspected of having illegally sold 6,500 tons of arms to Croatia and Ecuador between 1991 and 1995, in violation of international arms embargoes. ([Bush Friend Arrested for Illegal Arms Trafficking](#))

You know what the difference is between the state of California and the Titanic? At least when the Titanic went down, the lights were on.

— Jeff Skilling, Enron CEO, at the Strategic Directions technology conference in Las Vegas

12 June 2001: Jeff Skilling is featured as the final speaker at the Strategic Directions technology conference in Las Vegas. The executive who introduces him notes that Enron is being hailed as "America's most innovative company" and that Skilling has been declared "the No. 1 C.E.O. in the entire country." Skilling jokes: "You know what the difference is between the state of California and the Titanic? At least when the Titanic went down, the lights were on." California state officials are not amused. ([Web of Details Did Enron In as Warnings Went Unheeded](#))

13 June 2001: The California Attorney General announces an investigation into price increases. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

13 June 2001: Army Secretary Thomas White, former vice chairman of Enron Energy Services, begins selling Enron stock. He will sell 405,710 shares of Enron from June 13 to October 30 for a total of \$12.1 million. ([Army Secretary Loses Millions in Enron Collapse](#))

18 June 2001: Under pressure from state officials and the US Senate, Federal Energy Regulatory Commission (FERC) expands wholesale price controls that were established by the April 25 order. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

18 June 2001: General Electric CEO Jack Welch calls White House Chief of Staff Andrew Card to ask for assistance in pressuring the European Union to approve GE's proposed merger with Honeywell. The next day, Bush interrupts his tour of Poland to tell reporters, "I am concerned that the Europeans have rejected it." The head of the EU antitrust review committee subsequently complains that he is being coerced by the Bush Administration to see things General Electric's way. ([The Payoff](#))

20 June 2001: Overseas Private Investment Corp. (OPIC), a government agency, plans a discussion of Enron's Dabhol power plant "prior to NSC meeting." ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#))

21 June 2001: While traveling in California, Jeff Skilling is hit in the face with a cream pie thrown by a protester. ([Web of Details Did Enron In as Warnings Went Unheeded](#))

22 June 2001: Duke Energy whistleblowers testify that Duke manipulated supply. Former Duke Energy employee Glenn Johnson says power generation units were taken offline when they didn't need maintenance and plant officials told him some units were offline for "economic reasons." ([Power Woes: An Inside Look](#))

22 June 2001: Electricity prices in the western United States fall to their lowest level in over a year in the wake of federal price controls and declining natural gas prices. The price for a megawatt-hour at the Palo Verde, Arizona transmission hub fell to \$92, compared to \$160 just before the FERC ruling of June 18. ([Monthly Energy Chronology - January 2001 to June 2001](#))

24 June 2001: Lay speaks with Cheney at American Enterprise Institute forum in Colorado. ([Pressure on Cheney to disclose](#))

26 June 2001: E-mail from National Security Council (NSC): "Mr. Mishra [India national security adviser Brajesh Mishra].would like to invite Mr. Watson [OPIC President Peter Watson] to meet with him just prior to the 2000 hrs. Thurs. June 28th dinner at [Indian] Amb. Mansingh's residence for 15-20 minutes. He would also be willing to meet with Mr. Lay [Enron Chairman Kenneth Lay] and the bankers after Mr. Watson but only at the residence. Pls. let me know your decision on this soonest." This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#))

27 June 2001: Cheney meets with Sonia Gandhi, president of India's opposition Congress Party. ([Veep Tried to Aid Enron - Key role in India debt row](#))

27 June 2001: E-mail from NSC: "We are not involved in arranging any meetings for Mr. Lay. My understanding is that his staff is trying for a Friday meeting but that may not be correct. I will ask the Indians if he is invited to the dinner. Also, the Indians did not agree to see the lenders. I will go at them again but if they come around it might be for a Friday meeting and not the dinner." This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#))

28 June 2001: E-mail from NSC: "Will check with them again. We are pushing for them to do this. Good news is that the Veep mentioned ENRON in his meeting with Sonia Gandhi [the president of India's opposition Congress Party] yesterday." This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#); [Veep Tried to Aid Enron - Key role in India debt row](#))

28 June 2001: Enron and Mirant are cited for contempt by California's Senate Select Committee to Investigate Market Manipulation. The documents - which include details on bidding, pricing and other aspects of power sales - had been requested in subpoenas issued earlier to Enron Corp., Mirant Inc. and four other generating companies [which?]. ([Contempt Motion For Energy Giants](#))

30 June 2001: The White House acknowledges Karl Rove was involved in shaping the administration's energy policy at a time when he owned equities in energy companies. ([Timeline of Enron's Collapse](#))

30 June 2001: Another Dabhol Working Group memo states the need to "broaden the advocacy" and recommends diplomatic action by the U.S. Embassy and the Ambassador. The memo also notes that Christina Rocca, in charge of Central Asian affairs for the U.S. government, met with a top aide to the Indian prime minister. The memo is marked as a "Confidential Business Communication." ([How Much Were Bush and Cheney Involved?](#))

July

July 2001: California Governor Davis and Edison continue a massive lobbying campaign for utility bailout. Meanwhile, state officials uncover a series of potential conflicts of interest among the Governor's staff and energy consultants hired by the state. State energy buyers own stock in power companies; top state negotiators have longstanding business relationships with power companies. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

July 2001: Traders from Atlanta-based Mirant Corp. and Public Service Co. of Colorado, an Xcel division are taped discussing market manipulation practices, describing ways to make money on a 300-megawatt purchase by Mirant. The Mirant trader suggests restricting the deal to 50 megawatts, saying "I don't want to crush the market too bad." The tape will be revealed on 11 June 2002, by Minneapolis-based Xcel Energy Inc. in a filing with federal regulators. ([Xcel trader tape jars industry](#))

5 July 2001: E-mail from NSC sent to vice president's office, U.S. Trade Representative and OPIC: "We would like to host a second inter-agency meeting on Enron Wed. July 11 at 10:30." This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#))

6 July 2001: Andrew Fastow is paid \$735,163 by the Southampton partnership, for no apparent reason. Southampton will receive up to \$6 million in payments it is not entitled to collect. ([Task force zeroes in on Fastow](#))

9 July 2001: California State officials and power suppliers fail to reach agreement on disputed charges worth \$8.9 billion. Chief Judge of FERC, Curtis L. Wagner Jr., states that California consumers were overcharged by as much as \$1 billion (going back to October 2000), but a group of energy companies offered refunds of \$716.1 million, adding that these refunds should be offset by amounts they are still owed for previous power deliveries. ([Monthly Energy Chronology - July 2001 to December 2001](#))

11 July 2001: The Federal Energy Regulatory Commission (FERC) orders a consolidation of U.S. power-grid assets in order to foster large, competitive markets in the Northeast and Southeast. This is part of the FERC's goal to promote the

development of four regional transmission organizations to oversee the national power grid, including an 11-state RTO in the west, including California. ([Monthly Energy Chronology - July 2001 to December 2001](#))

14 July 2001: July 4-14: Osama bin Laden meets with an unnamed CIA agent while being treated for kidney problems in Dubai. CNN will corroborate the renal-failure story on Jan 21, 2002. ([Report: bin Laden Treated at U.S. Hospital](#))

17 July 2001: E-mail from NSC to OPIC, International Trade Administration, Treasury, State, USTR titled: "NSC revision of Dabhol points for demarche." State will "send the demarche cable." Undated fax from NSC Asian Affairs to Watson, titled "Dabhol Points." This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#))

18 July 2001: GAO sends a demand letter calling for the release of all meeting notes and records of Cheney's energy task force. ([White House accuses GAO of overstepping its bounds](#))

I got to know Jim fairly well over the past few years. I knew him to be a gentle and sensitive man whose life, career and family were ruined because he told the truth about George W. Bush.

— Bev Conover, editor of Online Journal, on the apparent suicide of James Hatfield

20 July 2001: James H. Hatfield, author of the unauthorized Bush biography "Fortunate Son," is found dead in an Arkansas hotel room, apparently overdosed on two prescription drugs. ([Bush biographer commits suicide](#))

23 July 2001: Enron's stock closes at \$46.66, crossing the \$47 "trigger" embedded in the Raptor partnerships, which had been propped up so painstakingly on 26 March 2001. Enron's stock will never rise above \$47 again. ([Web of Details Did Enron In as Warnings Went Unheeded](#))

24 July 2001: CBS reports that a secret FERC investigation confirmed two power companies (Williams, El Paso?) manipulated supply. FERC sealed the evidence - documents and audio tapes of company employees arranging to keep plants shut down. ([Power Price Gouging Secrets](#))

25 July 2001: "All of these [questions] are bunk!" responds Enron CEO Jeffrey Skilling to questions concerning possible losses in the Broadband Division. ([Timeline of Enron Corporation's Demise - Chart](#))

30 July 2001: A government memo, labeled "Confidential Business Communication," is distributed to members of the NSC "Dabhol Working Group." It notes that earlier in the month, Lay visited India and met with various officials. It says State Department official Christina B. Rocca met with a senior aide to the Indian prime minister. The memo also notes possible plans to "broaden the advocacy" related to the power plant. That plan calls for solving problems related to the plant "in a diplomatically correct manner." The memo suggested enlisting the aid of Ambassador-designate Robert D. Blackwell, the World Bank, the U.S. Embassy in New Delhi, the State Department and the Indian Embassy in Washington. This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India; White House Aided Enron In Dispute](#))

31 July 2001: Lay completes the sale of \$101 million worth of stock over an nine-month period. ([Key Dates in Enron Case](#))

August

August 2001: [date? Aug 14-31] During this time, Enron stock is selling for \$37 a share, and Lay has already sold a substantial portion of his own shares. ([Employee note warned Lay](#))

August 2001: California Governor Gray Davis pushes for the "DWR Rate Agreement," which imperils public scrutiny over the energy system. Consumer groups oppose the agreement and lobby for public oversight of state's energy activities. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

August 2001: Enron agrees to sell Azurix North America to American Water Works, a separate New York Stock Exchange listed company, for \$155.9 million. ([Dead in the Water: Enron's grab for Florida's water was factor in collapse](#))

2 August 2001: The last meeting between U.S. and Taliban representatives takes place, five weeks before the attacks on New York and Washington. On this occasion, Christina Rocca meets the Taliban ambassador to Pakistan in Islamabad. ([How Much Were Bush and Cheney Involved?](#))

6 August 2001: FERC chairman Curt Hébert announces his resignation. ([Monthly Energy Chronology - July 2001 to December 2001](#))

14 August 2001: Bush names his longtime associate, and friend of Ken Lay, Pat Wood III, to replace Curt Hébert as Chairman of FERC, effective September 1. ([Bush Names Wood to Head FERC](#))

14 August 2001: Chief Executive Jeffrey Skilling quits Enron, citing personal reasons. Ken Lay returns to the position of chief executive officer. Lay says, "Absolutely no accounting issue, no trading issue, no reserve issue, no previously unknown problem issues" are behind the departure. A Vinson & Elkins internal report will state that Skilling broke into tears when he delivered his resignation to the board.

http://www.nytimes.com/packages/html/business/20020123_enron_LAY/index.html (The Enron Chain Saw Massacre; Timeline: Kenneth Lay's Actions; Top ten innocent explanations for Arthur Andersen's end-of-Enron document shredding party.; Fastow Spoke of Possible 'Gray Area' for Enron)

14 August 2001: Lay writes an email message to his employee/stockholders: "Our performance has never been stronger; our business model has never been more robust. ...We have the finest organization in American business today." ([Enron, Bush Officials Face Serious Legal Questions](#))

15 August 2001: Enron vice president for corporate development, Sherron Watkins, warns Lay of "a veil of secrecy" around off-book partnerships and predicts the company will "implode in a wave of accounting scandals" ([Enron chief got early warning; Timeline: Enron; Bush Pioneers, Andersen Consulting, and Enron; Enron's Chairman Received Warning About Accounting; Joe B. Allen, Bush Pioneer; Thomas P. Marinis Jr., Bush Pioneer; Robert H. Whilden, Jr., Bush Pioneer](#))

It was very well known that Enron faced a financial meltdown. The day that Jeff resigned our stock plummeted. We knew it wouldn't rally. What we didn't know was how the financial problems at Enron would impact the energy markets in the U.S. That's why Pat met with Mr. McNally. To find out.

Anonymous Enron executive, on the early warning to Bush that Enron was collapsing

15 August 2001: Enron lobbyist Pat Shortridge meets with White House economic advisor Robert McNally to alert Bush that Enron could face a financial meltdown that could possibly cripple the country's energy markets. ([Enron-exec says Bush knew early the company was kaput](#))

16 August 2001: Ken Lay leads a meeting to address employees' worries at a downtown Houston Hotel [which?]. ([Enron Chief Says His Sale of Stock Was to Pay Loans](#))

17 August 2001: GAO sends another letter, demanding who Cheney's energy task force met, the date and subject of those meetings and the costs involved. . ([White House accuses GAO of overstepping its bounds](#))

20 August 2001: Sherron Watkins discusses her worries with James A. Hecker, an Andersen accountant. "Sherron told me that she was concerned about the propriety of accounting for certain related-party transactions," Mr. Hecker writes in a memo to the file the next day. ([Web of Details Did Enron In as Warnings Went Unheeded](#))

21 August 2001: Lay disposes of \$3.5 million of stock only five days after being warned that Enron could "implode in a wave of accounting scandals", made in two tranches on August 20 and August 21 ([Andersen recovers missing Enron files](#))

21 August 2001: Lay sends a letter to Enron employees seeking to reassure them that the company is on solid footing: "One of my highest priorities is to restore investor confidence in Enron. This should result in a significantly higher stock price." ([Enron's Chairman Received Warning About Accounting](#))

21 August 2001: UBS PaineWebber adviser Chung Wu e-mails more than 10 of his clients, expressing concerns about Enron's financial future and advising them to sell their company stock. The same afternoon, Enron executive Aaron Brown, who oversees the stock option program, sends a stern message to PaineWebber executives, including the Houston branch office manager. "Please handle this situation," the newly released message stated. "This is extremely disturbing to me." PaineWebber fires Mr. Wu less than three hours later. ([Analyst: Fired Over Enron Sell Advice; The Man Who Paid the Price for Sizing Up Enron](#))

22 August 2001: Ken Lay's first meeting with vice president Sherron Watkins. Philip Hilder, Watkins' lawyer, says "there were also subsequent meetings in October." ([A Few Warnings For Enron Chief](#))

24 August 2001: Enron officials seek legal advice from Vinson & Elkins about the "risks associated with discharging (or constructively discharging) employees who report allegations of improper accounting practices." The firm advises Enron that firing such an employee might leave the company vulnerable to a wrongful termination lawsuit and would increase the risk of a complaint to government regulators. ([Fastow Spoke of Possible 'Gray Area' for Enron](#))

27 August 2001: Ken Lay writes another email to employees extolling the value of an employee stock option program, describing a "significantly higher price" the stock will bring in the near future. ([Enron Misled Employees on Stock; How Much Were Bush and Cheney Involved?](#))

27 August 2001: "Although the structure may be in a gray area, it is fully approved by [Andersen] and is fully disclosed," Fastow is quoted in a Vinson & Elkins internal report. According to this report, Enron's accounting measures have been approved by the "office of the chairman," which consisted of Lay and Skilling. ([Fastow Spoke of Possible 'Gray Area' for Enron](#))

28 August 2001: Bush's old pals and financial patrons at Harken Energy sever their longtime relationship with Andersen. ([Bush and Andersen's Texas Two-Step](#))

Some would say the house of cards are falling. You are potentially facing shareholder lawsuits, employee lawsuits, heat from analysts and newspapers. The market has lost all confidence, and it's obvious why.

— Margaret Ceconi, Enron Energy Services manager, in an email to Enron's board of directors

29 August 2001: "Some would say the house of cards are falling. You are potentially facing shareholder lawsuits, employee lawsuits, heat from analysts and newspapers. The market has lost all confidence, and it's obvious why," writes Margaret Ceconi, a midlevel manager of Enron Energy Services, in an email to Enron's board of directors. Ceconi says losses have reached at least \$500 million, and perhaps \$1 billion, all of it hidden when the division's "risk group" merged with its "wholesale group." "You should check on the Safeway contract, Albertson's, IBM and the California contracts that are being renegotiated. It will add up to over \$500MM that EES is losing and trying to hide in Wholesale. Rumor on the 7th floor is that it is closer to \$1 Billion. This is common knowledge among all the EES employees, and is actually joked about," her e-mail states. "But it should be taken seriously." She continues: "One can only surmise that the removal of Jeff Skilling was an action taken by the board to correct the wrongdoings of the various management teams at Enron. However, based on my experience at this company, I'm sure that board has only scratched the surface of the impending problems that plague Enron at the moment (*i.e.* EES's management's incapability's of strategic planning, hiding losses/SEC violations, fraudulent recruiting practices, lack of product, *etc.*)." From 1998 through May 2001, now-secretary of the Army, Thomas E. White, was vice-chairman of Enron Energy Services. ([2nd Enron warning disclosed; Army Secretary Should Testify Before Congress, Democrat Says; The other Enron whistleblower](#))

31 August 2001: Curt Hébert resigns as chairman of FERC. ([FERC chief's ouster raises Enron-Bush questions](#))

31 August 2001: In an interview with Vinson & Elkins, Enron's chief accounting officer, Richard A. Causey, says Lay and Skilling had been warned about the potential risks created by the Raptor partnerships. He says that Lay and Skilling both knew that the so-called Raptor partnerships were sinking under heavy losses and would need to be supported by issuing more Enron stock. "Raptor was created to withstand volatility," Causey tells the law firm. "It was not created to withstand declining asset values of the magnitude that have been experienced. . . . All these consequences were known to Jeff Skilling and Ken Lay through discussions of this structure." ([Fastow Spoke of Possible 'Gray Area' for Enron](#))

31 August 2001: UBS PaineWebber adviser Chung Wu writes in a U-4 regulatory filing to the National Association of Securities Dealers: "Enron management was not pleased and due to the employee stock option relationship UBS PaineWebber has with them, the pressure came from my corporate office to the branch level (Houston) to dismiss me. I told the truth to my clients." ([Analyst: Fired Over Enron Sell Advice](#))

September

The cozy relationship between Bush and the Taliban frustrated the investigative efforts of former Deputy Director of the FBI John O'Neill. O'Neill was the FBI's chief bin Laden hunter, in charge of the investigations into the bin Laden-connected bombings of the World Trade Center in 1993, the destruction of an American troop barracks in Saudi Arabia in 1996, the African embassy bombings in 1998, and the attack upon the U.S.S. Cole in 2000. O'Neill, quit the FBI in protest two weeks before the destruction of the World Trade Center towers.

September 2001: [late August - early September, dates?] Deputy Director of the FBI, John O'Neill, the FBI's chief bin Laden hunter, resigns in protest after his investigations are killed by orders from above. ([Hell to pay; Osamagate](#))

1 September 2001: Longtime associate of Bush and Lay, Pat Wood, replaces Curt Hébert as chairman of FERC. ([Bush Names Wood to Head FERC](#))

4 September 2001: Senator Phil Gramm announces his retirement. ([Was Phil Gramm's retirement from the Senate in early September tied to the Enron debacle?](#))

5 September 2001: Lay announces that Enron will divest itself of \$4-\$5 billion in assets in the next two years, to restructure itself and place more emphasis on its trading operations. ([Monthly Energy Chronology - July 2001 to December 2001](#))

To the embarrassment of investigators, it has also emerged that the firm used to buy many of the 'put' options – where a trader, in effect, bets on a share price fall – on United Airlines stock was headed until 1998 by 'Buzzy' Krongard, now executive director of the CIA...Between 6 and 7 September, the Chicago Board Options Exchange saw purchases of 4,744 "put" option contracts in UAL versus 396 call options – where a speculator bets on a price rising. Holders of the put options would have netted a profit of \$5m (£3.3m) once the carrier's share price dived after 11 September. On 10 September, more trading in Chicago saw the purchase of 4,516 put options in American Airlines, the other airline involved in the hijackings. This compares with a mere 748 call options in American purchased that day. Investigators cannot help but notice that no other airlines saw such trading in

their put options. It was not just airlines that were targeted by remarkably canny investors. One of the biggest occupants of the World Trade Centre was Morgan Stanley, the investment bank. In the first week of September, an average of 27 put option contracts was bought each day in its shares. The total for the three days before the attacks was 2,157. Merrill Lynch, another WTC tenant, saw 12,215 put options bought in the four days before the attacks, when the previous days had seen averages of 252 contracts a day.

6 September 2001: Sep. 6-7: An unusual number of put options are bought for United Airlines and American Airlines - the money remains unclaimed. ([Mystery of terror 'insider dealers'](#))

9 September 2001: Defense Secretary Donald H. Rumsfeld threatens to recommend a veto of the proposed budget, which would divert \$600 million from ballistic missile defense. The diversion comes from the Senate Armed Services Committee as it tries to fill gaps between what military commanders say they need to combat terrorists and what the budget specifies. ([A Strategy's Cautious Evolution - Before Sept. 11, the Bush Anti-Terror Effort Was Mostly Ambition](#))

10 September 2001: Army Secretary Thomas White calls Ken Lay. He will have seven "encounters" with Enron employees between Sept. 10 and January 16 and 23 telephone calls. ([Army Secretary Loses Millions in Enron Collapse](#))

10 September 2001: "Those who control the oil routes out of Central Asia will impact all future direction and quantities of flow and the distribution of revenues from new production," writes energy expert James Dorian in Oil & Gas Journal, published the day before the terrorist attacks. ([How Much Were Bush and Cheney Involved?](#))

11 September 2001: World Trade Center and Pentagon are attacked. (ref) ()

14 September 2001: Ken Lay sends a letter to Vajpayee, demanding \$1.2 billion for the cost of the company's Dabhol plant investment and \$1.1 billion for the purchase of offshore lenders' debt. ([White House Aided Enron In Dispute](#))

14 September 2001: The campaign by Edison and California Governor Gray Davis to enact bailout legislation fails to pass California Senate. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

14 September 2001: Unocal issues the following statement: "The company is not supporting the Taliban in Afghanistan in any way whatsoever. Nor do we have any project or involvement in Afghanistan." ([How Much Were Bush and Cheney Involved?](#))

16 September 2001: The California State Legislature ends its session without a bailout for Southern California Edison, as Governor Gray Davis had requested. A bill that would have let Southern California Edison issue \$2.9 billion in bonds was not allowed to come to a vote in the Senate. Southern California Edison, with 4.3 million customers, acquired a debt of \$3.9 billion during the California power crisis in the winter of 2001. ([Monthly Energy Chronology - July 2001 to December 2001](#))

18 September 2001: Kopper, who had sold his Chewco assets to Enron so profitably months before, was insisting that Enron cover the \$2.6 million tax liability from the sale. Against the explicit instructions of Enron's general counsel, Fastow authorizes Enron's treasury department to cut the check, and the \$2.6 million is sent to Chewco. ([Web of Details Did Enron In as Warnings Went Unheeded](#))

19 September 2001: Enron invokes a clause in its Dabhol power plant contract, claiming that because the Maharashtra State Electricity Board has violated its power purchase agreement, the Maharashtra state government and the government of India are liable for \$5 billion. India could avoid facing liabilities that could total \$5 billion by choosing to settle the dispute by paying offshore sponsors and foreign lenders, according to Enron's Dabhol unit. ([Monthly Energy Chronology - July 2001 to December 2001](#))

20 September 2001: PG&E files its bankruptcy plans. PG&E argues that it should reorganize into two utility companies because this would put it in a better position to borrow the money needed to pay off \$13.2 billion in debt. Consumer groups object to the plan, contending that it could lead to higher electricity rates because of reduced State oversight. ([Monthly Energy Chronology - July 2001 to December 2001](#))

21 September 2001: Vinson & Elkins lawyers investigating Sherron Watkins' warnings report their findings to Lay and Enron's general counsel, Mr. Derrick. There is no reason for concern, the lawyers report. Everything in Mr. Fastow's operation seems to be on the level. They promise a written report in a matter of weeks. ([Web of Details Did Enron In as Warnings Went Unheeded](#))

26 September 2001: Ken Lay uses an online chat to urge employees to buy Enron shares, telling them that the stock is "an incredible bargain" and predicting that the value of the company would increase 800 percent or more in the next decade. ([Enron Chief Says His Sale of Stock Was to Pay Loans](#))

27 September 2001: Enron emails employees saying 401(k) accounts will be frozen as of Oct 19 because of administrative change. The actual date is October 26. ([Key Dates in Enron Case](#))

28 September 2001: E-mail with attached Microsoft Word document, VPTALK2.DOC, is sent from a senior investment officer at OPIC. "Attached are the Dabhol talking points for the Vice President's meeting with Foreign Minister [Jaswant] Singh." Return e-mail from NSC: "Passed to Veep's staff for inclusion and used two for DCR's paper." This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#))

It's totally irrational to buy capacity from Enron. This is clearly a swap for accounting purposes.

— Patrick Comack, telecommunications analyst at the investment house of Guzman & Co, on Enron and Qwest Communications deal

September 2001: "It's totally irrational to buy capacity from Enron," says Patrick Comack, a telecommunications analyst at the investment house of Guzman & Co in Miami. "This is clearly a swap for accounting purposes." Enron and telecommunications giant Qwest Communications strike a deal to swap fiber optic network capacity and services at exaggerated prices in an effort to improve the financial pictures of both companies. Enron and Qwest value the transaction at more than \$500 million, but analysts say the timing and the valuation are hard to justify because a glut of fiber optic capacity has sent network prices plummeting. The two companies race to complete the transaction as the third quarter is ending in September. According to a former Enron executive [who?], "Qwest said: we will overpay for the assets, and you will overpay me on the contract. They had a pinch in the third quarter and needed a deal." Arthur Andersen signs off on the accounting methods Qwest and Enron use in the deal. ([Enron's swap with Qwest raises more accounting questions](#))

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October

October 2001: Since January 19, California has spent approximately \$10 billion of taxpayer money from the General Fund to purchase electricity from wholesale energy companies - nearly three times what the companies paid for the power plants. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

2 October 2001: The California PUC announces a secretly negotiated deal for a \$3-5 billion ratepayer bailout of Edison. Consumer groups sue to overturn the deal in federal courts. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

3 October 2001: Cheney meets with India External Affairs Minister Jaswant Singh. The NSC sends "Dabhol talking points" to Cheney's staff. ([How Much Were Bush and Cheney Involved?](#))

4 October 2001: Enron officials tell employees that the 401(k) lockdown period will begin on Sunday, October 28, and continue until November 20. The actual end date will be 13 November 2001. ("Labor probes 401(k) lockdown", <http://www.chron.com/cs/CDA/story.hts/special/enron/1224332>) ([Labor probes 401\(k\) lockdown](#))

8 October 2001: Andersen partner Nancy Temple begins to discuss Andersen's document-retention policy in a series of conference calls with other members of the firm. This policy requires that final memorandums and documents be placed in the work papers maintained by the accountants, while all other records — including e-mail messages, notes and draft memorandums — be destroyed. ([Andersen Guilty of Shredding Files in Enron Scandal](#))

8 October 2001: Enron agrees to sell Portland General to Northwest Natural Gas Co. for \$1.8 billion. ([Law firm advised Enron not to worry](#))

8 October 2001: The Federal Energy Regulatory Commission (FERC) orders four companies (Dynergy, Mirant, Williams, and Reliant Energy) to give refunds because the prices they charged for electricity in July exceeded federal limits. The amounts are not specified, but the order comes after FERC set price ceilings in June for ten western states that the companies did not abide by (see 18 June entry). ([Monthly Energy Chronology - July 2001 to December 2001](#))

9 October 2001: October 9 Item from appointment book [whose?]: 11 am meeting on Dabhol at state dept, with Undersecretary of State for Economic, Business and Agriculture Affairs Alan P. Larson. This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#))

This directive comes from the partner group and is considered very important.

— Chad DeJohn, Andersen computer system expert, urging staffers on the Enron team to "as soon as possible" clean out their computer files

9 October 2001: Andersen in-house attorney Nancy Temple's notes and e-mails show that top Andersen managers are concerned about their standing with the SEC as they embark on the Enron paper-shredding campaign. Temple's notes refer to a phone call with two members of Andersen's legal team in which they discussed a possible restatement of

Enron's earnings and how that might lead to an accusation by the SEC that Andersen violated the terms of its Waste Management settlement. ([Andersen notes show firm feared SEC probe](#))

If it's destroyed, and litigation is filed the next day, that's great, because we've followed our policy. Whatever there was that might have been of interest to someone is gone and irretrievable.

— Michael Odom, Andersen partner who helped oversee the firm's Enron account, on the firm's document-retention policy

10 October 2001: Arthur Andersen audit team managers are videotaped saying that destroying documents before litigation is filed is "great" because "whatever might have been of interest to anybody is gone and irretrievable." ([Video: Manager said shredding was 'great'; On tape, Andersen staff told to ditch documents](#))

10 October 2001: Enron officials brief Robert McNally, a special assistant to Bush on energy policy, and Andrew Lundquist, the executive director of Cheney's energy task force, about a liquefied natural gas project in Venezuela. ([White House-Enron Ties Detailed](#))

10 October 2001: Enron-Cheney staff meeting. ([Key Dates in Enron Case](#))

11 October 2001: FBI issues an alert on possible terrorist attacks within the US. ([FBI Warns of Terror Attack Plot; No Target Cited](#))

12 October 2001: A memo "to the files" concerning the Raptor transaction from David Duncan, Andersen's top partner on the Enron account, and others is "dated March 28, 2000, as amended on October 12, 2001." "What part of the document is from March 2000 and which parts are "amended" today is unclear. March 28, 2000, is, presumably, when the document was written in order to back the auditors' conclusion that the LJM2 partnership was not in fact just another part of Enron under the rules for special-purpose entities. But at several points, the document says, "We discussed the issue with Carl Bass of the Professional Standards Group who concurred with our conclusion." Bass did not concur, and memos from him indicate his disagreement. A February 2000 e-mail states his view that "this whole [LJM] deal looks like there is no substance." Bass has told congressional investigators that he was moved off the Enron account in March 2001, largely because he refused to "rubber stamp" many of Enron's most aggressive accounting maneuvers. ([Enron Documents Indicate Possible Cover-Up](#))

[T]he Oct. 12 memo directed workers to destroy all audit material, except for the most basic "work papers." And that's what they did, over a period of several weeks...Supervisors at Arthur Andersen repeatedly reminded their employees of the document-destruction memo in the weeks leading up to the first Security and Exchange Commission subpoenas that were issued on Nov. 8. And the firm declines to rule out the possibility that some destruction continued even after that date.

12 October 2001: Partner and in-house Andersen lawyer Nancy Temple spells out the firm's document destruction policy for auditors, four days before Enron announces its third-quarter losses. She sends an e-mail message to Houston, saying that "it would be helpful" if members of the accounting team working on Enron made sure that they were in compliance with the firm's document-retention policy. ([Andersen LLP Firing Enron Auditor](#); [Enron: Who's Accountable?](#); [Andersen Guilty of Shredding Files in Enron Scandal](#))

12 October 2001: Attorney General Ashcroft quashes the Freedom of Information Act in the Justice Department. ([On the Public's Right to Know: The day Ashcroft censored Freedom of Information](#))

12 October 2001: Bush nominates Christopher Bancroft Burnham to be Chief Financial Officer at the Department of State. Burnham is a Bush Pioneer (raised over \$100,000 for the campaign) and served as Vice-Chairman-International of the Pacific Investment Management Funds Company, the third largest holder of Enron's Osprey Trust. ([Nomination and Designation](#); [Top 10 Holders of Osprey Trust \(ENRON SPV\)](#); [Pioneer Profiles: Christopher B. Burnham](#))

15 October 2001: Vinson & Elkins find that Enron has committed no wrongdoing. ([Enron's Chairman Received Warning About Accounting](#))

15 October 2001: Lay talks to Commerce Secretary Donald L. Evans. Commerce officials say the call did not cover Enron's financial troubles. ([Timeline of Enron's Collapse](#))

16 October 2001: Enron discloses a \$1.2 billion write-down of its net worth. ([Andersen workers told to destroy records, Time says](#); [Enron reports \\$618 million quarterly loss.](#))

16 October 2001: Enron reports its first quarterly loss in over four years after taking charges of \$1 billion on poorly performing businesses. Enron also discloses a \$1.2 billion charge against shareholders' equity relating to dealings with partnerships run by chief financial officer Andrew Fastow. ([FBI investigates Enron shredding](#))

16 October 2001: Andersen lawyer Nancy Temple arrives in Houston. Her role is unclear, but the document shredding is in progress. Temple writes lead Enron auditor David Duncan that he should remove her name from a memo because it

would increase "the chances that I might be a witness, which I prefer to avoid." The memo is Duncan's summary of a conference call about today's earnings release by Enron revealing accounting irregularities. Enron characterizes some issues as "nonrecurring" when, Duncan says, the opposite is true. ([Role of Senior Andersen Lawyer Probed](#); [Andersen loses Enron audit verdict](#))

16 October 2001: The Republican-controlled House of Representatives approves a \$100bn "economic stimulation" package; Enron is earmarked for \$254 million. ([Corporate US on track for bailout](#))

17 October 2001: SEC sends letter to Enron. ([Andersen LLP Firing Enron Auditor](#))

18 October 2001: California Governor Gray Davis announces a plan to renegotiate some of the \$43 billion in long-term energy contracts with wholesale energy suppliers. Many of the contracts contain unlawful provisions. More revelations that state negotiators had conflicts of interest with energy companies are revealed. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

19 October 2001: Andersen lawyer Nancy Temple sends another email, this time to the Chicago office, describing the document-destruction process. ([Role of Senior Andersen Lawyer Probed](#))

20 October 2001: A report filed with the Internal Revenue Service reveals that a political group allied with House Majority Whip Tom DeLay (R-TX) raised nearly \$500,000. The Republican Majority Issues Committee was required to show, for the first time, how it raises and spends its money. One of the committee's largest donations included Enron's \$50,000. ([Timeline of Enron's Collapse](#))

22 October 2001: SEC inquiry disclosed into possible Enron partnership conflicts of interest. ([Key Dates in Enron Case](#))

22 October 2001: Andersen partner David B. Duncan, lead auditor on the Enron account, learns from Enron that another letter will soon be coming from the S.E.C. seeking accounting information. ([Andersen Guilty of Shredding Files in Enron Scandal](#))

22 October 2001: Enron acknowledges a Securities and Exchange Commission inquiry into a possible conflict of interest related to the company's dealings with the partnerships. Shares of Enron sink more than 20 percent on the news. ([Timeline of Enron's Collapse](#))

22 October 2001: Alliance Capital Management Corp. buys 311,000 shares of Enron at \$22.82 for Florida's state pension fund. ([Florida's last-minute Enron stock buys probed](#))

23 October 2001: Andersen lead auditor, David B. Duncan, orders the destruction of documents. Immediately after a conference call between Enron officials and Wall Street analysts, Duncan instructs members of his team to comply with the document policy. Those instructions will be repeated over the next several days. ([Andersen LLP Firing Enron Auditor](#); [Andersen Guilty of Shredding Files in Enron Scandal](#))

23 October 2001: "I would like to know if you are on crack. If so, that would explain a lot, if not you may want to start because it's going to be a long time before we trust you again," writes an Enron employee to Ken Lay at a televised staff meeting. ([Video Shows Enron Employee Asked if Lay Was on Crack](#))

23 October 2001: E-mail from NSC: "Larson raised the Dabhol issue with both FM Singh and NSA Mishra and got a commitment to 'try' to get the government energized on this issue prior to the PM's visit to Washington on November 9. . . .Pls. give me one/two bullets for the President to use during his meeting with (Indian Prime Minister Atal Bihari Vajpayee." This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#))

23 October 2001: Lay has the "highest faith and confidence in Andy. We remain well-positioned for...success." ([Seeds of a scandal](#))

23 October 2001: Lay begins the sale of \$6 million in Enron stock. Sales will continue over the next four days. ([Lay Sold Shares for \\$100 Million](#))

24 October 2001: Enron's chief financial officer, Andrew Fastow, beneficiary of several partnerships, is fired. ([Timeline: Enron](#))

24 October 2001: Memo from an Andersen manager [who?] tells employees that Enron document shredding is so important it should be pursued even "on an overtime basis, if necessary for the remainder of this week or for however long it takes." ([Enron Scrutinized](#))

AARRGGH. Send more shredding bags. Just kidding, we ordered some.

— Shannon Adlong, assistant to David Duncan, on the shredding operation at Andersen

24 October 2001: Shannon Adlong, an assistant to Andersen partner David Duncan, writes in email: "AARRGGH. Send more shredding bags. Just kidding, we ordered some." ([Andersen guilty of obstructing Enron probe](#))

24 October 2001: Fastow is replaced as chief financial officer by Jeff McMahon, head of Enron's industrial markets unit. ([FBI investigates Enron shredding](#))

24 October 2001: Alliance Capital Management Corp. buys 302,500 Enron shares at \$16.30 for the Florida state pension fund. After this, Alliance buys two million more shares for the Florida pension fund. ([Florida's last-minute Enron stock buys probed](#))

25 October 2001: In an e-mail to Enron employees, the company's benefits department discusses the 401(k) blackout period : "We have been working with Hewitt and Northern Trust since July. We understand your concerns and are committed to making this transition period as short as possible without jeopardizing the reconciliation of both the plan in total and your account in particular." ([Labor probes 401\(k\) lockdown](#))

26 October 2001: The Bin Laden family withdraws from The Carlyle Group. ([Bin Ladens bail on Carlyle Group](#); [Bin Laden Cutting Carlyle Ties](#))

26 October 2001: Enron employees' 401(k) accounts are frozen. The accounts will not be unfrozen until 13 November 2001. During the lockdown, the stock price will drop from \$15.40 to \$9.98. ([Key Dates in Enron Case](#); [Labor probes 401\(k\) lockdown](#); [Ex-Enron Workers Assign Blame](#))

26 October 2001: Lay calls Federal Reserve Chairman Alan Greenspan to provide information. ([Timeline of Enron's Collapse](#))

28 October 2001: Lay talks by telephone with Treasury Secretary Paul O'Neill to inform him of financial problems facing Enron. Lay describes Enron's problems, suggesting that the company's collapse could put the entire financial system at risk. O'Neill then asks Peter R. Fisher, the under secretary for domestic finance, to examine that thesis. Fisher ultimately advises O'Neill that such aftershocks are unlikely. A Treasury spokeswoman will say later that O'Neill did nothing to help the company. O'Neill also does nothing to warn the S.E.C. and shareholders. Enron is still trading at over \$15 per share. ([Timeline of Enron's Collapse](#); [Web of Details Did Enron In as Warnings Went Unheeded](#))

29 October 2001: FBI issues an alert on possible terrorist attacks within the US. ([FBI Warns of Terror Attack Plot; No Target Cited](#))

29 October 2001: Ken Lay calls Commerce Secretary Donald Evans. Lay asks if Evans can do anything to influence a decision by Moody's Investors Service to downgrade Enron's credit rating. Evans decides not to intervene. Evans also makes no attempt to alert the S.E.C. or shareholders. ([Timeline of Enron's Collapse](#))

30 October 2001: Army Secretary Thomas White makes his last sale of Enron stock. He has sold 405,710 shares of Enron from 13 June 2001 to 30 October 2001 for a total of \$12.1 million. ([Army Secretary Loses Millions in Enron Collapse](#))

31 October 2001: SEC upgrades inquiry to formal investigation. ([Key Dates in Enron Case](#))

October 2001: [Late October-Early November]: Enron executive [who?] repeatedly contacts Peter Fisher, a Treasury undersecretary, trying to get the government to encourage banks to extend credit to the struggling company. ([Bush Wasn't Informed of Enron Calls](#))

November

1 November 2001: J.P. Morgan and Salomon Smith Barney agree to provide Enron with an additional \$1 billion in secured credit. ([FBI investigates Enron shredding](#))

1 November 2001: A government e-mail indicates that talking points have been prepared for Bush in his meeting with Vajpayee. They are never used. This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#); [White House Aided Enron In Dispute](#))

1 November 2001: Bush issues Executive Order 13233 sealing past presidential documents. ([Hiding Past and Present Presidencies: The Problems With Bush's Executive Order Burying Presidential Records](#))

2 November 2001: Andersen notifies Enron's audit committee of "possible illegal acts" within Enron. ([Andersen LLP Firing Enron Auditor](#))

5 November 2001: E-mail, apparently from NSC to OPIC: "I am meeting with Indian DCM Prasad tomorrow. I can make the points you provided to him. Two suggestions from Torkel A) have Peter call Amb. Mansingh to tell him it needs to be resolved [sic] B) Fax us a paper that we could hand to the Indians C) Do you still want to sign an MOU [memorandum of understanding] with the Indians or announce one during Vajpayee's visit?" This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#))

6 November 2001: "The acute lack of progress in this matter has forced Dabhol to rise to the highest levels of the United States government," writes OPIC President Peter Watson to a top Vajpayee aide, Brajesh Mishra. "I ask that you give this

matter serious and immediate attention." This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#); [White House Aided Enron In Dispute](#))

7 November 2001: The Federal Energy Regulatory Commission (FERC) orders California's electric grid operator to begin sending utility bills to the State, rather than to utility companies, for more than \$1.6 billion of power used to stabilize the electric system since the State's power crisis last year. California assumed payment responsibility for the State's cash-strapped utilities in January. ([Monthly Energy Chronology - July 2001 to December 2001](#))

8 November 2001: Treasury Secretary Paul O'Neill receives call from Lay. O'Neill does not alert the S.E.C. or shareholders. ([Timeline of Enron's Collapse](#))

8 November 2001: Enron admits overstating profits by \$586 million over five years and, files documents with the SEC revising its financial statements for the past five years to account for \$586 million in losses. ([Key Dates in Enron Case](#); [Timeline of Enron's Collapse](#))

8 November 2001: Enron declares that Chewco and the first Jedi partnership should have been included on its books starting in 1997. This acknowledgment adds more than \$500 million in debt to Enron's balance sheet and wipes out \$396 million in reported profits over four years. Enron erases another \$190 million in reported profits from other partnerships, for a total hit of \$586 million. ([CalPERS inadvertently linked to fall of Enron](#))

8 November 2001: Andersen receives a federal subpoena for documents related to Enron. ([Timeline of Enron's Collapse](#))

8 November 2001: Efforts by Cheney's NSC working group for Enron's India plant appear to have ended. ([White House Aided Enron In Dispute](#))

8 November 2001: An intragovernmental e-mail labeled "Importance: High," says: "President Bush can not talk about Dabhol as was already mentioned." The e-mail - released by OPIIC officials after they deleted the sender's and recipients' names - also said that Bush's top economic adviser, Lawrence B. Lindsey, "was advised that he could not discuss Dabhol." This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#); [White House Aided Enron In Dispute](#))

8 November 2001: Dynegy agrees to buy Enron. ([Key Dates in Enron Case](#))

9 November 2001: Enron agrees to a deal in which smaller rival Dynegy Inc. will buy Enron for some \$9 billion in stock. As part of the deal Chevron Texaco agrees to inject \$1.5 billion in fresh capital immediately. ([FBI investigates Enron shredding](#))

9 November 2001: E-mail says that national security adviser Condoleezza Rice chose not to discuss Dabhol in her meeting with Mishra. This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#); [White House Aided Enron In Dispute](#))

10 November 2001: Army Secretary Thomas White has a conversation with Defense Secretary Donald H. Rumsfeld about Enron. ([Army Secretary Loses Millions in Enron Collapse](#))

13 November 2001: The Southampton partnership pays \$450,000 to Michael Kopper and two other Southampton investors and former Enron employees, Kathy Lynn and Ann Yaeger-Patel, for no apparent reason. Southampton will receive up to \$6 million in payments it is not entitled to collect. ([Task force zeroes in on Fastow](#))

13 November 2001: The lockdown of Enron employees' 401(k) accounts ends. During the lockdown, the stock price has dropped from \$15.40 to \$9.98 per share. ([Ex-Enron Workers Assign Blame](#))

13 November 2001: Federal Reserve Chairman Alan Greenspan accepts the Enron Award for Distinguished Public Service. "The best chance you have of making a big success in this world is to decide from square one that you're going to do it ethically." ([Newsweek: Greenspan At Enron Public Service Award Ceremony Just Days After Company Admitted Filing Misleading Financial Reports](#))

13 November 2001: James Daniel Watkins, a telecommunications consultant working at the Denver office of Arthur Andersen, disappears. He will be found dead on December 1. ([Man's body discovered in van confirmed as suicide victim](#))

15 November 2001: Dynegy tries to artificially pump up its trading volume during takeover talks with Enron. In two transactions Dynegy buys and simultaneously sells 20,000 megawatts of power from CMS — enough to power Houston for four months. Neither CMS Energy nor Dynegy record any revenue or profit from the trades. The CEOs of both Dynegy and CMS will resign in May 2002. ([Dynegy CEO Chuck Watson resigns](#))

16 November 2001: Alliance Capital Management makes its final purchase of Enron stock for the Florida state pension fund. ([Florida's last-minute Enron stock buys probed](#))

19 November 2001: Enron files its 10-Q quarterly report, revealing the drain of cash and the fact that payment on a note has been accelerated because of its troubles; Enron owes \$690 million, payable within days. ([Web of Details Did Enron In as Warnings Went Unheeded](#))

20 November 2001: Enron discloses that a deterioration in its credit ratings could accelerate repayment of a \$690 million loan. The company subsequently negotiates an extension of the loan. ([FBI investigates Enron shredding](#))

27 November 2001: Treasury Secretary Paul O'Neill's office announces that according to an agreement with the Cayman Islands, that nation will not have to tighten its banking laws until 2004. ([Evidence Indicates That O'Neill Helped Enron Hide Financial Condition](#))

28 November 2001: Major credit rating agencies downgrade Enron's bonds to "junk" status. Dynegy terminates its agreement to buy Enron. Enron temporarily suspends all payments, other than those necessary to maintain core operations. ([FBI investigates Enron shredding](#))

28 November 2001: Dynegy pulls out of the Enron deal. ([Key Dates in Enron Case](#))

29 November 2001: SEC expands investigation to Andersen. ([Key Dates in Enron Case](#))

30 November 2001: Alliance Capital Management sells all the Florida state pension fund's 7.6 million Enron shares for 28 cents a share, two days before Enron declares bankruptcy. ([Florida's last-minute Enron stock buys probed](#))

30 November 2001: Enron executives receive "retention" bonuses totaling more than \$55 million. Two days from now, Enron will declare bankruptcy and renege on its promise to pay severance to laid-off employees. ([Enron's last-minute bonus orgy](#))

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December

1-3? December 2001: Andersen's chief executive officer, Joseph Berardino, claims the firm first learns of Enron document destruction. ()

1 December 2001: The body of James Daniel Watkins, a telecommunications consultant working at the Denver office of Arthur Andersen, is found inside his 1988 Ford Econoline van. A spokesman for the Jefferson County Sheriff's Office says Watkins was shot once in the head. ([Body of Jeffco man found](#))

2 December 2001: Enron sues Dynegy for breach of contract and asks for \$10 billion. ([FBI investigates Enron shredding](#))

2 December 2001: Enron files Chapter 11 bankruptcy. ([Key Dates in Enron Case](#))

3 December 2001: FBI issues an alert on possible terrorist attacks within the US. ([FBI Warns of Terror Attack Plot; No Target Cited](#))

3 December 2001: Enron announces 4,000 layoffs. ([Key Dates in Enron Case](#))

3 December 2001: The price of unregulated financial energy contracts on the West Coast drops 30 percent. This suggests that "Enron may have been using its market dominance" to set long-term energy prices, according to the testimony of Robert McCullough, an energy consultant whose clients include utilities in the Northwest, to the Senate Energy and Natural Resources Committee on 29 Jan 2002 [?]. ([U.S. to Probe Enron Tie to Energy Prices](#))

4 December 2001: Enron secures \$1.5 billion in emergency financing, provided by major creditors J.P. Morgan Chase and Citigroup, so it can run a skeleton operation. ([FBI investigates Enron shredding](#))

5 December 2001: Alfred Harrison, vice chairman of the 4,440-employee Alliance Capital Management, writes a letter to the Florida pension board, saying Alliance considered Enron a good investment because it held a "dominant [45 percent] position in the newly deregulated area of the wholesale gas and electricity trading market." ([Florida's last-minute Enron stock buys probed](#))

7 December 2001: The California State Government makes its first payment of \$404.8 million to the State's non-profit grid operator following an order by the Federal Energy Regulatory Commission (FERC) on November 7 that sent the grid operator's power bills to the State rather than to utilities. In January 2001, the State of California bought power on behalf of PG&E and Southern California Edison after the two companies had trouble meeting their fiscal obligations, but the State has since then been reluctant to pay the high rates charged by generators in that period. ([Monthly Energy Chronology - July 2001 to December 2001](#))

10 December 2001: OPIC document about Enron exposure: "Combined maximum OPIC exposure to projects sponsored by Enron is \$1.059 billion of OPIC's \$15.2 billion portfolio." "Our finance project, the Dabhol project in India, was already experiencing serious difficulties unrelated to Enron's bankruptcy. The bankruptcy filing further complicates this already very complex matter." "Enron's bankruptcy will not affect the risk ratings or the amount of reserves for any OPIC project." This document will be released under the Freedom of Information Act. ([Chronology of Administration Dealings With Enron's Dabhol Power Plant in India](#))

12 December 2001: Andersen CEO Joseph Berardino tells Congress Enron might have violated securities law. ([Key Dates in Enron Case](#))

12 December 2001: Bush invokes executive privilege, sealing documents of the FBI/Flemmi case. ([The arrogance of power](#))

12 December 2001: Army Secretary Thomas White has conversations with Secretary of State Colin Powell and Defense Secretary Donald H. Rumsfeld about Enron ([Army Secretary Loses Millions in Enron Collapse](#))

12 December 2001: Congressional hearings begin on Enron's collapse. ([FBI investigates Enron shredding](#))

12 December 2001: Enron announces plans to raise up to \$6 billion by selling assets. ([FBI investigates Enron shredding](#))

12 December 2001: The death of James Daniel Watkins, a telecommunications consultant working at the Denver office of Arthur Andersen, is ruled a suicide. His body was found lying in the back of his locked 1998 Ford Econoline van, partially covered in a sheet, according to the Douglas County autopsy report. Watkins died of a single gunshot to the right temple. ([Man's body discovered in van confirmed as suicide victim](#))

19 December 2001: The Federal Energy Regulatory Commission (FERC) outlines its schedule for a proposed rulemaking to set national standards for competitive power markets. FERC also unveils a staff paper with a proposal for a standardized market design in preparation for the formal launching of the rulemaking process in March. FERC also announces that it would delay, possibly for several months, a strict new market power rule that could limit a utility's electricity rates if it controls too much generation in a given area. ([Monthly Energy Chronology - July 2001 to December 2001](#))

27 December 2001: Bush repeals a Clinton-era rule that prevents the government from awarding federal contracts to businesses that have broken environmental, labor, tax, civil rights or other laws. ([How Much Were Bush and Cheney Involved?](#))

31 December 2001: Former Unocal advisor, Zalmay Khalilzad, is appointed US special envoy to Afghanistan. Khalilzad conducted risk analyses for Unocal when it had signed letters of approval from the Taliban. The analyses were for a proposed 890-mile, \$2-billion, 1.9-billion-cubic-foot-per-day natural gas pipeline project which would have extended from Turkmenistan to Pakistan. In December 1997, Khalilzad joined Unocal officials at the reception for the Taliban delegation to Texas. ([New US envoy to Kabul lobbied for Taliban oil rights; Pipelineistan, Part 1: The rules of the game; Zalmay Khalilzad and the Bush Agenda](#))

2002

January

January 2002: The Southampton partnership advances Michael Kopper \$3.8 million in partnership fees. Southampton has received up to \$6 million in payments it was not entitled to collect. ([Task force zeroes in on Fastow](#))

2 January 2002: American National Insurance accuses Arthur Andersen of conspiracy and lying. Attorney Andrew Mytelka: "They lied. I can't tell you all the ways in which they lied, but I believe they've lied to the public about what the true debt at the company was. It was a long-term strategy. If you read through our petition, you'll see how all these directors and officers walked away with hundreds of millions, and they left shareholders and employees with nothing." ([Firm alleges Andersen conspiracy](#))

3 January 2002: "It eludes me how it is in the national interest to cloak this dark chapter of the Justice Department's history in secrecy," writes Rep. Dan Burton to John Ashcroft, regarding Bush's use of executive privilege to seal documents in the FBI/Flemmi case. ([The arrogance of power](#))

8 January 2002: The California PUC announces a ratepayer bailout plan as an alternative to PG&E's corporate reorganization plan offered in bankruptcy court. The PUC plan closely resembles the secret bailout agreement struck between the PUC and Edison. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

8 January 2002: Rep. Henry Waxman (D-CA) reveals Cheney met Enron executives 6 times in 2001. ([Cheney met 6 times with Enron execs](#))

9 January 2002: The Justice Department says it has begun a criminal investigation of Enron. ([Key Dates in Enron Case](#))

10 January 2002: California sues PG&E for fraud, demanding between \$600 million and \$4 billion for violations. ([State AG Accuses PG&E Corp. of Fraud](#))

10 January 2002: Andersen reveals destruction of documents. ([Key Dates in Enron Case](#))

In distancing himself from Enron, President Bush said that CEO Kenneth Lay "was a supporter" of Democrat Ann Richards in his first race for Texas governor in 1994. But records and interviews with people involved in the Richards campaign show that he was a far bigger Bush supporter.

10 January 2002: Bush's first big misrepresentation about Enrongate. ([Dallas Morning News: Lay gave more to Bush - President had said Enron chief was Richards supporter; Lay interview, '94 campaign records at odds with Bush's claim](#))

10 January 2002: A threat to kill Jeb Bush with a truck bomb is reported by the Miami Herald. The informant is a Florida prison inmate and is widely viewed by law enforcement authorities as not credible. ([Police cast doubt on alleged plot against Jeb Bush](#))

10 January 2002: Attorney General John Ashcroft recuses himself from criminal investigations of Enron. The entire U.S. attorney's office in Houston also withdraws, because too many prosecutors there are related to employees at Enron. ([Local feds, Ashcroft recused from inquiry](#))

11 January 2002: Forbes reports that at a bankruptcy court hearing earlier in the week, it was revealed that Enron does not know the location of 79 of its top executives or even if they still work for the company. ([The Enron Chain Saw Massacre](#))

13 January 2002: AP reports that Bush has placed the official documents from his governorship of Texas in the George Bush Presidential Library and Museum at Texas A&M University, which is administered by the National Archives and Records Commission and is not subject to the state's open records law. ([Bush Places Papers in Private Library](#))

13 January 2002: Bush appears in public with bruises on his face. The official story is that a pretzel stimulated his vagus nerve (vasovagal syncope), causing him to lose consciousness. (ref) ()

14 January 2002: Swiss financial giant Union Bank of Switzerland (UBS) emerges as the winner to acquire Enron's North American energy-trading operation. UBS will not pay anything to acquire Enron's energy trading business, will not assume any of the troubled company's debts and will share a third of its profits with Enron and its creditors. Lawrence A. Weinbach, board member and vice chairman of the audit committee for UBS, was with Arthur Andersen for nearly four decades. He retired in 1997 from Andersen Worldwide as its managing partner and chief executive. With the purchase of Enron Online, UBS not only takes control of the trading operations but of the trading records - crucial evidence in the investigation. ([FBI investigates Enron shredding](#); [Buried Treasure](#))

15 January 2002: Andersen fires David Duncan and strips four Houston-office managers of management responsibility, including Andersen managing partner, D. Stephen Goddard Jr, one of the Bush "Pioneers" who raised at least \$100,000 for the 2000 campaign. ([Andersen LLP Firing Enron Auditor](#))

In an interview with CNN, Hébert — who left the FERC in August — said Lay had wanted the agency to "mandate regional transmission organizations." "When I told him that I didn't think it was the right thing to do and also that there was no legal basis for it under the federal Power Act, he told me that he and his company, Enron, could no longer support me as chairman," Hébert said.

15 January 2002: "Everything they espoused to Congress and to state leaders was always what's in the best interests of Enron, never what's in the best interests of American energy companies," declares Curt Hébert, former Chairman of FERC, in a CNN interview. ([Former regulator: Enron tried to manipulate policy](#))

16 January 2002: The White House discloses that an official [who?] studied the economic impact of the potential collapse of Enron. ([FBI investigates Enron shredding](#))

17 January 2002: Today marks the one-year anniversary of rolling blackouts in California. After two rate increases, six days of blackouts, over \$10 billion of taxpayer money spent, two major corporate bankruptcies and one corporate bailout, electricity deregulation is still defended by special interests and politicians. ([Energy 'Crisis' Was A \\$71 Billion Hoax, And It's Not Over, Report Says](#))

17 January 2002: Enron fires Andersen. ([FBI investigates Enron shredding](#))

17 January 2002: The White House again refuses to turn over documents demanded by Congress as part of an inquiry into workings of the administration's energy task force, including records of a meeting that Vice President Dick Cheney had with Ken Lay. ([Congress Rebuffed on Energy Documents](#))

17 January 2002: Florida Attorney General Bob Butterworth announces that he is issuing subpoenas to Alliance Capital Management, Enron and auditor Arthur Andersen seeking documents "concerning the recent demise of Enron and the purchase of its stock by the Florida pension fund." ([State's late Enron buys questioned](#))

Enron workers have only themselves to blame.

—Sen. Mitch McConnell (R-KY), on Enron employees' 401(k) losses

17 January 2002: "Enron workers have only themselves to blame," Sen. Mitch McConnell (R-KY) is reported to have said in a radio interview [date?]. McConnell is husband of Labor Secretary Elaine Chao, one of Bush's "Pioneer" fund raisers. ([Cold words about Enron's victims](#); [Bush Pioneers Get Top Jobs](#))

17 January 2002: The Foundation for Taxpayer and Consumer Rights (FTCR) releases a report claiming that the energy "crisis" was manufactured and will cost each Californian \$2,200. ([Hoax: How Deregulation let the Power Industry Steal \\$71 billion](#))

17 January 2002: Citizens for Tax Justice reveals that Portland General Electric has sent Enron, its parent company, more than \$357 million in federal tax money collected from its ratepayers during the past four years. Enron pocketed the money instead of turning it over to the government. ([Enron pocketed PGE ratepayer taxes](#))

17 January 2002: Enron files a \$200 million claim with the U.S. government's Overseas Private Investment Corporation in an attempt to recoup losses from the Dabhol Power Corporation. ([How Much Were Bush and Cheney Involved?](#))

18 January 2002: Former Enron executive Max Yzaguirre resigns from the Texas state Public Utility Commission. Critics had questioned Mr. Yzaguirre's ties to the now-bankrupt company, including a \$25,000 campaign contribution to Governor Perry from Ken Lay one day after the appointment. ([Former Enron exec quits PUC](#))

18 January 2002: Documents are released showing the Bush administration intervened with top Indian officials last year in a bid to salvage the Enron project in India. The White House says the effort, involving Vice President Dick Cheney and other senior officials, was justified because the \$2.9 billion Dabhol power project was financed in part through the U.S. government's Overseas Private Investment Corporation (OPIC), a taxpayer-backed agency that provides "political risk" insurance and loans to help U.S. companies invest in developing nations. The White House denies the push was influenced by Enron's political contributions. ([How Much Were Bush and Cheney Involved?](#))

19 January 2002: Andersen recovers deleted Enron files. ([Andersen recovers missing Enron files](#))

19 January 2002: A CBS News poll reports that almost 2/3 of Americans think Bush is hiding something. Strangely, this number is revised to 53% on 25 Jan 2002, but rises to 67% in a 26 Jan 2002 poll. ([Poll: Bush Admin. Hiding Something; Enron-Poll Glance](#))

21 January 2002: CNN reports that Osama bin Laden may be suffering chronic renal failure, corroborating reports that he was in a hospital in Dubai in July, 2001, where he reportedly met with an unnamed CIA agent. ([Dr. Sanjay Gupta: Bin Laden would need help if on dialysis](#))

22 January 2002: Enron announces that its top security team, including four former CIA officers and an ex-FBI agent, has left the company to form a private consulting firm called Secure Solutions International. The team acted as an in-house detective agency, probing a variety of allegations of fraud and other kinds of rule-breaking by Enron workers. An Enron spokesman says the move is unrelated to allegations that executives hid financial problems from investors and that employees shredded documents after the company filed for bankruptcy. Members of the team include John W. Presley, a former FBI agent and Enron's director of corporate security, and David M. Cromley, a former CIA agent and Enron's director of business analysis. ([Security team leaves Enron to form firm](#))

22 January 2002: FBI agents descend on Enron headquarters after Maureen Castaneda, who was Enron's director of foreign exchange and sovereign risk management, tells CNBC that documents were shredded in the Enron building up until her departure from the company the week before, despite court orders forbidding the destruction of documents. ([FBI investigates Enron shredding; FBI raids Enron headquarters as document shredding scandal grows](#))

23 January 2002: All five members of the S.E.C. Public Oversight Board resign in protest; Charles A. Bowsher, former comptroller general of the United States, calls S.E.C. Chairman Harvey Pitt's proposals a sham intended to give the industry more power to discipline itself rather than submit to outside scrutiny. ([Board Resigns, Rejecting Plan By S.E.C. Chief](#))

23 January 2002: Cheney's office once again refuses to disclose details of how the White House formulated its energy policy, despite increased pressure from Congress. Four Democratic senators (Sen. Joseph Lieberman, Sen. Ernest Hollings, Sen. Carl Levin, Sen. Fred Thompson), involved in probes of Enron, send a letter to the GAO supporting its efforts to pressure Cheney for further details. ([Cheney Again Refuses to Give Energy Policy Details](#))

23 January 2002: Ken Lay resigns as Enron chairman and CEO of Enron. He remains on the Board of Directors. ([Lay resigns as Enron chairman, CEO](#))

23 January 2002: Enron employees file a class-action suit against Enron company officers and fired auditor Arthur Andersen, citing alleged violations of racketeering laws. ([Enron suit cites racketeering charges](#))

23 January 2002: Senior officials of the Arthur Andersen accounting firm receive subpoenas to compel them to testify to Congress about the massive destruction of Enron-related documents. ([Andersen Officials Receiving Subpoenas](#))

23 January 2002: Representative John Conyers Jr. of Michigan, the ranking Democrat on the House Judiciary Committee, formally asks the Justice Department to appoint a special counsel to investigate Enron, arguing the case "represents one of the largest corporate frauds in the nation's history" and citing the large campaign donations Enron has provided to President Bush over the years and the large number of senior administration officials who worked for or invested in the company. ([Wide Effort Seen in Shredding Data on Enron's Audits](#))

23 January 2002: The White House projects a federal deficit of \$106 billion, confirming the swiftest plunge in the nation's fiscal health in a half century. ([Numbers Predict Budget Squeeze](#))

24 January 2002: Fired Andersen auditor David Duncan refuses to testify to Congress about the shredding of Enron documents, invoking his Fifth Amendment protection against self-incrimination. ([Lead Enron Auditor Takes the Fifth](#))

Enron robbed the bank, Arthur Andersen provided the getaway car and they say you were at the wheel.

—Rep. Jim Greenwood, chairman of the House Energy and Commerce subcommittee on oversight and investigations, to Andersen partner David Duncan

24 January 2002: "Enron robbed the bank, Arthur Andersen provided the getaway car and they say you were at the wheel," says Rep. Jim Greenwood, chairman of the House Energy and Commerce subcommittee on oversight and investigations, to Andersen partner David Duncan. ([Furious Lawmakers Grill Andersen Over Enron Files](#))

25 January 2002: John Clifford Baxter, former vice chairman of Enron, is found dead. Congressional investigators had planned to interview him next week and had the impression from Baxter's lawyer that he would cooperate, according to a congressional source. An executive of the Oregon utility, Portland General Electric, who speaks on condition of anonymity, says that Baxter "was talking about perhaps needing a bodyguard." ([Critic Who Quit Top Enron Post Is Found Dead](#); [Enron Executive commits suicide](#); [Baxter Was Expected To Help Investigators This Week](#); [The Sugar Land Sanction](#))

25 January 2002: The AFL-CIO, representing thousands of Enron workers, says it intends to launch a formal complaint about British Lord Wakeham, the former Tory Energy Secretary, Enron director, and key member of Enron's board audit committee. ([Wakeham faces British inquiry into Enron role](#))

25 January 2002: ABC reports that two semi-nude statues in the great hall of the Justice Department have been ordered draped. One is called The Spirit of Justice. ([Draping History](#))

25 January 2002: A spokesman for Representative Henry A. Waxman of California, the ranking Democrat on the House Committee on Government Reform, says that the secretary of the Army, Thomas E. White, should testify before Congress about his role as an executive of the Enron Corporation. "It is essential that Thomas White come forward immediately - he shouldn't wait to be subpoenaed before Congress. There's a tremendous ethical cloud that's swirling around him, and it's important for him to answer these issues immediately," says Tyson Slocum, research director at the energy program of Public Citizen. ([Army Secretary Should Testify Before Congress, Democrat Says](#))

26 January 2002: A CBS-New York Times poll reports that sixty-seven percent of Americans believe the Bush administration is either hiding something or lying about its relationship with Enron, up from 53 percent on 19 Jan 2002. Seven in 10 believe the accounting practices that led to the energy trading company's collapse are widespread in corporate America. ([Polls: White House hiding information on Enron important for public to know](#))

27 January 2002: Cheney once again refuses to release records of meetings with company executives to discuss energy policy. ([Cheney refuses to release record of energy talks](#))

28 January 2002: U.S. Ambassador Robert Blackwell addresses an Indian energy industry meeting and demands India honor the "sanctity of contract" and make good on the Enron debt, warning that India's hopes for "big-time international investment" could be harmed otherwise. ([How Much Were Bush and Cheney Involved?](#))

29 January 2002: Congressman Bob Filner (D-CA) sends a letter to John Ashcroft, asking for special prosecutor to be appointed to investigate Enron. ([Congressman Bob Filner Calls for a Special Prosecutor](#))

29 January 2002: Bush asks Tom Daschle to limit the congressional investigation into the events of September 11. Democrats privately question why the White House fears a broader investigation to determine culpability. ([Bush asks Daschle to limit Sept. 11 probes](#))

29 January 2002: Enron acknowledges that it understated its 2001 lobbying expenditures by half. The discrepancy in Enron's lobbying expenses was discovered by the Washington-based Center for Responsive Politics. ([Enron acknowledges it may have underreported lobbying expenses to Congress by half](#))

January 2002: Robert McCullough, an energy consultant whose clients include utilities in the Northwest, testifies to the Senate Energy and Natural Resources Committee that the price of unregulated financial energy contracts on the West Coast dropped 30 percent on 3 Dec 2002, the day after Enron filed for bankruptcy, suggesting that "Enron may have been using its market dominance" to set long-term energy prices. ([U.S. to Probe Enron Tie to Energy Prices](#))

The people who know him closely doubt it [the suicide finding]. The family doesn't buy it.

— Kevin Kretz, family friend of John Clifford Baxter, at Baxter's funeral

30 January 2002: "The people who know him closely doubt it [the suicide finding]. The family doesn't buy it," says Kevin Kretz, family friend of John Clifford Baxter, at Baxter's funeral. ([Former Enron Executive Remembered](#))

30 January 2002: Cheney appears in public with a bruised lip. The official story is that he received it playing with his dogs. ([Congressional Investigators to Sue White House](#))

30 January 2002: Bank of America announces that it has fired three veteran employees in Texas who managed loans to Enron. Steve Bragg, a New York investment banker who headed the natural resources group at Bank of America Securities, resigns. ([Enron Fallout Claims BofA Execs](#))

31 January 2002: Former British energy secretary Lord Wakeham stands aside as chairman of the Press Complaints Commission (PCC) while his links with collapsed US energy giant Enron are investigated. Lord Wakeham - a qualified accountant - has been a non-executive director of the company since 1994, reportedly earning pounds 80,000-a-year. He was a member of the Enron board's audit committee, which was supposed to protect shareholders' interests. He was also paid additional fees for consultancy work and owned thousands of shares in the company. ([PCC chief urged to stand down; Lord Wakeham steps aside](#))

31 January 2002: "What they have shredded is their credibility," says Rep. James C. Greenwood (R-Pa.), chair of a House Energy and Commerce subcommittee. "It's outrageous that while Enron was the subject of investigations by the Justice Department, the SEC and multiple committees of Congress, it would get anywhere near a shredder. They shouldn't shred so much as an old newspaper without carefully clearing it with investigators." An Enron spokeswoman declines to say whether the firm has ceased all document destruction. ([Firm Accused of Withholding Data](#))

31 January 2002: US assistant secretary of state for European and Eurasian affairs, Elizabeth Jones, states that the United States considers the TransAfghan gas pipeline project promising. ([ASHGABAT: USA supports pipeline via Afghanistan - diplomat](#))

February

1 February 2002: U.S. District Judge Emmet Sullivan orders Cheney's energy task force to explain why handing over information about its meetings to Judicial Watch would violate the Constitution. ([Court Orders Cheney to Explain Constitutional Claim](#))

1 February 2002: Directly contradicting a statement by Ken Lay, Cheney claims he never saw the memo Lay says he used to brief Cheney on 17 April 2001. Mary Matalin, counsel to Cheney, labels as "ridiculous" Sen. Barbara Boxer's (D-CA) statement that the memo provides the "smoking gun" linking Lay to White House energy policy. In a telephone interview, Matalin describes as "absurd" a statement by Sen. Dianne Feinstein, (D-CA), that Lay had been able to discuss energy policy with Cheney when Feinstein had been shut out. ([Cheney denies seeing memo](#))

1 February 2002: The Justice Department instructs the Bush administration to preserve any documents related to Enron. A senior administration official [who?] says that until now, the White House has not been making any formal effort to preserve or catalogue information about Enron contacts. ([Justice: Preserve Enron Papers](#))

2 February 2002: The "Powers Report" is released. ([Top Executives Blamed in Enron's Fall](#))

4 February 2002: The AFL-CIO calls on federal regulators to bar directors of Enron from serving on other companies' boards, arguing the directors are "substantially unfit" for such duties. ([AFL-CIO Asks SEC to Bar Enron Directors From Boards](#))

4 February 2002: "We've got an Enron government." Senate Commerce Committee Chairman Ernest Hollings (D-SC) calls for the appointment of a special counsel due to Bush administration links to Enron. ([Bush Brushes Off Demand for Enron Prosecutor](#))

4 February 2002: Stocks fall sharply, with the broad market skidding to a three-month low, as eroding confidence in corporate accounting drives out investors fearful of holding the next Enron. "You can't believe financial statements," says Mace Blinksilver, a money manager at Marblehead Asset Management. "It's not like just a bad quarter or an earnings miss - you're re-evaluating the entire price-to-earnings ratio of the marketplace." ([U.S. stocks sink as skepticism on accounting grows](#))

4 February 2002: Ken Lay resigns from Enron's board of directors. Sen. Byron Dorgan says the Senate Commerce Committee will issue a subpoena to compel the former CEO to appear before the panel. ([A New Capitol Clash](#))

5 February 2002: Bush brushes off calls for a special prosecutor to lead an investigation into the collapse of Enron. ([Bush Brushes Off Demand for Enron Prosecutor](#))

5 February 2002: Whistleblower Robin Hosea, an accountant with Enron's employee benefits department from August 2000 until she was laid off in December, tells a press conference that she discovered items that were outside her department's scope and without its approval being paid from the benefits accounts. These items appeared to be "suspicious" monthly payments to outside consultants. When she questioned her superiors about it, she was told, "that

it was a payment to friends of executives, and to leave it." She personally saw four of these checks, one totaling \$20,000. Hosea saw thousands of such entries in the accounting system that totaled about \$15 million at the end of 2000. She says now she is receiving regular telephone threats: "I believe the wording has become 'This is Robin's daily warning'." ([Did Enron Steal From Employees?](#); [Ex-Enron Employee: Benefits Misused](#))

5 February 2002: Rep. John Conyers, ranking Democrat on the House Judiciary Committee, asks Karl Rove to specify "all Enron personnel and representatives you contacted regarding Mr. Reed's consulting agreement." Enron paid Ralph Reed \$10,000 to \$20,000 a month, the amount varying by year and the particular work, and he was recommended to Enron by Karl Rove. Reed was hired in September 1997 and worked intermittently for Enron until the company collapsed. ([Rove Asked to Itemize Enron Contacts](#); [Associates of Bush Aide Say He Helped Win Contract](#))

7 February 2002: Treasury Secretary Paul O'Neill is reduced to tears after withering criticism from Sen. Robert Byrd (D-WV). At several points, Byrd waves Bush's new budget, which uses a picture of Gulliver tied down by Lilliputians to criticize congressional constraints on decision-making by federal agencies. Byrd takes umbrage at O'Neill's earlier complaints to a business group, when he said some rules were "like the Lilliputians tying us to the ground." Byrd says he believes those remarks were aimed at a Senate rule that bears his name. The Byrd rule limits items that can be put on a tax bill. ([Byrd, O'Neill engage in bitter exchange in hearing](#))

7 February 2002: "The power had gone off, the room was dark, people were walking in and out, I don't recall." Former Enron CEO Jeff Skilling testifies before the House Energy and Commerce oversight subcommittee. Earlier in the day, Enron lawyer Jordan Mintz and Jeffrey McMahon, previously Enron's treasurer and now its president, testified that they had alerted Skilling to trouble in the partnerships. Skilling claims he does not recall key details of the off-the-books partnerships that helped trigger Enron's collapse when their losses were disclosed. According to board minutes, Skilling attended detailed discussions of the Fastow partnerships. But he claims to have been out of the room when they were discussed, or not to have received relevant documents. Rep. Edward Markey (D-MA) says Skilling is relying on a "Hogan's Heroes defense," in which Sgt. Schultz repeatedly claims, "I know nothing." ([Enron on the Hill](#); [Former Enron CEO's Decision to Testify a High-Stakes Strategy](#); [Cooking the books](#); [Enron's Man Who Didn't Know Too Much](#); [PBS Newshour: Skilling denies wrongdoing; four others silent at Enron inquiry](#))

7 February 2002: "The governor has an excellent memory, but not an infallible memory," says Katie Baur, director of communications for Florida Governor Jeb Bush. Bush denies all memory of a phone conversation with Ken Lay on 17 April 2001. ([Governor, Enron CEO had phone discussion](#))

7 February 2002: Wendy Gramm resigns as an independent director for Invesco Corp.'s mutual funds. ([Wendy Gramm quits post as a director for Invesco](#))

8 February 2002: Amy Flores, who worked for former Enron Chief Financial Officer Andrew Fastow as office manager for the LJM2 partnership, tells ABC News that Skilling approved the LJM2 partnership at an October, 2000 [date?] meeting in Palm Beach, Florida, corroborating meeting minutes and contradicting Skilling. ([Ex-Fastow aide says Skilling lied at hearing](#))

8 February 2002: Afghanistan's interim leader Hamid Karzai says he and Pakistani President Pervez Musharraf have agreed to revive a plan for a trans-Afghan gas pipeline from Turkmenistan to Pakistan. A consortium led by Unocal had originally aimed to build the \$1.9 billion, 1,400-km (875-mile) pipeline to run from gas-rich Turkmenistan via northern Afghanistan. But in August 1998 Unocal halted development of the project after U.S. forces fired missiles at guerrilla camps in Afghanistan in the wake of bomb attacks on two U.S. embassies in Africa. ([Pakistan, Afghan leaders agree to revive pipeline](#))

9 February 2002: "I also find it to be 'extraordinary circumstances' when a top executive commits suicide, voluminous documents are shredded and witness after witness takes the Fifth Amendment. And in my 35 years in the Senate, I have never witnessed a corporation so extraordinarily committed to buying government." In a *New York Times* editorial, Senator Ernest Hollings (D-SC), calls for a special counsel to be appointed to investigate Enron. ([Time for a Special Counsel](#))

9 February 2002: Rep. Bill Pascrell (D-NJ) calls for the resignation of FERC chairman, Pat Wood. "Sadly, the integrity of the commission has been irreversibly compromised due to the circumstances surrounding your appointment and the FERC's intimate relationship with Enron, and as such I urge you to resign as chairman," writes Pascrell in a letter to Wood. ([Energy Commission Chief Urged to Quit Over Enron](#))

9 February 2002: Turkmenistan expresses hope that the fragile peace in neighboring Afghanistan will allow work to resume on the natural gas pipeline connecting to Pakistan. ([How Much Were Bush and Cheney Involved?](#))

11 February 2002: Senator Barbara Boxer calls on FERC chairman Pat Wood to refund \$8.9 billion to California ratepayers, stating that "Enron and wholesale electricity generating companies manipulated the California deregulated market." ([Boxer Calls On FERC To Order A Full Refund To California Consumers For Electricity Overcharges](#))

12 February 2002: "I get the feeling the government's underestimating the seriousness of this case," U.S. District Judge Emmet Sullivan tells Justice Department lawyer Anne Weismann. He directs the White House to save records from energy task force meetings, records that Judicial Watch is suing to be released to the public. ([Judge to White House: Save Records](#))

12 February 2002: Labor Secretary Elaine Chao announces that control of Enron's retirement plans is being transferred from company executives to an independent expert who will be appointed by the Labor Department. ([Labor Department Removes Enron Officials in Charge of Workers' Retirement Plans](#))

12 February 2002: The House Energy and Commerce Committee orders FERC Chairman Pat Wood III to disclose his past contacts with Enron company executives. ([FERC chairman ordered to reveal Enron contacts](#))

12 February 2002: Ken Lay appears before the Senate Commerce Committee and asserts his right under the Fifth Amendment not to incriminate himself. He is the sixth person to plead the Fifth Amendment before Congress. ([Gloom as Kenneth Lay slips off the hook](#))

12 February 2002: Enron announces that six members of the board will resign in 30 days. Directors Norman Blake and Herbert Winokur have joined the board committee to oversee the reorganization process. ([Enron cuts board by six](#))

12 February 2002: FBI issues an alert on possible terrorist attacks within the US. ([FBI Warns of Terror Attack Plot; No Target Cited](#))

13 February 2002: California's Senate Select Committee to Investigate Price Manipulation of the Wholesale Energy Market votes unanimously (5-0) to cite Enron for contempt charges for destroying documents the panel subpoenaed months ago and for refusing to let executives testify before the panel. If affirmed by the full California Senate, the contempt findings could result in jail time and \$1 million-a-day fines. ([Legislators escalating pressure on Enron](#))

14 February 2002: Enron Vice President Sherron Watkins testifies that Ken Lay was "duped" and "didn't get it" when she discussed her memos outlining the criminal nature of the Fastow partnerships. Who duped Lay? Not just Skilling and her direct boss Fastow, but Richard Causey, Enron's chief accounting officer; Rick Buy, Enron's chief risk management officer; Arthur Andersen, its auditor; and Vinson & Elkins, Enron's outside law firm. ([Congress To Watkins: Will You Be Our Valentine?](#))

14 February 2002: Enron fires chief risk officer Rick Buy and chief accounting officer Rick Causey. Buy was a vice president at Bankers Trust in New York and Houston before joining Enron in 1994. As chief risk officer, he was responsible for controlling trading and investment risks. He also managed Enron's investment portfolio. Causey worked for Enron's former auditor, Arthur Andersen, before joining Enron, and while at Andersen he was a senior manager responsible for Enron's audits. ([Enron Fires Two Finance Executives](#))

19 February 2002: U.S. Rep. Bob Filner (D-CA) announces at a news conference that he will introduce legislation calling for a special federal prosecutor to investigate Enron and the electricity deregulation debacle in California. Filner also will call for a congressional investigation into FERC, which he said has been an accomplice with energy suppliers in gouging California. ([Filner wants special probes of Enron, FERC](#))

19 February 2002: Cheney continues to misrepresent the substance of the GAO suit, once again claiming, on *The Tonight Show*, that the GAO is seeking "notes of all my meetings." The GAO is, in fact, seeking only "the names of those he [Cheney] met in his capacity as head of the energy policy task force, when and where he met them, the subject matter of the meetings, and an explanation of the costs incurred," according to GAO General Counsel Anthony Gamboa in a letter to the editor of the *Wall Street Journal*. Even the conservative *National Review* calls Cheney on the misrepresentation. ([GAO vs. Cheney: Coming Soon](#))

I spent a lot of time with traders writing the software programs and they discussed how they could use tricks to get high prices for electricity.

— David Fabian, former Enron employee, in a letter to Senator Barbara Boxer (D-CA)

20 February 2002: "I spent a lot of time with traders writing the software programs and they discussed how they could use tricks to get high prices for electricity." David Fabian, a former employee for Enron's trading unit who wrote the company's trading software for electricity and natural gas sales, claims Enron congested the state's transmission lines and then resold the power in the state's wholesale electricity market at skyrocketing rates. Mr. Fabian worked at the unit from 1997 until the end of 2000. His claims are documented in a letter to Senator Barbara Boxer (D-CA). ([Former Employee Says Enron Manipulated California Power Market](#))

20 February 2002: OPIC reveals that it gave Enron \$554 million in loans and \$204 million in insurance. Congress also learns the the Export-Import Bank loaned \$675 million to Enron and associated companies. ([How Much Were Bush and Cheney Involved?](#))

22 February 2002: The General Accounting Office sues Cheney to obtain a list of officials from Enron and other companies who met with the National Energy Policy Development Group. ([GAO Sues Cheney Over Task Force](#))

23 February 2002: Thirty-three states ask a bankruptcy court to block Enron executives from securing millions of dollars from the company for their legal defense. ([Thirty-three states seek to block Enron aid to executives](#))

23 February 2002: The *Chicago Tribune* reports that more than a month (15 Jan 2002) after Andersen said it would dismiss David Duncan, the partner in charge of auditing the Enron's books, Duncan remains a partner of the Chicago-based firm. Duncan ordered the "expedited effort" to destroy Enron documents on 23 October 2001. ([Enron auditor still with Andersen](#))

26 February 2002: Jeff Skilling testifies to the Senate Commerce Committee. His defense is summarized by one phrase, repeated several times: "I am not an accountant." But once or twice, Skilling says something like this: "There's another way that you could write a derivative, and that is if you put capital into a business, and they're basically writing what in the industry is called a naked hedge. So basically we could either do a low-correlation hedge, which we worked out fine, or we could have done this thing, which was called a naked hedge. And you take a credit risk on a naked hedge." In response, Sen. Byron Dorgan (D-N.D.) says, "Mr. Skilling, you seem to know more about accounting and finance than you let on." ([No Sweat For Skilling](#))

26 February 2002: American Family Voices places the cumulative loss from Enron-related investments at public pension funds across in 33 states at 1.5 billion and climbing. The states that lost the most money: Florida (\$325 million), California (\$300 million), Georgia (\$127 million), Ohio (\$127 million), New York (\$110 million), Washington (\$103 million). The NYC Police and Fire Department pension funds together lost over \$41 million. ([Pensiongate: Enron Looted Public Pension Funds](#))

27 February 2002: U.S. District Judge Gladys Kessler orders the Energy Department to release thousands of records on Cheney's energy task force, criticizing the government for moving at "a glacial pace." Starting 25 March 2002, the Energy Department must turn over its documents to the Natural Resources Defense Council, an environmental group. It must complete the task by April 10. The environmental group first asked for the documents last 26 April 2001 and sued the government in December. ([Judge Orders Release of Energy Task Force Records](#))

27 February 2002: Four Wall Street analysts all testify to the Governmental Affairs Committee that they reached their "buy" conclusions - some as late as late as 8 November 2001 - because of insufficient disclosure from Enron. Despite many reports to the contrary, all of the analysts say they felt no pressure either from their own firms or from Enron to tout the stock. Asked whether they felt pressure from the investment banking side of their securities firms, they all say no. Asked if they are aware of equity positions of their own firms or their role in underwriting Enron equity or debt, they all say they only know what they read in the newspapers. In response, Sen. Jim Bunning (R- Ky.) says, "That blows my mind, because just as an account executive, I was aware of it." ([Enron Analysts: We Was Duped](#))

28 February 2002: "It is hard to know which is worse, the endless delay or the repeated leaks by energy industry lobbyists of draft rule changes that would undermine lawsuits already filed [against power plants]," writes the head of regulatory enforcement at the Environmental Protection Agency, Eric Schaeffer, in his resignation letter to EPA chief Christie Whitman. He resigns because he is unable to continue "fighting a White House that seems determined to weaken the rules we are trying to enforce." ([EPA official quits, rips White House](#); [EPA regulator's resignation letter](#))

28 February 2002: A CBS News poll shows that three quarters of the American public think the Bush Administration is either hiding something or lying when it comes to its dealings with Enron executives, up from 67% just a month ago. The number of people who say the Administration is lying has more than doubled, to one in five. ([Poll: Enron Hurting White House](#))

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March

1 March 2002: Sen. Joe Lieberman (D-CT) says his Governmental Affairs Committee will start holding hearings on the Bush administration's environmental record, calling the resignation of Eric Schaeffer "a disheartening development" and "direct confirmation...that this administration is not fulfilling its responsibilities to enforce critical environmental laws." ([Senate to probe Bush environmental record](#))

1 March 2002: Arthur Andersen announces that it has agreed to pay \$217 million to settle investor lawsuits arising from its role as auditor of the Baptist Foundation of Arizona, a nonprofit company that plaintiffs' lawyers say was a Ponzi scheme that cost investors hundreds of millions of dollars. ([Auditor to Pay \\$217 Million to Settle Suits](#))

1 March 2002: Senator Barbara Boxer (D-CA) calls on SEC Chairman Harvey Pitt to initiate legal action against Enron corporate officers who appear to have engaged in illegal insider trading of Enron stock. Boxer also calls on the SEC to ask the Court to "freeze" Enron insider stock sales proceeds pending the litigation's outcome. ([Boxer Calls On SEC To Take Legal Action Against Enron Corporate Officers For Possible Illegal Insider Trading](#))

1 March 2002: A Financial Times investigation shows that a group of bankers at Credit Suisse First Boston played a central role in creating controversial partnerships that Enron used to hold billions of dollars of poorly performing assets. The investigation finds that, according to internal Enron calculations, the company paid more than \$250 million in fees to banks in 2000. DLJ and CSFB were among six banks to receive more than \$20 million in Enron fee income. The CSFB team worked closely with an Enron group working for Andrew Fastow, Enron's former chief financial officer, to develop partnerships that were used by Enron to hold badly performing assets. Laurence Nath, one of the co-heads of the group, spent weeks at a time in Houston, Enron's headquarters, working with Fastow's team and Enron accountants to devise the Osprey, Marlin and Firefly partnerships that held some \$4 billion in assets, a significant proportion of which proved to be unprofitable, former Enron employees said. Nath and his team created two unique partnerships, Marlin and Osprey. They used Enron shares to bolster the partnerships' credit ratings and draw in more investors, and obliged Enron to kick in more shares should its stock price fall sharply. Enron employees were also encouraged to steer underwriting assignments and mergers and acquisitions work to the investment bank, a former Enron employee said. ([CSFB team played key role in Enron partnerships](#))

2 March 2002: "The recollections of these Enron employees with respect to your personal involvement seem highly credible. Accordingly, your testimony regarding your lack of involvement appears less so," writes the House Energy and Commerce Committee to Jeff Skilling. The Committee says it has obtained records of interviews with high-ranking Enron executives by the Powers Committee, in which executives said Skilling knew about credit problems with the Raptor entities, off-the-books ventures used by the company to hide losses. They said he knew about the costly Raptor restructuring, which ultimately failed and helped bring Enron to its knees when its vast web of partnerships unraveled. In his two testimonies, Skilling told Congress he could not recall being involved in the Raptor restructuring. He also testified that he thought Enron was in solid financial health when he resigned suddenly from the company last August. ([Skilling and CSFB may have been involved in shady deals](#))

These arrangements now appear to be nothing but a disguised loan.

—U.S. District Court Judge Jed Rakoff, in his ruling for insurance companies, against Enron creditor J. P. Morgan Chase

5 March 2002: "These arrangements now appear to be nothing but a disguised loan - or at least have sufficient indicia thereof that the Court could not possibly grant summary judgment to plaintiff," writes U.S. District Court Judge Jed Rakoff in his ruling for insurance companies. He says they can withhold, pending resolution of the dispute, \$965 million in payments on surety bonds to J.P. Morgan Chase, a top Enron creditor, because there is sufficient evidence that Enron transactions presented as oil and gas sales were actually disguised loans. The bonds are designed to insure against the failure of a party to pay its obligation in a commercial transaction. In this case the transaction was designed to cover six natural gas and crude oil contracts with Mahonia - an entity organized under the laws of the Channel Islands and affiliated with J.P. Morgan Chase - between June 1998 and December 2000. The insurers, including Chubb and CNA Financial, claimed that the Enron-Mahonia transactions were not legitimate sales, but disguised loans by J.P. Morgan to Enron. In its ruling, the court cites evidence that Enron sold natural gas to Mahonia on the same day that it bought it from another company, Stoneville Aegean. Both Mahonia and Stoneville were set up by the same company - Mourant & Co. - and have the same director and the same shareholders. In the incident cited, Enron sold \$330 million in natural gas to Mahonia (and got paid right away). Enron entered into an agreement with Stoneville "to pay Stoneville \$394 million to buy back the same quantities of gas on the same delivery schedule - but with the \$394 million to be paid at specified future dates," according to the evidence the insurers brought before the court. It seems, therefore, that J.P. Morgan was passing cash to Enron through Mahonia. Enron was supposed to be supplying oil and gas in return, but never was. J.P. Morgan was, rather, buying that energy from itself - and using the ruse as an excuse to make apparent loans to Enron. ([J.P. Morgan Loses Round One; Enron deals depicted debt as income, analysts say - Aggressive accounting was similar to Worldcom's](#))

7 March 2002: Enron belatedly discloses that it spent nearly \$2.5 million lobbying the Bush administration and Congress in the first six months of 2001, three times more than it originally acknowledged, and even the corrected figure may be wrong. Because the report may still be inaccurate, nobody from the company will sign it. The corrected report reveals far more lobbying of the Bush White House than Enron acknowledged in the earlier report. There are eight references to the White House in the amended report, which was filed on 2 March 2002; just two in the incorrect version, filed last summer. ([Enron Corrects Lobbying Figures](#))

7 March 2002: Enron unit Azurix reaches an agreement to give up its water and sewage concession in Argentina's most populous province after an extended conflict over the quality of the service. The government of Buenos Aires province criticized the firm last year for allegedly providing poor service after some of Azurix's clients complained of receiving bad-smelling, dark water. ([Enron unit Azurix gives up Argentine water contract](#))

7 March 2002: Texans for Public Justice reveals that a little more than a year after more than 200 "Pioneers" narrowly helped put him in the White House, George W. Bush has rewarded at least 43 of these elite fundraisers with federal appointments. The Bush "Pioneers" raised a minimum of \$100,000 for Bush by bundling together contributions of up to \$1,000 (the legal limit) from other individuals. Bush's 43 Pioneer appointees delivered more than \$4.3 million to Bush's presidential race. Collectively they also gave \$204,000 to Bush's two gubernatorial races. The highest-ranking Pioneers are Terrorism Czar Tom Ridge (a former Pennsylvania Governor) and Labor Secretary Elaine Chao (an ex-Heritage Foundation Fellow and the wife of U.S. Senator Mitch McConnell). Other Pioneers who received Bush appointments include: 19 U.S. ambassadors to countries from Austria to Uruguay; Five members of the Energy Department Transition Team that first envisioned Bush's supply-side energy policy (including ex-Enron CEO Ken Lay); and two seats on the President's Foreign Intelligence Advisory Board. A Pioneer nominee [who?] for the board of the U.S. Overseas Public Investment Corporation (OPIC) also must step into Enron's shadow. Enron's bankruptcy has exposed OPIC to more than \$1 billion in risk as a result of the massive loans, loan guarantees and political risk insurance that this federal agency extended to Enron. ([Bush Pioneers Get Top Jobs](#))

9 March 2002: Assistant FBI Director John Collingwood confirms in a statement responding to a *Boston Globe* inquiry that FBI Director Robert S. Mueller III provided legal advice to Milford Power Co., an Enron subsidiary, "on a single matter" in 1993 when he was a partner in the Washington office of Hale and Dorr, the Boston law firm. Mueller, a former US attorney in Massachusetts, was hired by Enron to determine if the company should refer for official investigation the subsidiary's purchase of a vacant 6-acre site in Milford for 15 times its assessed value. ([So, who else worked for Enron? Oh let's see: How about FBI Director Mueller?](#))

19 March 2002: California Attorney General Bill Lockyer asks the San Francisco Superior Court to find Enron Corp. in contempt of court for refusing to comply with state subpoenas for its records, which comprise "a near-useless index to more than 940 boxes in Portland"; state investigators "had to sift through 'recycling' boxes that contained crusted food containers, food residue, discarded Kleenex, mail order catalogs and personal mail." ([AG wants Enron held in contempt](#))

California wants full refunds from power companies that charged unjust and unreasonable prices for short-term sales in California before October 2001.

— Bill Lockyer, California Attorney General

20 March 2002: "California wants full refunds from power companies that charged unjust and unreasonable prices for short-term sales in California before October 2001." California Attorney General Bill Lockyer asks federal energy regulators to order power companies to refund billions of dollars in overcharges for power during the state's electricity crisis. ([Lockyer asks FERC to order refunds, CBS.MarketWatch.com,5:29 PM ET March 20, 2002](#))

21 March 2002: India's high court passes an order restraining Enron's Indian utility subsidiary and other Enron group companies from proceeding on their bankruptcy protection suit in a New York court. The order prohibits Enron subsidiary Dabhol Power Company from disposing of its assets, which are secured to Indian lenders and other secured creditors. The court also orders the company to transfer \$8.3 million of their assets in U.S. bank accounts to trustees in Mumbai. The DPC, a \$2.9 billion power project, is Enron's Indian utility subsidiary. Indian lenders have collectively lent over \$1.1 billion to the Enron entities. ([India court stops Enron's bankruptcy plea](#))

22 March 2002: The Senate Governmental Affairs Committee issues subpoenas to Enron and Arthur Andersen and announces it will issue another 27, to current and former Enron directors, on Monday (25 March 2002). The subpoenas demand all documents from Enron and its directors regarding communications between Enron and the White House or other federal agencies about Cheney's National Energy Policy Development Group. In addition, the committee seeks all documents from Enron and its directors related to their broader interactions with the White House concerning eight federal agencies: the Commerce, Energy and Labor departments; the Overseas Private Investment Corp.; the Export-

Import Bank; the Securities and Exchange Commission; the Federal Energy Regulatory Commission and the Commodity Futures Trading Commission. Sen. Fred D. Thompson, the committee's ranking Republican, says: "I think the scandal value of all this is close to nothing now, if that's what people are looking for." ([Senate Panel Says Enron Must Detail Policy Role](#))

When Enron exacted its modus operandi abroad, U.S. public officials considered it good for U.S. business. Only when Enron's scandals began to affect Americans did these officials and institutions hold the corporation at arm's length.

— Daphne Wysham, director of SEEN

22 March 2002: The Institute for Policy Studies releases a study documenting that 21 federal agencies representing the U.S. government, multilateral development banks, helped leverage Enron's global expansion with \$7.2 billion in public-backed financing for 38 projects in 29 countries. ([Institute for Policy Studies uncovers \\$7 billion in public assistance for Enron's global operations](#))

22 March 2002: Sen. Byron L. Dorgan (D-N.D.) says the Senate Commerce Committee may issue subpoenas to force Enron to disclose the names of investors in its web of partnerships. Dorgan, says that if the company does not provide the information in the next three weeks, "I'd expect we'd proceed with subpoenas." (cite?)

22 March 2002: Nancy Temple, the Andersen lawyer who issued the 12 October 2001 memo directing workers to destroy all Enron audit material, except for the most basic "work papers", invokes her Fifth Amendment right against self-incrimination and refuses to answer questions in a deposition in a civil action by shareholders against Enron and Andersen. At the two-hour deposition in Houston, attorneys for Enron shareholders seek information about meetings Ms. Temple had with former Andersen partner David Duncan and others accused of shredding. She declines to answer. ([Fired and Blamed in January, Enron Auditor Duncan Meets With Prosecutor](#))

25 March 2002: The White House turns over thousands of documents related to Cheney's National Energy Policy Development Group. But most of the papers, released in response to court orders, are blanked out and provide little substantive information. Of the nearly 5,000 documents obtained by Judicial Watch, most of the internal communications are heavily redacted, often with only the names of the sender and recipient, and a subject heading, left readable. Although 11,000 pages of documents are released, another 15,000 pages are withheld. ([Bush Turns Over Energy Documents](#))

26 March 2002: Arthur Andersen chief executive Joseph Berardino resigns, bowing to mounting pressure as a result of the company's role in the Enron scandal. His announcement comes four days after former Federal Reserve chairman Paul Volcker urged top management to step aside. The key element of Volcker's plan to save Andersen is the dismissal of a federal indictment against Andersen alleging obstruction of justice in destroying Enron-related documents. Andersen has lost more than 70 clients this year in the wake of the scandal involving Enron, and its overseas affiliates have been bolting to rival firms. ([Arthur Andersen CEO Joseph Berardino resigns](#))

27 March 2002: Andersen spokesmen admit that Enron's chief accounting officer, Richard Causey, told Arthur Andersen chief executive Joseph F. Berardino on 21 February 2001 that the energy company was doing a lot of complex financial transactions and needed more auditing expertise than it was getting. The spokesmen stress that the 21 February 2001 meeting was not a factor in Berardino's resignation yesterday (26 March 2002). ([Andersen CEO Got Warning On Enron](#))

27 March 2002: UBS PaineWebber officials decline to comment on a lawsuit, filed in federal court in Houston earlier this month, brought against the company by Enron shareholders. The suit accuses the investment bank of making "manipulative and deceptive" recommendations that investors buy Enron stock and claims the brokerage failed to warn them of Enron's financial problems because it wanted to protect its business relationships with the energy company. ([UBS PaineWebber sued for keeping Enron a 'Strong Buy'](#))

March 2002: "If I ever get to the point...where the Enron business represents a major and material distraction...then I wouldn't stay [at the Pentagon]" declares Army Secretary Thomas White to reporters at an hour-long press conference. ([W's Biggest Enron Liability](#))

April

2 April 2002: "This guy is up and we're supporting the Indian candidate," says a US official to AFP. "The administration is unhappy with Watson," the official tells AFP on condition of anonymity. Dr. Robert Watson, a highly respected atmospheric scientist, is chair of the Intergovernmental Panel on Climate Change (IPCC). In meetings this week with State Department officials, lobbyists for the coal industry, electric utilities, and automakers join ExxonMobil's call to replace Dr. Watson. The State Department issues a short statement saying that Washington is supporting the Indian

candidate, Dr. Rajendra Pachaurie. The statement makes no mention of Watson, but with the White House opposing Watson's appointment to a second term as IPCC chair, he is unlikely to retain his chair when representatives of more than 100 governments meet in Geneva April 17-20 to elect a new IPCC head. In a 6 February 2001 fax, liberated by the Freedom of Information Act, ExxonMobil recommended to Bush that Dr. Watson be ousted. ([Confidential Papers Show Exxon Hand in White House Move to Oust Top Scientist from International Global Warming Panel](#); [US opposes reappointment of top scientist who warned of global warming](#))

4 April 2002: The White House denies that ExxonMobil had any influence in the decision to oust Dr. Robert Watson. "I want to flatly deny [the NRDC report]," Deputy State Department spokesman Philip Reeker tells reporters. "It is absolutely wrong." ([US denies oil industry-backed campaign to oust UN climate change panel chief](#))

8 April 2002: David B. Duncan, Andersen chief auditor of the Enron account in Houston, agrees to plead guilty and cooperate with U.S. prosecutors pursuing obstruction charges against Andersen. ([Enron Auditor to Plead Guilty](#))

These were sham transactions, causing the price to rise with each supposed sale. The same individuals were managing these companies. They had the same employees, trading with themselves.

— Loretta Lynch, president of the California Public Utilities Commission

11 April 2002: The president of the California Public Utilities Commission, Loretta Lynch, testifies that Enron drove up electricity prices during California's energy crisis by swapping large amounts of power among companies it controlled and intentionally tying up the power grid. In testimony to the Senate Commerce, Science and Transportation Committee, Ms. Lynch describes how five companies under Enron's control traded more than 10 million megawatt hours of electricity among themselves in the last three months of 2000, when power prices in the states were spiraling out of control. ([Enron Accused of Manipulating Prices](#))

12 April 2002: In his first address to the company's employees, Stephen Cooper, Enron's acting chief executive officer, estimates claims facing the company at between \$60 billion and \$100 billion. ([Enron May Face \\$100 Billion in Claims, CEO Says](#))

They got a lot of share for themselves when they ricocheted up the price. They fed the market and were a leading participant in it.

— S Freeman, chairman of the California Power Authority

16 April 2002: A CBS study of federal documents reveals that during late 2000 Enron was charging more than twice what its rivals charged within the state while pushing more than four times as much energy through the power grids. The documents reveal that one of Enron's best customers was itself. Fourth-quarter figures show that Enron got between a nickel and \$1,100 per megawatt for 5.8 million megawatts that the company sold to its energy services division, which was overseen by current Army Secretary Thomas H. White. ([How Enron made a killing in California](#))

The department has failed to point to a single post-Watergate incident where an administration investigated one of its own high-ranking officials where there was substantial and credible allegation of wrongdoing, as is clearly the case with respect to Secretary White.

—Rep. John Conyers D-MI, chairman of the California Power Authority, on the refusal of the Justice department to appoint an Enron special prosecutor

18 April 2002: Denying any conflict of interest, the Justice Department refuses a congressional Democrat's request for an outside prosecutor to take over its Enron investigation. "We believe that the Justice Department has a duty to discharge its public trust to investigate allegations of criminal wrongdoing in this matter," writes Assistant Attorney General Daniel Bryant to Rep. John Conyers (D-MI) in a letter dated Thursday. ([Government won't bow out of prosecuting Enron case](#))

19 April 2002: Enron President Jeffrey McMahon announces he will resign effective 1 June 2002. ([Enron President McMahon to Resign](#))

US support was, of course, an important factor. They came under a lot of pressure from ExxonMobil who asked the White House to try and remove me.

—Dr Robert Watson, on the loss of the IPCC chair to the US-backed candidate

20 April 2002: In a secret ballot held at a meeting in Geneva, the UN-sponsored Intergovernmental Panel on Climate Change (IPCC) elects the US-backed India delegate, Rajendra Pachauri, as its chairman. He beats the current chairman, Robert Watson, the US delegate, by 76 votes to 49. Watson was targeted for removal by ExxonMobil in a 6 February 2001 fax to the White House. ([Bush energy policy critic ousted as head of climate change panel](#))

No matter how cynical you would have been about Enron, it's defied all of them in terms of being worse than imagined. They were making it up as they were going along apparently, but \$14 billion is real dollars. This thing is just a staggering number to me.

— John Olson, Analyst, Houston investment bank Sanders Morris Harris

22 April 2002: Enron says that up to \$24 billion in assets and derivative values could be erased from its books, potentially shaving 38 percent off the total assets it listed when it filed its record bankruptcy last year. Enron attributes the \$14 billion in potential asset write-downs to "possible accounting errors or irregularities" that overstated their value. Enron also warns of a possible reduction of between \$8 billion to \$10 billion related to the unwinding of some of its myriad derivatives contracts. ([Enron Estimates \\$14 Billion Write-Down](#))

23 April 2002: Army Secretary Thomas White says in an interview that he regrets not moving more quickly to divest his Enron stock holdings, but says ongoing investigations of his finances and military travel are not interfering with his job or harming his standing in the Bush administration. ([Army secretary says Enron past hasn't hurt standing](#))

The marketer-speculators are destroying North America's natural gas business by promoting unwarranted price volatility. Producers have no idea where the price of gas is going to be tomorrow, much less a year or two from now...so we drill fewer and fewer wells.

— Raymond Plank, Chief Executive of Apache Corp.

24 April 2002: In a teleconference with representatives of a group of gas producers and energy utilities called the Coalition for Energy Market Integrity and Transparency, California State Senator Joseph Dunn (R-Garden Grove) says he has new evidence Enron and other energy suppliers fixed prices during the state's 2000-2001 energy crisis. "Enron and its clones promised greater efficiency and cheaper energy prices, but have delivered just the opposite," Dunn says, citing an estimated \$9 billion in costs to the state from the crisis. Apache Corp. Chief Executive Raymond Plank, a member of the coalition, says the California and Enron debacles demonstrate the conflicts of interest that "middle men" have under current U.S. energy regulations. Plank blames energy marketers Dynegy, (DYN), El Paso Corp. (EP) and Williams Cos (WMB) for killing a legislative proposal before the Senate that would have allowed federal oversight of over-the-counter energy markets, including online systems. "The last thing they want is the bright light of day shining on their operations," he says. ([Calif Senator, Others Warn Of Energy-Mkt Manipulation](#))

Expect Brulte and Cox to push us for another 75K.

— Enron memo, on pressure from California GOP legislators for campaign donations

29 April 2002: The *Los Angeles Times* reveals internal Enron documents that show Republican leaders in the California Legislature solicited tens of thousands of dollars in campaign contributions from Enron at the same time California was waging war against the company and other producers suspected of price gouging and market manipulation during last year's energy crisis. The documents detail a relationship between Republican leaders and Enron that neither the company nor the state GOP has ever acknowledged publicly. ([GOP leaders sought funds from Enron during probe](#))

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May

3 May 2002: Former Federal Reserve chairman Paul Volcker says he has all but dropped his attempt to rescue Andersen. In an interview he says that the company has failed to meet any of the key conditions for his help. "We are in a state of suspension so far as working with Andersen is concerned." ([Volcker Gives Up Effort to Remake Arthur Andersen; Paul Volcker abandons Andersen to its legal fate](#))

6 May 2002: Jury selection begins in the obstruction of justice trial against Andersen. (Jury Selected in Andersen Criminal Case)

These documents prove that these companies can manipulate the market. Enron prevented California from seeing these documents for years, and now we know why.

— Loretta Lynch, president of the California Public Utilities Commission

6 May 2002: FERC releases Enron internal memos, written by Enron lawyers Christian Yoder and Stephen Hall during California's first near-blackouts in December 2000. The memos detail how company employees who bought and sold megawatts in California provided false information to officials running the state's power grid and played on loopholes in energy rules. Also discussed is whether Enron violated laws governing electricity delivery. At least 10 strategies are described, called variously "Death Star," "Get Shorty," "Ricochet," "Load Shift," and "Fat Boy." ([Enron Forced Up California Energy Prices, Documents Show](#))

About \$30 billion was extorted from this state. Those who claimed that there was no price manipulation here were just plain wrong.

—California Governor Gray Davis, on market rigging by energy traders

7 May 2002: Public reaction to the "smoking gun" documents is withering. California Governor Gray Davis says that Cheney and many other officials treated Enron "as the mothership of deregulation" and refused to look into allegations

of abuse. He says that the administration took a laissez-faire approach to power markets for too long, worsening the blow to California's economy. "It turns out we were right. Enron was manipulating prices to a fare-thee-well."

[\(Californians Call Enron Documents the Smoking Gun\)](#)

In our view, all of the large market participants engaged in these games in one way or another.

— Joseph Dunn, California State Senator, on anti-competitive behavior of energy companies in California
7 May 2002: California state senator Joseph Dunn (D-Garden Grove), says he is asking energy companies whether they used market-rigging strategies like those employed by Enron, and he demands responses within five days. He includes Dynegy (DYN), Reliant Energy (REI), Duke Energy (DUK), Williams Cos. (WMB) and Mirant (MIR) in his request for information. Four of the companies -- Williams, Mirant, Duke and Dynegy -- issue responses stressing that their practices are within the law. Shares of all major energy traders suffer losses: Dynegy is off \$2.59 to \$12.26, Williams is down \$1.61 to \$16.90, Reliant falls 37 cents to \$25.53, Mirant loses \$1.34 to \$9.75 and Duke gives back 69 cents to \$36.33. [\(Senator says rivals manipulated California markets\)](#)

7 May 2002: Testimony begins in the trial of Andersen. Assistant U.S. Attorney Matt Friedrich tells jurors that Andersen "realized the law was coming" when they decided last fall to shred Enron-related documents. [\(Prosecutor: Andersen Feared The Law\)](#)

The Bush administration and congressional Republicans sided with the energy companies and did nothing to help.

—Rep. Henry Waxman, D-CA, on market rigging by energy traders in California
9 May 2002: "I don't think there's any doubt that somebody ought to go to jail and that we ought to find a way through public policy to fix a system that needs to be addressed," says Senator Tom Daschle (D-SC) on Enron market rigging. "We now have reason to believe that illegal acts took place," says Rep. Mary Bono (R-CA). At a news conference, Democrats from California, Washington state and Oregon also criticize FERC, saying it waited months to impose price caps to address the California crisis. "We told them Enron and others were gaming the system. So my question to FERC is, 'What took you so long?'" says Sen. Barbara Boxer (D-CA). [\(Daschle Says Enron Broke Calif. Laws\)](#)

We are watching Dynegy very closely. We are concerned about the credit downgrade. Clearly they are having difficulties. I think it's very likely that people have stopped trading with them. We are in delicate negotiations with them over credit issues.

Unnamed British utility executive , on the dire situation of Dynegy
9 May 2002: European energy traders are reported to be scaling back their dealings with Dynegy due to worries about the firm's credit rating and sliding share price. [\(Europe firms curb energy trade with troubled Dynegy\)](#)

FERC is the Federal Enron Rubber-stamping Commission.

—Rep. Bob Filner D-San Diego
10 May 2002: The Senate Commerce, Transportation and Science Committee gives Chairman Ernest Hollings (D-SC), authority to issue subpoenas in case Enron attorneys linked to the "smoking gun" memos balk at appearing at a hearing next week. [\(Subpoenas OK'd for Enron hearing on price manipulation\)](#)

All I can say is [FERC Chairman] Pat Wood was not on board at the time all this was happening.

— Kevin Cadden, FERC director of external affairs, on Enron market-rigging tactics
11 May 2002: The Palm Beach Post reports that FERC turned a deaf ear to complaints of market rigging tactics used by Enron and other energy traders. "These revelations implicate FERC more than anyone," says John Rozsa, a deregulation expert. "We long ago outlined the types of manipulations that are now coming to light." [\(Federal agency ignored Calif. power schemes\)](#)

I obstructed justice. I instructed people on the [audit] team to follow the document-retention policy, which I knew would result in the destruction of documents.

— David Duncan, Andersen lead partner overseeing the Enron account, on Enron document shredding at Andersen
14 May 2002: Former Arthur Andersen accountant David B. Duncan testifies that he orchestrated a campaign to destroy Enron audit documents and knew at the time that he was breaking the law. [\(Andersen Auditor Details Shredding of Enron Papers\)](#)

As I learned about Enron's trading practices, I became increasingly concerned. We advised Enron in a face-to-face meeting that deceptive trading practices could violate the ISO tariffs as well as state criminal laws.

— Stephen Hall, Enron attorney, on Enron's market-rigging tactics

15 May 2002: Enron attorney Stephen Hall admits in testimony to Congress that he had warned company executives, in a meeting on 3 October 2000, that tactics used to manipulate California's energy market were possibly criminal. ([Enron lawyer says he warned energy traders](#))

As disturbing as some of the strategies described in the Enron memos are, the greatest potential harm to electricity consumers in California and elsewhere comes not from 'games' that some clever traders may play, but from the persistent exercise of market power.

— Terry Winter, chief executive officer of Cal ISO, on market-rigging tactics used against California ratepayers by energy trading companies

15 May 2002: In testimony to Congressional committees, Stanford University economist Frank Wolak, head of the California Independent System Operator's market surveillance committee, says market-rigging schemes probably accounted for less than half a billion of the \$8.9 billion in refunds owed to California for overpriced electricity. The rest is due to generators withholding electricity to drive up prices. Terry Winter, chief executive officer of Cal ISO, says that the Independent System Operator has "repeatedly documented both the presence of and impact of market power" and informed federal regulators of its findings. Sen. Dianne Feinstein (D-CA) produces a memo from Southern California Edison, dated 17 August 2000, noting "simultaneous outages" from generating units under contract to deliver electricity. The memo says that when other generators were sought to fill the gap, the Independent System Operator could find just one, and the owner of that plant used a market gaming strategy to increase its payments for meeting the shortfall.

([Enron lawyers say company heeded call to halt schemes](#))

As I continued to think about these things, you know, I realized that I did have a view on the timeliness of all of this occurring. And that view was that it was a good time for all of this to occur, in my estimation, because of the events that were escalating at Enron. And I wanted at that time to take responsibility for those actions.

— David Duncan, Andersen lead partner overseeing the Enron account, on Enron document shredding at Andersen

15 May 2002: Former Arthur Andersen partner David B. Duncan testifies he was directed to ask others to follow the document destruction policy. He says Andersen partner Mike Odom forwarded him an e-mail from in-house lawyer Nancy Temple reminding him about Andersen's document retention and destruction policy. Duncan says all of Andersen's partners knew the firm was on probation for its work with Waste Management and Sunbeam, and those on the Enron account became concerned in late September-early October that its accounting problems could draw more attention from the Securities and Exchange Commission. ([Duncan May Be Linchpin in Case Against Andersen](#); [Duncan says he didn't question legality of shredding until recently](#))

15 May 2002: Dynegy chairman and chief executive Chuck Watson sells Dynegy stock worth almost \$34 million. Watson sells 4.4 million shares for about \$33.9 million today and on 17 May 2002. He will resign in two weeks, on 28 May 2002.

([Ex-Dynegy chairman sold \\$34m in stock before resigning](#))

16 May 2002: Officials of Alliance Capital Management LP, which lost over \$300 million in Florida pension fund money by investing in Enron stock as the energy giant was crumbling, say they were "deliberately misled" by Enron officials into thinking the company was fundamentally sound and would bounce back. Alliance Chairman Bruce W. Calvert tells a Senate Commerce Committee subcommittee that Frank Savage, who was both a senior official of Alliance and a member of Enron's board, had no role in Alliance's decisions to buy Enron stock. "To be perfectly clear, Mr. Savage never participated directly or indirectly in any decisions by Alliance to buy, hold or sell Enron stock, and his membership on the Enron board had nothing to do with those investments," Calvert claims. Savage will resign from the Enron board in two weeks, on 31 May 2002. ([Alliance Says It Was 'Misled' by Enron](#))

16 May 2002: Former director of marketing and trading at an Enron Corp. subsidiary, Steven Gary Todoroff, pleads guilty to laundering almost \$1 million as part of a 1998 gas diversion scheme. Todoroff worked at Enron's EOTT Energy Corporation, and in December 1998, he diverted 100,000 barrels of butane gas from Petrogas to a company he owned and then sold it for almost \$1 million, which he placed in a personal account. ([Ex-Enron-subsidary executive pleads guilty in money laundering](#))

16 May 2002: Top executives resign at Reliant Resources Inc. and CMS Energy Corp. after the energy trading companies admit to taking part in bogus deals to pump up business. Reliant Resources says the executives in charge of its energy trading operations -- Joe Bob Perkins, executive vice president for wholesale businesses, and Shahid Malik, president of marketing and trading -- have left to pursue other interests. CMS says Tamela Pallas, president and chief executive of marketing and trading, has resigned after expressing regret at the controversy created by the sham trades. ([Energy Execs Resign Over Trading Scandal](#))

The same circuit got traded back and forth. The idea was to book more transactions and get a market going.

— Former Reliant executive, on sham transactions in the nascent broadband market

18 May 2002: The *New York Times* reports that big energy trading companies, led by Enron, Reliant and El Paso, engaged in scores of sham transactions aimed at creating the appearance of activity as they tried to build a market for trading high-speed communications capacity. The companies made the trades in late 2000 and 2001, as the Internet bubble peaked and they sought to sell Wall Street on the idea that a fast-growing communications market was emerging. The energy traders were also trying to persuade major telecommunications companies to do business with them. As the energy companies struggled to attract broadband business, records show that the companies repeatedly sold the same fiber-optic routes to each other at the same price on the same day: a round-trip trade of broadband capacity similar to round-trip trades of energy. Reliant engaged in more than 50 round-trip, same-day trades from April 2001 to October 2001, records from the company show. ([Energy traders pumped up broadband market](#))

18 May 2002: Sen. Joseph Lieberman (D-Conn) says he will try to subpoena the White House for information on staff contacts with Enron officials unless the administration promises to provide the material by the end of the month. ([Lieberman says he'll seek a subpoena if White House doesn't provide Enron info](#))

If it's destroyed, and litigation is filed the next day, that's great, because we've followed our policy. Whatever there was that might have been of interest to someone is gone and irretrievable.

— Michael Odom, Andersen partner who helped oversee the firm's Enron account, on the firm's document-retention policy

20 May 2002: Jurors in Arthur Andersen's obstruction trial watch a video in which audit team managers were told destroying documents before litigation is filed is "great" because "whatever might have been of interest to anybody is gone and irretrievable." ([Video: Manager said shredding was 'great'; On tape, Andersen staff told to ditch documents](#))

20 May 2002: Andersen in-house attorney Nancy Temple's notes and e-mails, obtained through a government subpoena, show that top Andersen managers were aware and concerned about their standing with the SEC when they embarked on the Enron paper-shredding campaign in October 2001. Temple's notes refer to a phone call with two members of Andersen's legal team in which they discussed a possible restatement of Enron's earnings and how that might lead to an accusation by the SEC that Andersen violated the terms of its Waste Management settlement. In a late October e-mail, Chad DeJohn, a computer systems expert in Andersen's Houston office, urged staffers on the Enron team to "as soon as possible" clean out their computer files. "This directive comes from the partner group and is considered very important," he wrote. ([Andersen notes show firm feared SEC probe](#))

22 May 2002: The *New York Times* reports that during Cheney's tenure as its chief executive, Halliburton altered its accounting policies so it could report as revenue more than \$100 million in disputed costs on big construction projects. Halliburton did not disclose the change to investors for over a year. ([Under Cheney, Halliburton Altered Policy on Accounting](#))

24 May 2002: FBI agent Paula Schanzle recounts her 14 February 2002 interview with Andersen manager Jennifer Stevenson, then contrasts it with a deposition given five days later by Stevenson's immediate supervisor, Andersen partner Thomas Bauer. Stevenson had said she was told to "get in compliance" with the firm's document retention and destruction policy in meetings on 23 October 2001. She had said Bauer, a lieutenant to chief Enron auditor David Duncan, had told her complying with the policy was a high priority. Stevenson had also recalled the SEC inquiry into Enron being mentioned at the October meeting. Prosecutor Andrew Weissmann then asks Schanzle to read Bauer's answers from his 19 February 2002 deposition, taken two days after Duncan invoked the Fifth Amendment against self-incrimination more than 300 times during his own interview. Bauer had answered a barrage of questions by often saying he did not remember or recall several events and discussions last autumn, including conversations about document destruction and the possibility of an SEC inquiry into Andersen's records on 23 October 2001. ([Prosecutors expose Andersen partner's lack of memory](#))

24 May 2002: Dynegy says that it has received a subpoena late today from the U.S. Attorney's Office in Houston requesting documents relating to the company's transactions, including its buy and sell trades with CMS Energy and its long-term natural gas supply transaction referred to as "Project Alpha." ([Dynegy Receives Subpoena From U.S. Attorney's Office](#))

24 May 2002: Chairman and CEO of CMS Energy Corp., William McCormick, resigns, a week after coming under fire for the utility holding company's admission that it engaged in \$4.4 billion of bogus power trades over an 18-month span. CMS says its board will create a special committee to investigate the round-trip trades. CMS is at the center of an industry-wide scandal over wash trades, which accounted for nearly 80 per cent of the electricity it traded in 2001 and

more than 70 per cent the year before. CMS has restated revenue and expenses downward by \$3.4 billion for the first three quarters of 2001, and expects about \$1 billion to be cut from its revenue and expenses for 2000. ([CMS head quits over bogus trades](#))

It turns out we were right. Out-of-state energy companies artificially created California's energy crisis last year to rake in unconscionable profits. Plain and simple, we were cheated.

— Barbara Matthews, D-Stockton, representing the 17th Assembly District, on Enron market-rigging tactics
24 May 2002: California Assemblywoman Barbara Matthews writes in an editorial that "the highly sophisticated schemes detailed in the Enron documents confirm what I have been saying since the start of California's energy crisis. The crisis was not a problem of supply but a problem of market manipulation and corporate greed run amok." ([Enron's demise unveils California energy schemes](#))

26 May 2002: Reliant Resources, the trading arm of Reliant Energy, announces that it has received subpoenas from the United States attorney's office in Houston relating to round-trip trades of electricity, natural gas, capacity on high-speed telephone and data networks and of other commodities from 1999 through 2001. Reliant spokesman Richard Wheatley says the company also received subpoenas relating to round-trip trading from the United States attorney's office for the Southern District of New York. He also says Reliant is the subject of an informal inquiry by the Securities and Exchange Commission. ([Reliant Trading Unit Gets U.S. Subpoenas](#))

27 May 2002: Prosecutors rest their case in Arthur Andersen's criminal trial for obstruction of justice. ([Prosecution rests in Andersen case](#))

There had to be a sacrificial lamb.

— Charlie Sanchez, vice president at energy advisory firm Gelber & Associates, on Watson's resignation
28 May 2002: Chuck Watson, chairman and chief executive of Dynegy, resigns in the face of two federal investigations into the company's sham trades. Dynegy's shares rise 39 cents to \$9.69. Dynegy's stock has plunged almost 80% since November 2002. ([Dynegy CEO Chuck Watson resigns](#))

Electric utilities throughout the West -- not just California -- suffered because of Enron's manipulative tactics. As a matter of fairness, Pacific Northwest utilities should be allowed to make a case as to why they are entitled to recover those costs.

— Christine Gregoire, Washington state Attorney General, on refunds for Enron market-rigging
28 May 2002: Washington state Attorney General Christine Gregoire asks FERC to reconsider requests by Northwest utilities for refunds, because of new evidence of market manipulation by Enron. ([Gregoire wants FERC to reconsider Northwest refund case](#))

I noticed a lot of people around the file cabinets in the hallway, and it appeared that they were placing things in trunks.

— Jennifer Stevenson, senior Andersen manager, on Enron file shredding at Andersen
29 May 2002: "If we had any file cleanup to do, we needed to do it because there may come a day when we may not be able to do it." Shane Philpot, former Andersen employee, testifies he received "unusual" instructions from the Andersen office in Houston to destroy files at Portland General Electric. Jennifer Stevenson, a senior manager on Andersen's Enron engagement, says that the document destruction was a coordinated effort such as she had never seen before. Ms. Stevenson testifies that she continued to destroy files, all Enron-related, until 9 November 2001, and didn't get to all of the documents that she needed to destroy. She also deleted files on the J drive of her computer as well as e-mails. ([Andersen can't shake shredding at trial](#))

31 May 2002: Frank Savage resigns from the Enron board of directors. Savage simultaneously sat on the boards of Enron and Alliance Capital Management, the money manager for the Florida state pension board, which lost \$334 million on Enron stock. ([Two members of Enron board resign](#))

31 May 2002: California Sen. Joe Dunn, D-Santa Ana, says the Senate Select Committee to Investigate Price Manipulation of the Wholesale Energy Market has uncovered secret Internet sites used by Enron to communicate about California energy trades. Enron data show the existence of "secret third-party Web sites" that traders may have used to shield transactions "outside the scope of any subpoena," Dunn says. At the hearing next week, Dunn says he will also show evidence that "links certain municipal utility systems that were Enron's partners in those transactions." Some of the municipal utilities have "profit-sharing agreements" with Enron. ([Senator says Enron had secret Web site for California energy trades](#))

I don't know if it was in response to the call, but [policy compliance] efforts were accelerated.

— Michael Jones, partner in Andersen's London office, on destruction of Enron documents

31 May 2002: Andersen in-house advisor John Stewart testifies that he first learned of the firm's document destruction policy in autumn 2001 after more than 30 years of employment at Andersen. Andersen attorney Nancy Temple told him about the document destruction policy while the firm was dealing with a paper trail related to Enron's Raptor entities. Michael Jones, a partner in Andersen's London office who worked on Enron matters, says under cross-examination by prosecutor Andrew Weissmann, that David Duncan's reminder about the destruction policy seemed to carry a sense of urgency and that shredding and deletions increased last autumn. ([Policy new to veteran adviser at Andersen](#))

June

2 June 2002: Charles Dana Rice, senior vice president and treasurer of El Paso Corp. is found dead. Police spokesman Joe Laud calls the death a suicide by self-inflicted gunshot wound. Rice was 47 years old and worked for El Paso for 25 years. ([High-ranking El Paso Corp. executive dies in apparent suicide; found dead in his home](#))

The overall tone is absolutely shoot first and ask questions later -- you see that in Tyco and in El Paso.

— Cummins Catherwood, money manager with Rutherford Brown & Catherwood, on deepening mistrust about Corporate America's top management and finances

3 June 2002: The death of El Paso's senior vice president and treasurer deepens Wall Street's anxiety. Shares tumble 14 percent as the broad market hits an eight-month low. The Dow falls 215.46 points (2.17%), to 9,709.79, its biggest one-day percentage decline in four months. The abrupt departure of L. Dennis Kozlowski, the chairman of embattled conglomerate Tyco International Ltd., also deepens mistrust about Corporate America's top management and finances. "There's a lot of stuff bubbling and much of it is sinister," says Mace Blicksilver, a money manager for Marblehead Asset Management. ([Stocks Dip on Mistrust of Corporations](#))

4 June 2002: FERC issues a warning to Avista Corp., El Paso Electric Co., Portland General Electric Co. and Williams Energy Marketing & Trading Co., saying they have not cooperated with an investigation into manipulation of the Western power markets. FERC accuses Avista, El Paso Electric and Portland General of lying about their involvement with Enron in schemes to drive up electricity prices in 2000 and 2001; Williams Energy Marketing & Trading has simply refused to answer questions. The commission gives the companies 10 days to answer its questions or it will strip them of their ability to sell wholesale power. ([Federal regulators threaten to strip four companies' right to sell wholesale electricity; Energy traders could lose licenses](#))

4 June 2002: Under protest, the White House gives the Senate Governmental Affairs Committee more than 2,100 pages of subpoenaed documents related to contacts with Enron officials. The material is protected by imposing "extraordinary security precautions," including keeping them in a locked room fitted with an alarm. Under an agreement with the White House, only a limited number of committee staff will have access to the room, and those who do must sign confidentiality agreements. ([Enron Papers Kept Under Tight Guard](#))

The schemes appear to be simple commercial fraud since, by design, no actual generation was ever envisaged as running to support the schedules filed with the ISO. Stripped of their complexities, these schemes are simply a modern form of check kiting.

— Robert McCullough, consultant, on Enron market-rigging tactics

5 June 2002: McCullough Research of Portland, Oregon, releases a report finding that public utilities helped Enron conceal schemes to profit from falsely jamming the state's transmission grid. Among the public utilities named by McCullough are the Northern California Power Agency, based in Sacramento, which provides electric power services for 23 public utilities including those in Santa Clara, Palo Alto and Alameda. ([Report links Enron, utilities](#))

We may find ourselves in a situation where Perot Systems sits at the core of what ultimately became the economic rape of California. I hope that's not true, but certainly at this point, the documents show a disturbing picture.

— Joe Dunn, California Senator, on documents implicating Perot Systems in the defrauding of California ratepayers

5 June 2002: California lawmakers allege that Texas-based Perot Systems Corp., which wrote California's energy trading software, later taught companies how to manipulate the state's power market. The state Senate panel investigating energy market improprieties reveals a Perot Systems computer presentation that explains how to "prosper in the California market structure" by taking advantage of "holes" in the system. ([Energy market played by Perot](#))

6 June 2002: The four remaining directors of Enron, who oversaw the energy trader's rise to the top 10 of the Fortune 500 and its spectacular collapse into bankruptcy last year, quit the company today. The resignations of Robert A. Belfer, Norman P. Blake, Wendy L. Gramm and Herbert S. Winokur Jr. are accepted unanimously by the board. ([ENRON ENTANGLEMENTS: Enron's last 4 directors quit](#))

It's called racketeering, and it's a very frightening accusation. If it's to maximize profits, that's not illegal. If it involves maximizing profits by cheating and defrauding someone, making false representations, that becomes illegal.

— Don Heller, former prosecutor, on allegations of racketeering by Perot Systems

7 June 2002: California Sen. Joe Dunn (D-Santa Ana) sends Ross Perot a "no-shred" letter requesting that "Perot Systems preserve any and all documents, computer hard drives and electronic data." Letters also go out to a list of power brokers, including the Western Power Traders Forum, the Edison Electric Institute, and the California Municipal Utilities Association, seeking information about links to Perot. Governor Gray Davis asks FERC to investigate the Perot allegations and order refunds. ([Enron Investigators Send 'No Shred' Letter To Perot - Possible Racketeering Violations To Be Looked At](#))

11 June 2002: Taped conversations, between energy traders discussing ways to boost profits from Western power markets in 2000 and 2001, are revealed by Minneapolis-based Xcel Energy Inc. in a filing with federal regulators. The conversations were between traders from Atlanta-based Mirant Corp. and Public Service Co. of Colorado, an Xcel division, and the topic of discussion was manipulation of the West Coast energy market. One transcript reveals two people discussing how Duke Energy Corp. and Oklahoma-based Williams Cos. Inc. routinely overscheduled their loads to create congestion. ([Xcel trader tape jars industry](#); [Mirant, Duke defend California trading practices after trader talk released](#))

Bush is seeking an opportunity to keep the dirtiest power plants on line without an obligation to increase their emissions control technology. What we are seeing today is a direct outgrowth of Cheney's energy plan, which was a product of the lobbying of the energy industry, not solid thought and analysis.

— Eliot Spitzer, New York Attorney General, on the EPA's rollback of air quality regulations

13 June 2002: EPA Administrator Christine Todd Whitman announces proposed revisions to the "New Source Review" requirements of the Clean Air Act; this is the most sweeping rollback of air quality regulations in a generation. New York Attorney General Eliot Spitzer says the EPA's revisions violate the Clean Air Act and that he intends to challenge them in court. ([Bush proposes relaxing Clean Air Act requirements for industry](#))

14 June 2002: The Texas Public Utility Commission says in a filing that Enron made nearly \$3 million by overscheduling power in August 2001. The PUC staff also says it will order Enron Power Marketing Inc., a wholly owned subsidiary of Enron, to refund revenues resulting from market manipulations. This sum is in addition to the \$7 million fine the PUC staff recommended in May 2002. ([PUC: Enron got millions in scheme](#))

15 June 2002: Arthur Andersen is convicted. A federal jury finds Andersen guilty of obstructing justice, a felony. Jurors identify Andersen partner Nancy Temple as having had "corrupt intent" to impede the S.E.C. inquiry when she ordered the destruction of Enron-related documents. Andersen informs the S.E.C. that it will cease auditing public companies by 31 August 2002. ([Andersen Guilty of Shredding Files in Enron Scandal](#))

19 June 2002: Rob Doty, Dynegy's executive vice president and chief financial officer, resigns. ([Dynegy CFO quits; 340 jobs cut](#))

20 June 2002: Dynegy announces on that it has halted energy trading on its Dynegy direct online system. Last night, the company notified customers by e-mail that trade had been discontinued due to "market developments and the poor credit environment in the energy industry". ([Dynegy halts trade on Dynegy direct online system](#))

20 June 2002: In a private meeting, Bush tells 150 executives that they must help restore public confidence in the markets. Cameras and reporters are barred from the Roundtable session. He does not name any of the specific companies that have become enmeshed in scandal. He makes no mention of Enron or Andersen. ([Bush Exhorts CEOs to Speak Out](#))

20 June 2002: Robert McCullough, an independent energy consultant, testifies before the California state Senate panel investigating the power crisis that a "game" outlined in a Perot sales presentation to Enron bears strong similarities to a strategy run by Enron in May 1999 that led to Enron being fined by the state. ([Perot says pitched Enron on Calif. power market](#))

Enabling Enron to continue to maintain its investment-grade rating, and report strong current financial results, and forecast continued strong results, in turn allowed Enron to continue to raise large sums of fresh capital from investors and/or other lenders which it could use to repay its indebtedness to Chase. Chase knew that unless something was done to bolster or otherwise support Enron's precarious financial condition, of which Chase had knowledge, it would never be able to recover these loans.

— Federal Insurance, in a court filing

21 June 2002: Federal Insurance Co. files court papers alleging that J.P. Morgan Chase & Co. engaged in sham trades with Enron so the energy company could continue to attract money from investors and avoid default on hundreds of millions in loans owed to the bank. J.P. Morgan is suing 11 insurers, including Federal Insurance Co., to collect \$965 million in surety bonds guaranteeing that Enron would deliver natural gas and crude oil to Mahonia Ltd., a J.P. Morgan unit. The insurers want the bank's suit thrown out, contending that the trades were really disguised loans to Enron by J.P. Morgan. ([Insurer says J.P. Morgan engaged in sham trades](#))

We made such an incredible amount of money we didn't want to recognize it all into earnings. We were supposed to make \$500 million in a quarter and we were doing it in a day.

— Former Enron executive, speaking on condition of anonymity, on Enron manipulation of its trading books

22 June 2002: The *New York Times* reports that Enron used undisclosed reserves to keep as much as \$1.5 billion in trading profits off its books during the California energy crisis, according to six former managers and executives who handled or reviewed the accounts. The enormous reserves, which would have doubled the company's reported profits, were hidden in late 2000 and early 2001, as energy prices soared in California and politicians accused trading companies like Enron of price gouging. The former Enron officials said that the company swelled the reserves in hopes of damping the political firestorm. ([Former Officials Say Enron Hid Gains During Crisis in California](#))

23 June 2002: Treasury secretary Paul O'Neill says on ABC's *This Week* program that people should be "outraged" by recent corporate scandals. He does not mention his contact with Enron or his part in delaying sanctions against money-laundering havens (17 February 2001). ([Treasury Secretary Condemns Corporate Scandals](#))

23 June 2002: Portland General Electric Co announces it has received a subpoena from the U.S. Commodity Futures Trading Commission seeking records related to "wash" trades that may have occurred since January 2000. ([Portland General gets subpoena on "wash" trades](#))

25 June 2002: Dutch bank Rabobank sues Royal Bank of Canada for its part in "the deliberate looting of Enron assets." The suit names three RBC investment bankers, Gary Mulgrew, Giles Darby and David Bermingham, and claims that when they worked for investment banking boutique Greenwich NatWest in the 1990s, they helped Enron executives set up LJM1, an off-balance-sheet vehicle Enron later used to hide multi-million-dollar losses. Later they joined RBC which, effectively passing on a \$517 million loan exposure to Enron through a so-called 'total return swap' with Rabobank and giving the Dutch bank the liability in the event of Enron defaulting. ([British accused on Enron 'looting'](#))

25 June 2002: Long-distance giant WorldCom discloses that it substantially inflated profits for more than a year by improperly accounting for more than \$3.8 billion in routine expenses. The revelation is expected to force WorldCom into bankruptcy. Its failure will rank as the largest corporate bankruptcy in U.S. history and leave creditors with nearly \$30 billion in bad debt. WorldCom's auditor was Arthur Andersen, and yesterday Andersen told WorldCom that its audit reports for 2001 and 2002 "could not be relied upon." ([WorldCom: the next Enron? Expected bankruptcy would rank as largest in U.S. corporate history](#))

25 June 2002: WorldCom fires its chief financial officer, Scott Sullivan, after uncovering improper accounting for almost \$4 billion in expenses WorldCom also accepts the resignation of David Myers as senior vice president and controller. ([WorldCom fires CFO over \\$3.8 billion improper accounting](#))

26 June 2002: The *London Evening Standard* reports that investigators probing Enron have interviewed a Barclays executive. US Federal prosecutor William Kimball is focusing on a hidden Enron company, which was bankrolled by Barclays. Kimball has interviewed participants in the structuring of Chewco, including a senior investment banker from Barclays. The bank provided a \$240 million loan and financed an \$11.4m million purchase of equity in Chewco and another special-purpose vehicle [which?] in 1997. ([Barclays exec quizzed over Enron](#))

26 June 2002: A team of Enron ex-managers buy the rights to Enron's sophisticated trading software. The trading and financial modeling software is sold to Juvenate Solutions, a British-based company set up by a group of former Enron managers and software developers. "The software was developed in-house, using many of the brightest and most innovative IT personnel available on the market," says Philip Yoxall, chief executive officer of Juvenate. ([Enron's trading software set to make a comeback](#))

27 June 2002: Retired Army Gen. Wayne A. Downing, the top White House official for coordinating the federal government's counteroffensive against terrorism resigns in a surprise decision that removes one of the Bush administration's leading advocates of launching aggressive and unconventional attacks on terrorist networks. The departure raises questions among security experts about both the administration's plans to improve homeland security through a massive government reorganization and the direction of its policy on Iraq. (cite?)

I will be the first to be delighted if he [Andrew Fastow] has found a way to lock it in and steal a large portion himself. We should be able to appeal to his greed.

— David Bermingham, investment banker at National Westminster Bank, on Andrew Fastow and his proposed plan to defraud NatWest

27 June 2002: Federal prosecutors in the Enron investigation file a criminal complaint and arrest warrants against Gary Mulgrew, Giles Darby and David Bermingham, accusing them of defrauding their employer, National Westminster Bank, of \$7.3 million through their dealings with Enron's Southampton partnership. The complaint is laced with details of secret meetings in the Cayman Islands and deceptive communications from both the bankers and Enron executives. ([3 British Bankers Are Accused of Fraud in Offshoot of Enron Case](#))

27 June 2002: Xerox says it will restate five years of results to reclassify more than \$6 billion in revenues. About \$1.9 billion of revenue that was recognized over the period 1997 through 2001 will be reversed. \$5.1 billion in recorded revenue from equipment sales will now be reported as service, rental, document outsourcing, and financing revenues for that period. During this period, KPMG was Xerox's accountant, and KPMG's lawyer was current SEC chairman Harvey Pitt. Pitt's other audit client was Enron's auditor, Arthur Andersen. ([Xerox Restates \\$6.4 Billion](#); [Xerox:What Did Pitt Know and When?](#))

Corporate America has got to understand there's a higher calling than trying to fudge the numbers, trying to slip a billion here or a billion there and maybe hope nobody notices.

— George Bush, on (some) corporate crime

27 June 2002: Bush pledges that his Justice Department will prosecute criminal executives. He makes no mention of Enron, Andersen, Halliburton, or Harken. ([Bush pledges to prosecute corporate wrongdoers](#))

27 June 2002: Peter Sorokin, a computer-data specialist hired by the Senate Select Committee to Investigate the Wholesale Energy Market, tells the panel that the files Enron submitted on 10 compact computer disks had been cleansed, apparently to remove information sought by the committee. Sorokin, who heads Random Access Inc., tells the panel he found evidence of "tampering, destruction, obstruction and general incompetence" in the data Enron provided, and that much of the information was duplicated or padded. When the duplicated or irrelevant material was eliminated, Sorokin adds, the records totaled less than a tenth of the total volume of the material that had been submitted. ([Expert says Enron doctored files](#))

28 June 2002: Moody's Investors Service downgrades Dynegy to junk status, noting concern about the company's ability to shore up its finances with more than \$8 billion in debt looming. ([Moody's downgrades Dynegy to junk status](#))

Redding is on board with this strategy as is PacifiCorp. WAPA [Western Area Power Administration] is not necessarily in on this, but they are required to do the SC [scheduled] trade.

— John Forney, Enron energy trader, in email to Enron's Portland trading floor, concerning Redding's participation in the "Red Congo" market-manipulation scheme.

29 June 2002: California State Senator Joseph Dunn (D-Garden Grove), calls Jim Feider, who directs Redding's electric utility, before the Senate Select Committee investigating wholesale electricity price manipulation. Feider testifies that the utility made trades that abetted Enron's fraudulent "Red Congo" scheme, but he insists that they were honest, denying a 5 June 2002 report by Robert McCullough, a Portland State University adjunct economics professor. The report claims that Redding's municipal utility helped Enron exploit California's electricity market for profit as a partner in the "Red Congo" scheme. ([Report links Redding to shady Enron deals](#))

July

1 July 2002: British-based lawyer Marcus von Bock und Polach, 37, of Aberdare Gardens, London, is charged with stealing more than £200,000 from Enron. He is accused of stealing \$141,510 (£94,000) from Enron Power Operations Ltd, a UK subsidiary of the US firm, and £287,374 from another related company, Enron Capital and Trade Resources International Corp. He also faces three counts of false accounting - two of £18,500 and one of £6,800. ([Lawyer charged with stealing from Enron](#))

2 July 2002: Senate investigators question why the Los Angeles Department of Water and Power (DWP) gave them a transcript last week that does not match audiotapes of an energy trader phone conversation that resulted in higher electricity prices. DWP officials arrived to testify in Sacramento last week with a 17-page transcript of DWP trader conversations. They released the transcript--which includes a DWP trader asking a state grid operator to explain a "ricochet"--to dispute allegations that the DWP engaged in such deals. DWP officials testified to lawmakers that the utility simply fulfilled a request to move power from Arizona to Northern California and was not trying to drive up the

price of power. But a separate transcript of conversations recorded by the PG&E National Energy Group and obtained by Senator Joseph Dunn's committee documents DWP's involvement a ricochet scheme. Dunn calls the DWP and PG&E transcriptions "irreconcilable." DWP officials risk contempt charges if they altered or fabricated the transcript. ([Energy Transcript Questioned](#))

4 July 2002: An e-mail doing the rounds among financial market traders mocks companies whose fraudulent book-keeping has cost investors billions. The email lampoons the acronyms and abbreviations of overblown earnings estimates from the boom years. EBIT is dubbed "Earnings Before Irregularities and Tampering," EBITDA is re-christened "Earnings Before I Tricked Da Auditor," NAV, or Net Asset Value, called "Normal Andersen Valuation," and CEOs may in future answer to the title Chief Embezzlement Officer, and Earnings Per Share (EPS) might lead to an "Eventual Prison Sentence". ([Gallows humour cheers bombed-out financial markets](#))

The personnel who effected these transactions apparently did so with the sole objective of increasing volumes.

— Reliant Energy, in a filing with the Securities and Exchange Commission

5 July 2002: Reliant Energy, Texas' biggest electric company, revises its past three years of revenue reports to cut \$7.9 billion, removing sham energy trades being investigated by federal regulators. Reliant Resources, Reliant Energy's trading arm, lowers its revenue by 12 percent. ([Reliant cuts revenue filings by \\$7.9 billion](#))

7 July 2002: The Senate Permanent Subcommittee on Investigations releases a report holding Enron's board of directors directly accountable for the energy giant's collapse. ([Senate subcommittee says Enron board at fault](#))

Sometimes things aren't exactly black and white when it comes to accounting procedures.

— George Bush, on illegal transactions at Harken Energy

8 July 2002: Bush faces a barrage of questions at a news conference about his own failure in 1990 to disclose insider sales of Harken Energy stock as promptly as required by law. "I still haven't figured it out completely," claims Bush. ([Bush Defends His Texas Oil Dealings](#))

ISO was concerned early on about the potential for insider information getting out. ... ISO knew there were flaws in the system, and ISO knew they could be exploited if there was outside knowledge about those flaws.

— Joe Dunn, California state Senator (D-Santa Ana), on early warnings about rigging of the California energy market

8 July 2002: A memo is released, detailing a November 1997 email that warned about the possibility of market-rigging by consultants and energy traders. It is the first evidence uncovered that a top state energy official, Terry Winter, had been specifically warned about gaming. Winter, still the head of the state Independent System Operator, declines to say how he responded to the memo. ([Memo warned of energy 'gaming'](#))

That's the scary part. We thought they pulled the brick out when Enron collapsed and caused this whole avalanche. It really wasn't Enron. It was the entire corporate system, from the Securities and Exchange Commission down, that allowed this to mushroom.

— Deborah DeForge, former Enron employee, on Bush's proposals to clean up Corporate America

9 July 2002: In a speech to more than a thousand Wall Street executives, Bush says corporate America needs "higher ethical standards". The Dow drops 178.81 points, or 1.93 percent, to 9,096.09. ([Stocks Tumble as Investors Shrug Off Bush; Ex-Enron workers wary of Bush approach to scandals](#))

To look the other way for the vice-president would be to set a precedent that the Washington elite are above the law.

— Larry Klayman, chairman of Judicial Watch, on Cheney's approval of fraudulent accounting at Halliburton

9 July 2002: Conservative watchdog group Judicial Watch files a shareholder lawsuit alleging Dick Cheney and the company he ran for five years, Halliburton, engaged in accounting fraud. In a case being filed in Dallas, Texas, Cheney is alleged to have engaged in practices which led to the overvaluation of the company's shares. ([Anti-corruption group sues Cheney](#))

11 July 2002: In testimony before the California Senate, Ross Perot denies that his consulting company showed power suppliers how to manipulate California's energy market to drive up wholesale prices, despite internal e-mails that show Perot Systems tried to take advantage of what one Perot consultant described as "over a thousand loopholes in the California system." Of particular interest is a 1997 presentation by Perot Systems to the Tokyo Electric Power Co., detailing how California market rules were similar to markets in the United Kingdom and some South American energy systems, and how to find the loopholes that would let traders drive up energy costs. The Tokyo document includes various strategies used in the British market "that can be used on an ongoing basis until the market or its regulators act upon such strategies." Techniques for energy companies that were outlined in the report included having a sudden

"outage" at one plant that could "raise the spot market such that remaining plants maximize revenues." ([Perot denies exploiting California energy market](#))

[The administration's argument] would eviscerate the understanding of checks and balances between the three branches of government on which our constitutional order depends...the fact that the government has stubbornly refused to acknowledge the existing controlling law, in at least two cases, does not strike this Court as a coincidence. ...a consistent pattern of misconstruing precedent presents a much more serious concern.

— Emmet Sullivan, US District Judge, on Cheney's motions dismiss the Judicial Watch and Sierra Club suits

11 July 2002: Judge Emmet Sullivan issues his written opinion allowing the Sierra Club and Judicial Watch to proceed with their suits challenging the attempt by Bush to keep Cheney's National Energy Policy Development Group meetings with energy industry executives secret. ([Memorandum Opinion; Judge Issues Opinion Against Cheney Energy Task Force](#))

12 July 2002: Duke Energy Corporation and the El Paso Corporation announce that they have received subpoenas for trading records from authorities looking into sham transactions in natural gas and electricity. ([Records of Two Utilities Are Subpoenaed](#))

The president ought to lay out all the facts and let the country take a look at them.

— Paul Sarbanes, D-MD, on Bush's involvement in SEC violations at Harken

15 July 2002: Maryland Democrat Paul Sarbanes, chairman of the Senate Banking Committee, tells NBC's *Today* show that Bush should call for a review of his insider sale of Harken Energy stock in 1990. ([Senator calls on Bush to lay out the facts](#))

The bottom line is simple. The market during this period was characterized by large deviations from traditional utility practice by all generating defendants. Generators did not generate, and emergencies appeared that were not real.

— Snohomish County PUD, in a federal lawsuit against power generators

15 July 2002: The Snohomish County PUD in Washington state files a federal lawsuit in California, alleging nearly a dozen of the nation's largest privately-owned power companies conspired to create an energy crisis in 2000, causing electricity costs to soar, and forcing big rate increases here. In 2000, the district spent about \$250 million to buy power. This year, it expects to pay more than \$392 million. The 43-page complaint, filed in U.S. District Court in San Francisco, puts the blame for the more expensive energy on eleven companies, including Enron, Dynegy Power Marketing, Inc., PG&E Energy Trading Holding Corp., Reliant Energy Services, Inc., and Williams Energy Marketing and Trading Company. The complaint alleges the power companies responded to energy deregulation by forming an energy cartel. The companies gained control of power-generating resources, particularly gas-fired turbines in California, then, beginning in May 2000 and continuing through June 2001, the companies purposely cut back on electricity production and cashed in on the artificial shortage by jacking up power costs twenty-fold. ([PUD cries conspiracy](#))

16 July 2002: The General Accounting Office releases its report on the California energy crisis. The GAO report concludes that "Wholesale electricity suppliers exercised market power by raising prices above competitive levels." Electricity deregulation in California "created almost textbook conditions" for energy companies to keep power prices unfairly high in 2000 and 2001. The report does not analyze market-rigging strategies that allowed Enron and other companies to manipulate the energy market. ([Energy Companies Exploited California Market, GAO Says](#))

It's all part of the Enron Corporation. You're all kissing cousins here.

— Byron Dorgan, Senator (D-NC), on Thomas White's "out of the loop" defense

18 July 2002: Army Secretary Thomas White testifies before the Senate Commerce Committee. He insists that he had not seen the "Death Star" memos until they were publicly released. He claims that any overstatement of his division's demand for retail power was done by the wholesale division. He claims he was completely ignorant of Enron's financial situation until the 2001 3rd quarter earnings statement was released. Sen. Barbara Boxer (D-CA) focuses on both Enron's energy trading practices and on the issue of 77 telephone calls that White made to current and former Enron employees last fall when the company was imploding and White was divesting \$12 million in Enron stock holdings. "It just doesn't look right, just like it doesn't look right for Martha Stewart to call her best friends," says Boxer. ([Army Secretary Defends Enron Record; Army Secretary Faces Panel Regarding Enron Ties](#))

Amid this blizzard of fraud, economic woe, looming indictments, shredded freedoms and dead civilians, George W. Bush has made an executive decision to spend the entire month of August on vacation down in Crawford, Texas.

— William Pitt, author, on Bush's decision to vacation through August

19 July 2002: White House press secretary Ari Fleischer announces that Bush plans to leave Washington after his annual physical on 6 August 2002 and will vacation in Crawford, Texas until about Labor Day. ([Bush to Spend August on Vacation; The Lady and the Snake](#))

19 July 2002: Negotiations between Indian and foreign lenders over how to dispose of Enron's shuttered Dabhol power plant stall. At the center of the dispute is whether the plant should be restarted and sold through an asset sale, as the Indian creditors propose, or whether the plant should be divested through an equity sale, as the foreign lenders demand. Hanging in the balance is \$400 million of political insurance provided by the U.S. government's Overseas Private Investment Corp (OPIC) to Enron, GE and Bechtel, which OPIC will have to pay if there is an asset sale. An equity sale, on the other hand, would not trigger the insurance payment. The creditors and guarantors have a collective exposure of \$1.4 billion in loans and another \$500 million in guarantees to the project. More than two-thirds of this debt rests with Indian lenders such as IDBI and the State Bank of India, or SBI. ([Talks stall on Enron India plant](#))

22 July 2002: Congressional investigators conclude that J.P. Morgan Chase & Co. and Citigroup Inc. transferred billions of dollars to Enron in disguised loans. In the final year before its bankruptcy protection filing last December, Enron raised more than \$5 billion in cash from J.P. Morgan, Citigroup and other banks, using complex transactions that were labeled as energy trades. The transactions, known as prepays, hid part of Enron's mounting debt burden. J.P. Morgan and Citigroup were Enron's main source of prepay funding, sending more than \$8.5 billion to Enron between 1992 and 2001. In these deals, Enron received large advance payments from the banks for supplies of natural gas or other commodities to be delivered over a number of years. Enron used the payments to improve its cash flow on its financial statements, rather than booking them as debt, and also reaped tax benefits from the contracts. The banks netted steep fees and interest payments. Such prepay arrangements will be the focus of tomorrow's Senate hearing. ([Loans Hidden, Enron Probers Say](#))

23 July 2002: Senate testimony reveals that Citigroup Inc. and J.P. Morgan Chase & Co., marketed Enron-style debt-hiding deals to a slew of other companies. The deals under scrutiny include arrangements known as Yosemite, devised by Citigroup, and Mahonia, devised by J.P. Morgan, both of which were designed to hide debt and make Enron's public disclosures more appealing to investors. Yosemite, Mahonia and other deals allowed Enron to understate its debt by 40% while overstating cash flow by as much as 50%. J.P. Morgan had a "pitch book" to sell other companies on similar financing vehicles, according to a copy of the testimony. J.P. Morgan entered into similar transactions with seven other companies, while Citigroup shopped such deals around to as many as 14, with at least three entering into such relationships. The names of these companies are not disclosed. ([Citigroup, J.P. Morgan Marketed Enron-Type Deals to Other Firms](#))

23 July 2002: In a testy public exchange, Oscar S. Wyatt, Jr., one of El Paso's largest individual shareholders, charges that El Paso's financial engineering allows it to boost short-term results at the expense of the company's long-term health. "It is discounting its future earnings to report current earnings," Mr. Wyatt wrote earlier this month [when?] in a letter to El Paso Chairman and Chief Executive William A. Wise. Mr. Wyatt, the founder and former chairman of Coastal Corp., sold Coastal to El Paso early last year for \$17.4 billion. ([El Paso Investors Question Booking of Power Contracts](#))

25 July 2002: Three members of the Rigas family, founders of Adelphia Communications, are charged with securities fraud and taken away in handcuffs. Deputy Attorney General Larry Thompson, head of the president's new Corporate Fraud Task Force, tells reporters the executives made false statements to their lenders and improperly borrowed over \$2 billion from Adelphia without reporting it to the SEC. They each face up to 100 years in prison and millions of dollars in fines if convicted on all counts. The Dow Jones Industrial Average closes up 489 points, more than 6%. No indictments against Enron have been issued; no accounts of Enron executives have been frozen. ([Arrests, A Reform Bill--And The Market Roars](#))

25 July 2002: Documents obtained by the Center for Public Integrity show Bush met with the president and CEO of Harken Energy Corp. shortly before the sale of the company's Aloha Petroleum subsidiary, further eroding Bush's claim that he was "not in the loop." ([Papers Show Bush Played Active Role at Harken; Further Harken Documents](#))

26 July 2002: The Senate Permanent Subcommittee on Investigations asks William Harrison and Sanford I. Weill, chief executives of Citigroup Inc. and J.P. Morgan Chase & Co., to provide sworn affidavits about the nature of offshore entities used to help Enron conceal its financial condition. ([Enron Probe Moves Offshore](#))

What our investigation has uncovered is that Enron did not weave its elaborate web alone. Without the support and assistance of major financial institutions, Enron could not have engaged in the extent of the deceptions that it did.

— Carl Levin, Senator (D-MI), on the complicity of banks in concealing Enron debt

26 July 2002: Merrill Lynch & Co. puts investment banker Schuyler Tilney on indefinite leave for refusing to appear before the Senate Permanent Subcommittee on Investigations, which is examining Merrill's dealings with Enron. Tilney is managing director of Merrill's Global Energy and Power group and the husband of Elizabeth Tilney, a former marketing and communications managing director of Enron Energy Services. He is one of about 100 Merrill employees who personally invested about \$16 million in a the private LJM2 partnership run by Enron's chief financial officer, Andrew Fastow. Tilney also played a key role in Merrill Lynch's decision to invest in an off-balance-sheet partnership to operate electric power generators off the coast of Nigeria, an interest the firm later sold to LJM2. Sources close to Merrill are unable to say if Tilney informed the bank's compliance officers of his marriage to an Enron employee when he was working on the LJM2 placement, but added it is unlikely he would have been permitted to work on the placement if he had informed the compliance department of the relationship. Robert Furst, an investment banker who left Merrill last year amid a stream of Wall Street job cuts, also declines to testify next week before the Senate Government Affairs permanent subcommittee on investigations, on the advice of his lawyer. ([Merrill Suspends Banker For Refusing to Testify](#); [Silence on Enron earns rebuke for Merrill exec](#); [Suspended Merrill banker Tilney married to a former Enron executive - sources](#))

30 July 2002: Mirant announces it has discovered accounting "mistakes" amounting to a \$253 million accounting overstatement for 2001. Mirant also reports a \$151 million second-quarter loss. ([Mirant Posts \\$151 Million Loss](#); [Mirant finds accounting flaws - Quarterly loss a record](#))

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August

2 August 2002: Bradley Farnsworth, a former senior vice president at Dynegey, files a lawsuit against Dynegey for allegedly dismissing him after he refused to alter the accounting of natural-gas trading in the UK. Farnsworth, who was responsible for Dynegey's day-to-day accounts, alleges he was asked to perform the questionable accounting by Dynegey's president and chief operating officer, Steve Bergstrom, who specifically asked that Farnsworth 'shave' or reduce for accounting purposes the projected gas prices for the six months from October 2000 through March 2001. Dynegey is under investigation by the SEC and the US attorney's office in Houston for its "Project Alpha", a complex accounting scheme that distorted the firm's balance sheet. ([Former exec sues Dynegey for sacking](#))

It is not appropriate to say, "Executive privilege." It is not appropriate to say, "This request is unconstitutional." I need to know what the basis is.

— Emmet Sullivan, U.S. District Judge , on Cheney's claims of executive privilege

2 August 2002: U.S. District Judge Emmet G. Sullivan warns the Bush administration that he will reject any White House effort to block the release of records of Cheney's energy task force on broad claims of executive privilege. ([White House warned on energy panel](#))

5 August 2002: Mirant announces that the SEC wants more information on its sales and purchases in connection with California's energy crisis and about trades that might have artificially increased Mirant's trading volume. ([SEC probes Mirant's accounting](#))

5 August 2002: Reports surface that the Justice Department's Enron Task Force is examining Enron's overseas operations for possible criminal violations of the Foreign Corrupt Practices Act. The previously undisclosed inquiry is examining Enron's efforts to win foreign pipeline, power and water-privatization projects, some reaching as far back as the mid-1990s. In some countries, projects were awarded to Enron without competitive bidding, or assets were acquired at below-market values, amid allegations by the World Bank and others of government favoritism. Enron denies the charges, saying that it has "a clear anticorruption policy prohibiting the payment, solicitation and receipt of bribes in any form." ([Enron probe focuses abroad](#))

6 August 2002: Sugar Land Police Chief Ernie Taylor responds to demands from conservative media watchdog group Accuracy in Media by refusing to reopen the investigation into the death of former Enron executive Cliff Baxter, saying all of the evidence points to suicide. Reed Irvine, chairman of the Washington, D.C.-based AIM, is asking people to send his preprinted postcards to Sugar Land police, the Harris County Medical Examiner and newspaper editors. ([Baxter case won't be reopened: police chief](#))

7 August 2002: During his speech to the Commonwealth Club of California in San Francisco, Cheney is disrupted by a group of hecklers in the back of the room chanting "Cheney is a corporate crook." In a question-and-answer session, Cheney evades inquiries about his role at Halliburton, saying he can not discuss the situation during an ongoing SEC probe. ([White House on offensive](#))

7 August 2002: John Forney, a former manager with Enron's electricity trading desk in Portland, fails to appear for a deposition in Columbus, Ohio, for a FERC proceeding. A subpoena issued by a FERC administrative judge in June required him to show. Forney is a key figure in Enron's trading practices that are being investigated by several federal agencies and prosecutors. Lawyers representing the city of Tacoma, Washington file a petition with the Ohio federal court to enforce the subpoena in a FERC case challenging Pacific Northwest electricity contracts signed during the West Coast power crisis last year. The city asks the court to either enforce the FERC subpoena or issue a new one. ([Former Enron trader no-show at deposition](#))

8 August 2002: Morgan Stanley analyst Henry McVey issues a report estimating that Citigroup Inc., J.P. Morgan Chase & Co. and Merrill Lynch & Co. may pay as much as \$6 billion this year to settle claims that they helped Enron hide debt and published misleading stock research. Enron investors and employees have filed \$36 billion in legal claims against Citigroup, the biggest financial services company, and J.P. Morgan, the second-largest U.S. bank. Regulators also are investigating allegations the banks published overly optimistic reports on companies they were pursuing for investment banking assignments. ([Companies may have to pay \\$6 billion for Enron cover-up](#))

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