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Enron insider speaks in Olympia

Megan Leyrer with Paguirigan Branding and Design (left) and Julie Darby, assistant vice president of member services at the Thurston County Chamber (right), chat with Lynn Brewer, an author and former Enron executive, at the National Association of Professional Mortgage Women -- Olympia VIP Night on Wednesday evening.



Toni L. Bailey/The Olympian

[CHRIS CLOUGH](#) THE OLYMPIAN A woman who worked on the edges of Enron's inner circle and later blew the whistle on suspect accounting practices and energy market manipulation spoke Wednesday night in Olympia.

Lynn Brewer, a former mid-level Enron executive and author of "House of Cards: Confessions Of An Enron Executive," was the featured speaker at a fund-raiser for the National Association of Professional Mortgage Women -- Olympia.

"You could say I was a firsthand eyewitness to the off-the-balance-sheet partnerships," Brewer said. "I discovered bank fraud to the tune of a quarter-billion dollars. When I went to my supervisor, she said 'just leave it out of your brief.' "

That was early in her three-year Enron career, and Brewer said she saw much more in a corporate culture that encouraged fraud and hubris.

"Enron is really a speculative trading firm that trades everything to do with energy like we trade potatoes," Brewer said. "They like to portray themselves as an energy producer, but 66 percent of employees are trading commodities -- electric power, natural gas, metals, wood, everything."

Texas-based Enron eventually filed for bankruptcy in December 2001, and Enron Chairman Kenneth Lay, Chief Executive Jeffrey Skilling and Chief Financial Officer Andrew Fastow were among the high-profile executives caught up in the resulting national scandal.

The Enron debacle sent shockwaves through Wall Street, cost thousands of employees their retirement and resulted in changes to 401(k) regulations.

The outrage was the death knell for the accounting firm Arthur Andersen. Other corporations, such as Tyco, WorldCom and 1/2 est, found themselves in similar predicaments.

It starts at the top, Brewer said.

"CEO compensation is like a run on the bank," she said.

"They want to clean everything out of the bank account before anyone finds out. CEOs are out of touch with employees and are disengaged. It's not just a handful of companies. It's happening all over -- Coca-Cola, Xerox, Wal-Mart."

Problems might start in the glass offices, but they ran deep at Enron.

"Enron was an entire culture made up of people just like me and you getting rich off stock options," she said. "If you want to see the ripple effect, look at your power bill."

Brewer said she was partly to blame.

"It's greed. You start to turn an eye at things that you know are wrong," she said. "We need to accept responsibility for that. Some Enron employees who lost their entire 401(k) said they did it to us. But we did it to ourselves by supporting a company that was not ethical."

It was a culture spawned by stock options and quick profits, Brewer said.

"Every time Enron stock went up a dollar, I made \$2,000," she said.

Brewer worked for Enron for three years. She was responsible for risk management in energy operations, the e-commerce initiatives for Enron's water subsidiary and competitive intelligence for Enron Broadband Services.

Over time, the weight of playing the Enron game became too much to bear.

Brewer blew the whistle and, after several setbacks, her message got out.

"I have a background in accounting and realized a shell game was going on," she said. "There were 264 trading violations at Enron in the first six months of 2000, and nobody was fired. Those violations were as high as \$150 million, and there was no discipline taken. It's at the heart of Enron."

Brewer, who grew up in Lakewood and now lives in rural Pierce County, said people are increasingly disgruntled with corporations.

"The Securities and Exchange Commission is receiving 20,000 whistler-blower reports a month," she said.

About 100 people attended Wednesday's event to benefit NAPMW educational programs, said Andy Kaplowitz, the Olympia association president and owner of Kaplowitz Financial.

Olympia-based Paguirigan Branding & Design sponsored Brewer's appearance.

The company helps clients with branding, image and marketing, and has worked with Brewer in her role at The Integrity Institute.

Paguirigan designed the cover of Brewer's book on Enron.

"We are a full-service marketing firm, and our expertise is in branding and design," said Paguirigan's Megan Leyrer. "We have worked with her on some of the branding of The Integrity Institute."

The Integrity Institute, which Brewer founded after leaving Enron, "independently assesses and certifies corporate integrity at the request of organizations for the benefit of their stakeholders."

Brewer testified on behalf of the Snohomish County PUD in its lawsuit against Enron.

Brewer is rewriting her book. The second edition, to be titled "Confessions of an Enron Executive: A Whistle-Blower's Story" will address the long-range issues of whistle-blowing.

It will be released sometime in August by the publisher, AuthorHouse.

Brewer is also making appearances on the speakers circuit. Her speaking fee, according to the BigSpeak Web site, is from \$5,000 to \$10,000.

"We're thrilled and very fortunate to have someone of Lynn's caliber," Kaplowitz said. "And with recent events, it couldn't be more timely. Ken Lay was an adviser to the Bush/Cheney group, and the dealings at Enron might have implications on what happens in the presidential race."

