



Department of Justice

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TRANSCRIPT OF STATEMENT BY DEPUTY ATTORNEY GENERAL PAUL J. MCNULTY ON THE CONVICTIONS OF FORMER ENRON CHIEF EXECUTIVE OFFICERS KEN LAY AND JEFF SKILLING

“The collapse of the Enron corporation put thousands of employees out of work and cost investors billions in losses. Enron has become the leading symbol of the corporate scandal.

“Today, a jury in Houston convicted former Enron executives Kenneth Lay and Jeffrey Skilling on multiple counts of fraud, conspiracy, and related offenses. The judge also convicted Lay of bank fraud and false statements in a separate case tried to the bench.

“Lay, Skilling, and their numerous co-conspirators perpetrated an elaborate scheme to mislead analysts and investors about Enron’s true financial picture. Their efforts to mislead the markets were protracted, deliberate and dishonest. At a time when the company was floundering, these defendants perpetrated a lie – that Enron was a robust and growing company in the strongest financial condition it had ever been in. As they knew, the truth was something very different. Enron faced significant financial difficulties that had been systematically masked by a series of deceptive accounting tricks.

“The message of today’s verdict is simple: our criminal laws will be enforced just as vigorously against corporate executives as they will be against street criminals. No one—including the heads of Fortune 500 companies—is above the law.

“We understand the importance of our efforts here to fight corporate fraud. The President's Corporate Fraud Task Force has worked several years now with great effort to try to focus on this kind of corporate corruption. We've done it because we care about the victims of this corporate criminal behavior. Employees who lose their jobs and lose their pensions. Investors who lose their savings. And so this verdict encourages us. It encourages us to continue to combat corruption wherever we find it.

“The Enron Task Force was formed in late 2001. It involves multiple agencies, including the FBI, the SEC, and the IRS. And this task force that has worked on this Enron debacle has worked thousands and thousands of hours. They've gone over millions of pages of documents. They have devoted years of their professional life, sacrificing time from families, all in the effort to try to hold individuals accountable for corruption.

“I want to thank, on behalf of the Department of Justice, I want to thank the investigators and particularly the leaders who have made this possible. Alice Fisher, the Assistant Attorney General for the Criminal Division, who is with me here today; Sean Berkowitz, the head of the Enron Task Force; Kathy Ruemmler, she is the task force Deputy Director; the prosecution team, Sean and Kathy, and John Hueston, Cliff Stricklin, Leo Wise, Rob Adkins, Doug Wilson, John

Drennan and Andrew Stolper. These individuals, along with the FBI—and I want to thank the FBI for its efforts—have done a great service to the American people with their hard work, their dedication, and this tremendous win in bringing these important convictions. I also want to thank Matt Friedrich for his work on this task force and his service in the Criminal Division. We will continue to pursue relentlessly this type of corruption and thank you very much.”

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