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## Enron Scandal Puts the GOP on Trial

By [Robert Scheer](#), [Truthdig](#). Posted [February 2, 2006](#).

The trial of Enron's head honchos, Ken Lay and Jeffrey Skilling, will reveal how Republican politicians made the scandal possible.

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Finally, after four years of legal maneuvering, the trial of Enron top dogs Ken Lay and Jeffrey Skilling opens a new window on the outrageous practices of our modern-day robber barons.

But it is depressing that the politicians who benefited from Lay's largess, and who enabled Enron's chicanery by changing the law, are going unpunished and even uncriticized. Indeed, the larger crime, in any proper moral dimension of that word, was committed in the rewriting of the law on corporate regulation to permit Enron's very existence as a humongous stock market swindler.

There simply would be no Enron story were it not for the deregulation of the energy market ushered in by Republican politicians, as Lay himself acknowledged freely in a 2000 interview when asked to explain the "common thread" in Enron's business model. "I think the common elements first are that, basically, we are entering markets or in markets that are deregulating or have recently deregulated, and so they have become competitive, moving from monopoly franchise-type businesses to competitive, market-oriented businesses," said Lay.

Enron's domination of those deregulated markets was made possible, to a large degree, through the work of the powerful Washington couple Phil Gramm, then-Republican senator from Texas, and his wife Wendy, then chair of the Commodities Futures Trading Commission (CFTC).

Perhaps predictably, neither Gramm has been charged with any crimes in connection with the Enron scandal, and both are barely mentioned in the two leading books on the scandal, by *New York Times*

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business writers. But their antics, [well documented](#) (pdf file) by the leading public-interest watchdog group, Public Citizen, are the key to understanding the Enron debacle.

Back in 1993, when Enron was an upstart energy trader and Wendy Gramm occupied the chair of the CFTC, she granted the company, the biggest contributor to her husband's political campaigns, a very valuable ruling exempting its trading in futures contracts from federal government regulation. She resigned her position six days later, not surprising given that she was a political appointee and Bill Clinton had just defeated her boss, the first President Bush.

Five weeks after her resignation, she was appointed to Enron's board of directors, where she served on the delinquent audit committee until the collapse of the company. There was perfect quid pro quo symmetry to Wendy Gramm's lucrative career: Bush appoints her to a government position where she secures Enron's profit margin; Lay, a close friend and political contributor to Bush, then takes care of her nicely once she leaves her government post. Although she holds a PhD in economics and often is cited as an expert on the deregulation policies she so ardently champions, Gramm insists that while serving on the audit committee she was ignorant of the corporation's accounting machinations.

Despite her myopia, or because of it, she was rewarded with more than \$1 million in compensation.

A similar claim of ignorance of Enron's shenanigans is the defense of her husband, who received \$260,000 in campaign contributions from Enron before he pushed through legislation exempting companies like Enron from energy trading regulation.

"This act," Public Citizen noted, "allowed Enron to operate an unregulated power auction -- EnronOnline -- that quickly gained control over a significant share of California's electricity and natural gas market."

The gaming of the California market, documented in grotesque detail in the e-mails of Enron traders, led to stalled elevators, hospitals without power and an enormous debt inflicted on the state's taxpayers. It was only after the uproar over California's rolling blackouts, which Enron helped engineer, that the Federal Energy Regulatory Commission finally re-imposed regulatory control -- and thereby began the ultimate unraveling of Enron's massive pyramid of fraud.

Because the second President Bush effectively stalled a more timely response by the FERC, Enron's demise came too late to prevent California from losing its shirt in its desperate attempt to keep the lights on. The state was forced to hurriedly sign price-gouging long-term energy contracts in order to prevent more damage.

And Bush, even at that late date, still attempted to save Enron by reversing the policy of the Clinton administration aimed at closing off foreign tax shelters of the type favored by the company's duplicitous executives. Bush, who received \$1.14 million in campaign contributions from Enron, according to Public Citizen, couldn't understand why the company should not be allowed to have 874

subsidiaries located in offshore tax and bank havens.

As the trial reveals just how fraudulent those offshore Enron operations apparently were, keep in mind that this President Bush was most loath to clear out those refuges of corporate pirates.

*Robert Scheer is the co-author of [The Five Biggest Lies Bush Told Us About Iraq](#). See more of Robert Scheer at [TruthDig](#).*

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### **Enron Scandal Puts the GOP on Trial...but...**

Posted by: ssegallmd on Feb 2, 2006 1:05 AM [\[Report this comment\]](#)

Enron Scandal Puts the GOP on Trial...but does America have the character and the will to exact retribution for the damage that these sociopaths have from Enron have inflicted both on their trusting investors as well as their employees' pensions. Do I always have to be optimistic just for optimism's sake? Can't I be honest instead? If so, then NO, America is not interested in justice and wouldn't recognize it anyway if it showed up in court uninvited.

And the American people? Livid with indignation? [Insert raspberries sound here]. No. Just those directly affected. Moooo say the rest. Maaaa bleat We the Sheeple. And Fox keeps us up to date on Jennifer's broken heart over Angelina and Brad's love child. Maaaa.

Nice culture. Social Darwinism will naturally correct that. The Sheeple are a stupid, weak and vulnerable lot, and the antidemocratic neocons, who fester in such an environment of naivety and political infantilism, will, like the opportunistic infection of society that they are, eventually destroy themselves and their host victims.

Maybe not. Maybe the sheeple will magically rehabilitate themselves and become politically astute, tossing the criminals in prison along the way. Raspberries anyone? See ya on the courts, Kenny Boy. Tennis courts that is (maybe he, Bush and Abramoff could all be properly introduced to one another after the trials; I hear that none of them have ever met).

If America had a spine and a conscience, it would throw them all in the same cell for some state inflicted torture (it's constitutional, I'm told) and some slap and tickle don't-ask-don't-tell style.

If this syphilitic remnant of a culture can come to a reasonably just and honorable conclusion to the Enron debacle in a speedy manner (oops, too late), I'll apologize. Yeah, like that's gonna happen. Too politically incorrect to not predict an American success at this task? What's different about this? What hasn't America mangled? Just since Iraq and Katrina: Medicare part D. Can't do! The prosecution rests.

When the judge asked Mae West if she was trying to show contempt for his court, she replied, "No, your honor. I'm doing my damnest to conceal it".

Soon to be appearing nightly on Court TV immediately followed by a fair and balanced look by the corporate owned American media at its own egregious business practices since the inception of the neocons.

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### **Bush Should Be A Co-Defendant**

Posted by: Tom Degan on Feb 2, 2006 2:59 AM [[Report this comment](#)]

George W. Bush, the hideous, half-witted piece of shit that the American people stupidly sent to the White House, not once, but twice should be on trial for crimes against the people of California (this is not to mention the endless list of crimes against the people of the United States or the war crimes against the people of Iraq). He was constitutionally obliged to come to the California's aid and put a stop to ENRON's price gouging. When former governor Gray Davis begged him to do something, this "compassionate conservative" (Boy, doesn't that just make you giggle?) refused to do anything.

I've said it before and I'll say it again: George W. Bush will be remembered in history, primarily, as the first former president who WILL go to federal prison. Dick Cheney will probably escape the same, although well deserved fate. That fatal heart attack we've all been hoping for has got to come any day now. That may sound like a horrible thing to say and, quite frankly, I can't believe I'm even writing it. But the fact is this: These hideous motherfuckers have moved me to extremes. The happiest day of my life will be the day that the mug shot of the president of the United States is splashed across page one of the New youk Times. It will happen. I promise you that. It will happen

Do yourselves a favor: Go to Amazon.com and purchase the film, "ENRON: The Smartest Guys In The Room". It's well worth your time.

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