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January 14, 2002

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Mr. Lawrence B. Lindsey
Assistant to the President for Economic Policy
The White House
Washington, D.C. 20502

Dear Mr. Lindsey:

I am writing to request information about any information you have regarding the financial collapse of Enron.

Last week, it was revealed that Enron Chairman Kenneth L. Lay telephoned Secretary of Commerce Donald L. Evans and Secretary of the Treasury Paul H. O'Neill on three occasions during October and November 2001, to inform them about Enron's financial condition.¹ Initially, White House Press Secretary Ari Fleischer stated that neither Secretary Evans nor Secretary O'Neill informed anyone at the White House about any of these three phone calls with Mr. Lay.² However, on yesterday's "Meet the Press" program, Secretary Evans said that a group of Administration officials – including Secretary Evans, Secretary O'Neill, Deputy Chief of Staff Joshua Bolten, and yourself – met on Mondays and "we all would collectively talk about Enron from time to time."³

In light of these developments, I request that you respond to the following questions:

- (1) Please provide details regarding any communications you had with Secretary Evans or Secretary O'Neill regarding Enron. Please provide the dates of any communications, the form of the communication, the information exchanged or matters discussed, and copies of any documents that were exchanged.
- (2) Did you discuss your communications with Secretary Evans or Secretary O'Neill regarding Enron with anyone else in the White House, including the President or the Vice

¹*Enron Asked for Help from Cabinet Officials*, Washington Post (Jan. 11, 2002).

²White House Press Briefing (Jan. 10, 2002).

³Transcript of NBC News "Meet the Press" (Jan. 13, 2002).

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President? If so, please provide the dates of any communications, the form of the communication, the persons involved, the information exchanged or matters discussed, and copies of any documents that were exchanged.

- (3) Since January 20, 2001, have you had any communications with anyone, including any Enron executives, regarding Enron's financial condition or other matters relating to Enron, other than the communications described in questions 1 and 2? If so, please provide dates of any communications, the form of the communication, the persons involved, the information exchanged or matters discussed, and copies of any documents that were exchanged.

In addition, I would like to know whether your participation in discussions about Enron may have created a conflict of interest or an appearance of a conflict of interest. According to your financial disclosure report, you were a member of Enron's advisory board and received a salary of \$50,000 in 2000. You were also the managing director of Economic Strategies, Inc., and one of the firm's clients was Enron. And according to press accounts, you are listed as a creditor of Enron in the company's bankruptcy filing.⁴

Under the regulations governing conflicts of interest, a White House employee faced with either a conflict of interest or an appearance of a conflict of interest should take one of two actions: (1) recuse himself from the matter; or (2) seek a waiver of the conflict of interest rules.⁵ I would like to know whether you recused yourself from the discussions involving Enron, or whether you sought a waiver of the conflict of interest rules. Alternatively, if you determined that your involvement in discussions regarding Enron created neither an actual conflict of interest nor an appearance of a conflict, I would like to know the basis for your determination.

I think it is essential that these questions be answered so that there is a clear public accounting of this matter. We all owe that to the thousands of families that are facing financial ruin from the Enron bankruptcy. I hope it will be possible for you to provide the answers I am seeking by January 22, 2002.

Sincerely,



Henry A. Waxman
Ranking Minority Member

⁴*Bush Aide Linked to Enron*, N.Y. Daily News (Jan. 11, 2002).

⁵18 U.S.C. §208(a); 5 C.F.R. §2635.502(d).