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House of Representatives

THE PEOPLE NEED A SPECIAL PROSECUTOR ON ENRON!

HON. BOB FILNER
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

MR. FILNER: Madam Speaker, I have introduced this evening legislation that calls for a special prosecutor to be named to look into the whole Enron mess.

Sure, this is a business scandal, and congressional committees are looking into reforms of our auditing practices of public corporations and the safety of employee pension plans. But this is a scandal that goes far beyond that. This is a scandal that shows the pervasive corruption in American politics.

My legislation asks for a special prosecutor to look into the relationship between Enron and the manipulation of the stock market and its value per share; to look into the relationship between contributions by Enron to the President, the Vice President, Cabinet officers, other administration officials, and congresspeople.

I am asking the prosecutor to look into the influence of Enron on Federal and State legislation, including, in particular, the effort to deregulate energy markets, both in States and in the Nation as a whole.

Finally, I ask for the prosecutor to look into the relationship between Enron and our whole Federal and State regulatory system.

When we went through the energy crisis in California in the summer of 2000 and since, many of us claimed that this was not a supply and demand crisis but a crisis of manipulation of our market; and, in fact, that criminal manipulation resulted in the theft of anywhere between \$20 billion and \$40 billion from California ratepayers.

Enron and a small group of its friends in the energy industry were the perpetrators of this crime. We took

evidence of that crime, many of us in California, to our supposed protector, the Federal Energy Regulatory Commission. They investigated, or so they say, the situation, and they found no wrongdoing.

In fact, now that the spotlight is burning brightly on Enron, FERC has suddenly announced that they are going to look into this matter again. Why, after an investigation which was smoke and mirrors, do they say, "Let us look again?" I think this FERC, what I call the Federal Enron Rubber-stamping Commission, wants to preempt other investigations and stop a real look into the relationship between Enron and the crimes that were committed in the electricity market in California.

So we cannot let FERC, the Federal Enron Rubber-stamping Commission, take over this investigation. We must give this to an independent and thorough investigation by a special prosecutor.

We have to go beyond the congressional investigations into the business practices of Enron and the problems that they caused, the tragedies they caused, because this is a bigger problem, and the American people should not allow this investigation to stop with only a few business reforms instituted and maybe one or two folks thrown into jail. They must demand the investigation of the whole corruption of our political system.

We know about the contributions to both administrations in recent history. We know about the contributions to congresspeople. We know about the

separate meetings Enron had with the Vice President and the energy task force of the White House over an eight-month period to determine the energy policy of this Nation.

We know that the seventh biggest company in the United States, with revenues of over \$100 billion, was making our energy policy. We know that Cabinet members came from Enron right into this administration. We know that the CEO of Enron, Ken Lay, personally submitted names and interviewed candidates to be members of our Federal Energy Regulatory Commission.

We know the connections, close connections, between this administration and Enron. It was those connections that caused this scandal, and it was the connections between Enron and State legislatures and State legislators and State regulatory commissions and Federal regulatory commissions that caused their success.

Not only the failure of Enron is what ought to be investigated but why they flew so high for so long and allowed the stealing of so many billions from so many people.

So we have to look at Enron with a neutral, unbiased look. It seems to me that neither the administration nor this Congress can do that, so that is why I am calling for a special prosecutor. Enron must be fully examined so the American people can understand why and how our political system has been hijacked.