



MINORITY STAFF
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES
MARCH 25, 2002

FACT SHEET

Secretary White's Contacts with Current and Former Enron Executives

Jan. 14, 2002 – Letter from Rep. Waxman to Secretary White

- Rep. Waxman requests information on “any meetings or phone conversations with Mr. Lay or any other employee of Enron” (emphasis added).

Jan. 22, 2002 – Letter from Secretary White to Rep. Waxman

- Secretary White responds that “[p]hone conversations and meetings held with Enron employees are listed at Enclosure 1.”
- The referenced enclosure lists seven meetings and 22 phone conversations with Enron executives, including one call with Kenneth Lay.¹ No explanation is given that this information only relates to phone conversations that occurred on his Pentagon office telephone.
- Secretary White notes that the phone conversations with Enron employees “were personal in nature, with their inquiring about my progress as Secretary of the Army and my inquiring about their personal challenges as they dealt with Enron’s deteriorating financial condition.”

Mar. 22, 2002 – Letter from Secretary White to Rep. Waxman

- Secretary White discloses an additional 44 phone conversations that occurred on his home telephone.²

¹This figure omits one phone call to Mr. Lay that was not connected.

²This figure omits: 11 phone calls that lasted one minute or less; phone calls made from Secretary White’s home telephone between 8 a.m. and 5 p.m. on Monday through Friday; phone calls to Dominic Izzo and Geoffrey Prosch (both former Enron executives who joined Secretary White at the Pentagon); phone calls from current or former Enron employees to Secretary White at home; and social contacts with John Duncan at parties in Aspen, Colorado.

- Included in these phone calls are: three phone calls with Enron directors Norm Blake, John Duncan, and Jack Urquhart; one phone call with former chairman of Enron North America Cliff Baxter; and one phone call with former Enron Vice Chairman Joe Sutton.
- Secretary White explains that "it is fair to say that virtually all conversations I had with friends or persons related to Enron, especially after Enron's financial problems became public, would have involved some comment or discussion relating in at least a general way to Enron's financial condition."

Summary of Secretary White's Contacts with Enron Executives

- In less than ten months since joining the Administration, Secretary White had at least 73 contacts with current and former Enron executives.
- Of these 73 contacts, 49 occurred in the three-and-a-half month period between Aug. 14, 2001, the day that former CEO Jeffrey Skilling resigned from Enron, and Dec. 3, 2001, the day after Enron filed for Chapter 11 bankruptcy.
- Secretary White had 13 contacts with current and former Enron executives in Oct. 2001, the same month he sold 208,372 shares of Enron stock.

Secretary White's Stock Sales

- Between June and October 2001, Secretary White sold a total of 405,710 shares of Enron stock for \$12.1 million, or an average of \$29.88 a share.³
- In October 2001, Secretary White sold 208,372 shares of stock for \$3.08 million, or an average of \$14.77 a share.
- This sale of 208,372 shares comprised 51% of the total shares (405,710) that Secretary White sold between June and Oct. 2001.

³Secretary White also held shares of Enron stock in a limited investment partnership. These shares were supposed to have been sold on March 1, 2002.

Timeline of Some of Secretary White's Contacts with Enron Executives in Fall 2001

Aug. 14, 2001

- Mr. Skilling stepped down as CEO of Enron.
- Secretary White spoke with Christie Patrick (vice president of Enron public affairs) and Chris Holmes (Enron vice president).

Aug. 16, 2001

- Secretary White spoke with Joe Sutton (former Enron vice chairman).

Aug. 17, 2001

- Secretary White spoke with Mr. Holmes.

Aug. 20, 2001

- Secretary White spoke with Rosalee Fleming (Enron employee)

Aug. 22, 2001

- Secretary White spoke with Marty Sunde (Enron Energy Services (EES) vice chairman).

Sept. 3, 2001

- Secretary White spoke with Mr. Sutton.

Sept. 10, 2001

- Secretary White spoke with Ken Lay (Enron chairman).

Oct. 4, 2001

- Secretary White met with Greg Whalley (Enron president).

Oct. 21, 2001

- Secretary White spoke with Stan Horton (president of Enron Gas Pipeline).

Oct. 22, 2001

- Enron acknowledged SEC inquiry into off-balance-sheet partnerships.
- Secretary White spoke with Mr. Horton and tried unsuccessfully to call Mr. Lay.

Oct. 24, 2001

- Andrew Fastow stepped down as CFO of Enron.
- Secretary White spoke with John Duncan (Enron board member).
- Secretary White sold 121,663 shares of Enron stock at \$16.10 and \$16.15 a share.

Oct. 26, 2001

- Secretary White met with Mr. Holmes.

Oct. 29, 2001

- Secretary White met with John Carr (EES executive).

Oct. 30, 2001

- Secretary White spoke with Robert Hurt (EES executive) and Jude Rolfes (Enron vice president).
- Secretary White sold 86,709 shares of Enron stock at \$12.86.

Oct. 31, 2001

- Enron announced that the SEC inquiry was being upgraded to a formal investigation. Enron also announced the creation of a special committee headed by William Powers to conduct an independent investigation.
- Secretary White spoke with Mr. Hurt.

Nov. 1, 2001

- Secretary White spoke with Cliff Baxter (former chairman of Enron North America) and Norm Blake (Enron board member).

Nov. 4, 2001

- Secretary White spoke with Mr. Horton.

Nov. 5, 2001

- Secretary White spoke with Mr. Horton and tried unsuccessfully to call David Haug (chairman of Enron Global).

Nov. 6, 2001

- Enron's stock price dropped below \$10 a share following reports that the company was seeking additional financing to shore up confidence.
- Secretary White spoke with Mr. Horton and tried unsuccessfully to call Mr. Haug.

Nov. 7, 2001

- Secretary White spoke with Mr. Hurt twice and Mr. Rolfes once and tried unsuccessfully to call Mr. Horton.

Nov. 8, 2001

- Enron announced that it was revising its financial statements to account for \$586 million in losses.
- Secretary White spoke with Mr. Horton.

Nov. 9, 2001

- Dynegy announced its agreement to buy Enron.

Nov. 19, 2001

- Enron restated its third-quarter earnings and disclosed it was trying to restructure a \$690 million obligation that could come due Nov. 27, 2001.

Nov. 20, 2001

- Secretary White spoke with Mr. Holmes.

Nov. 21, 2001

- Secretary White spoke with Mr. Hurt.

Nov. 26, 2001

- Secretary White spoke with Mr. Rolfes and Mr. Horton and tried unsuccessfully to call Mr. Hurt.

Nov. 28, 2001

- Dynegy backed out of the merger with Enron after Enron's credit rating is downgraded.
- On this day, Secretary White spoke with Mr. Hurt twice, Mr. Horton once, Mr. Rolfes once, and Mr. Holmes once.

Nov. 29, 2001

- Secretary White spoke with Mr. Hurt twice.

Dec. 2, 2001

- Enron filed for bankruptcy.

Dec. 3, 2001

- Secretary White called Mr. Rolfes twice and Mr. Hurt once.