

DETERMINED TO BE AN ADMINISTRATIVE MARKING  
E.O. 12065, Section 6-102  
By JMV NARS, Date 5/2/2012

UNCLASSIFIED & CONFIDENTIAL

REQUEST FOR COMMISSION ACTION

Date: 1/9/2002

Control No.: 100-204-01-01A

SUBJECT/S: Congressional request for a briefing and documents concerning Enron Corporation ("Enron").

REQUESTED: That the Commission (1) authorize submission of a letter of response substantially in the form attached to Chairman Michael G. Oxley, Chairman of the House Financial Services Committee; and (2) authorize SEC staff to provide records to the Committee previously made available to the House Energy and Commerce Committee and make available to Committee staff SEC staff who reviewed Enron's filings, if requested; and (3) authorize SEC staff to brief staff of the Committee and to provide briefing updates upon further request from the Committee.

- ( ) SERIATIM CONSIDERATION - Joint deliberation by the members of the Commission on this matter is unnecessary, impracticable, or contrary to the requirements of agency business, pursuant to the provisions of 17 CFR 200.42(a).
- (X) DUTY OFFICER CONSIDERATION - Pursuant to the provisions of 17 CFR 200.43(b).
- ( ) EMERGENCY CALENDAR CONSIDERATION FOR:

Action Requested By: Close of business, Wednesday, January 9.

TIMING ISSUES (Complete only if applicable)

(X) REASON EXPEDITED ACTION IS REQUESTED: The requested briefing has been requested to take place on January 10.

( ) EXTERNAL DEADLINE:

Casey M Carter  
Requesting Division Director

Joseph V. Kelly 1/9/2002  
Secretary

Laura S. Unger/cmR  
Duty Officer Commissioner

Date: 1/9/02

	Seriatim Commission Action			Duty Officer Action		Deferred for Regular Calendar
	Apprd	Date	Disapprd	Affirmed	Date	
Chairman Pitt	_____	_____	_____	not participating/rbr		
Commissioner Unger	_____	_____	_____	LS U/cmR	1/9/02	_____

Date of Action: 1-25-02

Comm. Hunt

MTH/HUT 1/25/02

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By JMV NARS, Date 5/2/2013

January 8, 2002

ACTION MEMORANDUM

TO: The Commission  
FROM: Office of Legislative Affairs *[Signature]*  
RE: In the Matter of Enron Corp.

Congressional request for a briefing concerning Enron Corporation ("Enron").

RECOMMENDATION:

That the Commission (1) authorize submission of a letter of response substantially in the form attached to Chairman Michael G. Oxley, Chairman of the House Financial Services Committee; (2) authorize SEC staff to provide records to the Committee previously made available to the House Energy and Commerce Committee and make available to Committee staff SEC staff who reviewed Enron's filings, if requested; and (3) authorize SEC staff to brief staff of the Committee and to provide briefing updates upon further request from the Committee.

ACTION REQUESTED BY: Close of business, Wednesday, January 9.

SUNSHINE ACT STATUS: Not applicable.

PRIOR COMMISSION ACTION: On October 30, 2001, the Commission authorized a formal order of private investigation.

On December 12, 2001, pursuant to authority delegated to the Director of the Division of Enforcement, the Commission filed a subpoena enforcement action against Andrew S. Fastow.

On December 14, 2001, the Commission authorized a similar briefing and similar access to documents and SEC staff for the House Energy and Commerce Committee.

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NOVEL, UNIQUE OR  
 COMPLEX ISSUES: None

OTHER OFFICES OR  
 DIVISIONS CONSULTED: Division of Enforcement/Linda Thomsen 942-4501  
 Office of the Chief Accountant/Bob Burns 942-4400

Office of Corporation Finance/Bill Tolbert 942-2891

Office of General Counsel/J. Gordon Seymour 942-0932

SOURCE OF CASE: Not Applicable.

SMALL ENTITY STATUS: Not Applicable.

PERSONS TO CONTACT: Linda Thomsen 202-942-4501  
 Peter Kiernan 202-942-0015

**I. BACKGROUND**

On January 8, 2002, Chairman Oxley wrote to Chairman Pitt (see letter at Attachment A) regarding the Committee's investigation into "the collapse of Enron Corporation and its implications to investors and the financial markets." The January 8th letter asked "that the Commission staff brief the Committee staff regarding the Commission's investigations stemming from the Enron collapse and the policy issues relating to the treatment of Enron's employees and shareholders."

**II. THE COMMISSION'S ENRON INVESTIGATION**

On October 30, 2001, the Commission authorized a formal order of private investigation relative to Enron to determine whether there have been violations of Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1 and 13a-13 thereunder. The investigation has and will continue to focus on, among other things, Enron's financial statements, Enron's use of Special Purpose Entities, Enron's and Enron's employee's involvement in limited partnerships, Enron's related party transactions, and trading in Enron securities. The investigation will explore the roles and responsibilities of, among others, Enron management, Enron's Board of Directors, and Enron's auditors. The investigation is at an early stage, but already subpoenas have been issued, documents collected, and testimony taken. Moreover, on December 12, 2001, the Commission filed a subpoena enforcement action against Andrew S. Fastow, Enron's former Chief Financial Officer.

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### **III. RECOMMENDATION**

That the Commission (1) authorize submission of a letter of response substantially in the form attached to Chairman Oxley; (2) authorize SEC staff to provide records to the Committee and make available to the Committee staff SEC staff who reviewed Enron's filings, if requested; and (3) authorize SEC staff to brief staff of the Committee and to provide briefing updates upon further request from the Committee.

The briefing to be provided here responds to the Committee's request for a briefing and will be similar to briefings previously authorized by the Commission and provided by SEC staff relative to other ongoing SEC investigations. Moreover, on December 14, 2001, the Commission previously authorized a briefing on this same subject and access to the same records and same SEC staff for the House Energy and Commerce Committee.

A number of the documents that may be provided and the proposed staff briefings will contain nonpublic information, making Commission authorization necessary because members and employees of the Commission may not divulge nonpublic information without such authorization.<sup>1</sup>

The proposed response letter indicates that the information being provided contains nonpublic and sensitive information. The letter requests that the Committee not publicly disclose this information without prior consultation with the Commission and expresses appreciation for Chairman Oxley's understanding of our concerns on this point.

#### **ATTACHMENTS:**

- (A) January 8, 2002 request from Chairman Oxley.
- (B) Proposed staff response to January 8th request.

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<sup>1</sup> Rule 3-7 of the Commission's Rules of Conduct, 17 C.F.R. § 220.753-3(b)(7), applies generally to all requests for nonpublic information. Rule 3-7 requires Commission authorization for disclosure for any nonpublic Commission documents, and information contained in such documents, or any confidential Commission information.

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By *JMV* NARS, Date 5/2/2013

02 TUE 12:22 FAX 202 225 5272

FINANCIAL SERVICES CMTE

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EL G. OXLEY, OH, CHAIRMAN

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**U.S. House of Representatives**  
**Committee on Financial Services**  
 2129 Rayburn House Office Building  
 Washington, DC 20515

January 8, 2002

JOHN J. LAFALCE, NY, RANKING MEMBER	FRANK MASCARA, PA
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TERRY HAINES  
CHIEF COUNSEL AND STAFF DIRECTOR

The Honorable Harvey L. Pitt  
 Chairman  
 Securities and Exchange Commission  
 450 Fifth Street, N.W.  
 Washington, DC 20549

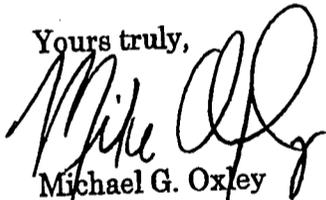
Dear Chairman Pitt:

I am greatly concerned about the collapse of Enron Corporation and its implications to investors and the financial markets. Consistent with our oversight obligations, the Committee on Financial Services has initiated an investigation into this matter.

I request that the Commission staff brief the Committee staff regarding the Commission's investigations stemming from the Enron collapse and the policy issues relating to the treatment of Enron's employees and shareholders. We understand that the information provided in this briefing is confidential.

Thank you.

Yours truly,



Michael G. Oxley  
 Chairman  
 Committee on Financial Services

MGO/jd

cc: The Honorable John J. LaFalce  
 Ranking Minority Member

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The Honorable Michael G. Oxley  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
2129 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Oxley:

Thank you for your letter of January 8, 2002 to Chairman Pitt regarding the Committee's interest in recent events involving Enron Corporation. The Commission shares your concern over these events.

The staff of the Commission has sought and received authorization from the Commission to provide your staff with the briefing requested in your letter. I understand that this briefing has been scheduled for January 10th.

We understand that, absent extraordinary circumstances, it is not the practice of Congressional committees to make public disclosure of sensitive, nonpublic material without prior consultation with the responsible agency. Since the information being provided includes such sensitive nonpublic information, we respectfully request that the Committee follow that practice in this instance. As I am sure you can understand, we have to be very concerned with the possibility of any disclosure of information that could unduly prejudice the subject of an investigation, raise questions about the independence of the Commission enforcement process, or otherwise jeopardize Commission enforcement actions. See Securities and Exchange Commission v. Wheeling Pittsburgh Steel Corp., 482 F. Supp 555 (W.D. Pa. 1979), vacated and remanded on other grounds, 648 F. 2d 118 (3d Cir. 1981). We appreciate your understanding of these concerns as reflected in the reference in your letter to the confidential nature of the information to be provided in the briefing.

We look forward to working with you on these important issues. Please have your staff contact Casey Carter, Director of the SEC's Office of Legislative Affairs, at (202) 942-0010, should you require any further assistance with this matter.

Yours truly,

David M. Becker  
General Counsel

Cc: The Honorable John J. LaFalce