



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 1, 2002

THE DIRECTOR

The Honorable Henry A. Waxman
U.S. House of Representatives
2204 Rayburn House Office Building
Washington, D.C. 20515-0529

Dear Congressman Waxman:

This letter responds to your letter of January 15, 2002. I previously volunteered that I had a very brief conversation, perhaps two minutes in duration, with Kenneth Lay on October 11. Our conversation addressed the prospects, and not the content, of an economic stimulus bill along the lines the President had articulated. There was no discussion of the situation at Enron. These facts having been fully public for some time before your Washington Post column of January 24, 2002, I do not appreciate your erroneous description of the telephone call, and will appreciate a retraction. As you know, numerous committees of the House and Senate and many executive branch departments and agencies, including the Securities and Exchange Commission, the Department of Labor, and the Department of Justice, are currently conducting official investigations into the causes and consequences of the Enron bankruptcy. To the extent any duly authorized investigative bodies may request additional relevant information, I will respond in a timely, orderly, and appropriate way.

Please be assured that the President and I share your concern about the causes and consequences of the Enron bankruptcy, including the consequences for Enron employees and shareholders. The President has assured the American people that he will seek appropriate policy changes that might help to prevent similar occurrences in the future. Indeed, two cabinet-level working groups are now examining the pension regulation and financial disclosure issues presented by Enron's situation. In short, the Administration's resources are fully devoted to appropriate investigative, law enforcement, and policy actions relating to the Enron bankruptcy.

Sincerely,

A handwritten signature in black ink that reads "M E Daniels, Jr." with a stylized flourish at the end.

Mitchell E. Daniels, Jr.
Director