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'Book cooking still rife' claims Enron whistleblower

[Will Sturgeon](#)

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Speaking on the issue of [Sarbanes-Oxley](#) and highlighting the need for tighter compliance legislation, the key whistleblower at the heart of the Enron scandal has warned that 'cooking the books' is still very much a part of corporate America.

Addressing the audience at Better Management Live in Las Vegas, Lynn Brewer, author of Enron post-mortem *House of Cards*, said: "Enron was the poster-child for corporate corruption but it is clear the factors in existence when Enron imploded are still in place today."

Quoting figures from a recent *CFO Magazine* survey, Brewer said: "Forty-seven per cent of CFOs today feel pressure to cook the books and 18 per cent of CFOs actually feel more pressure than they did pre-Enron."

Brewer said Sarbanes-Oxley will be vital in bringing these alarming figures down to a more manageable level but added that companies should never have needed such heavy-handed legislation and accompanying threats of jail-time and fines for breaches in the first place.

Brewer claimed one-third of investors see non-financial issues - such as ethical, moral and compliance issues - as a major factor when making investment decisions. She believes knowledge of that fact and the subsequent case for ROI should have made more companies get their houses in order earlier.

Brewer believes post-Sarbanes-Oxley companies will be regarded with a level of suspicion which she characterises as "guilty until proven innocent" - a hangover from scandals such as Enron and WorldCom which means companies now actively have to demonstrate to investors that they are a safe bet.

Lee Dittmarr, principal at Deloitte Consulting, said: "Companies who are known for good compliance get better results. That shouldn't be a surprise to us, it should be common sense."

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