Enron Internal Affairs Alex Lundin

**1.) References**

[1]Frank A. Wolak. (2002, May). Making Sense of the Enron Nonsense. [Online]. Available: http://web.stanford.edu/group/siepr/cgi-bin/siepr/?q=system/files/shared/pubs/papers/briefs/policybrief\_may02.pdf

[2] Mark P. Holtzman, Elizabeth Venuti, and Robert Fonfeder. Enron and the Raptors. [Online]. Available: http://www.nysscpa.org/cpajournal/2003/0403/features/f042403.htm

**2.) Lessons Learned**

* The key to leading a successful, happy and ethical life starts with following a code on a everyday basis. Not just when it’s convenient.
* Working together to achieve a goal can be a challenge and also very rewarding!

**3.) LJM Action Slide Summary (to reduce the amount of words)**

**Virtue Ethics**

* Virtue Violated: Honesty
* Enron collected too much debt to be legally sustainable
* To protect his company, employees and himself, **Andrew Fastow** lied…A LOT!
* He chose to use LJM as a credit card to buy debt from Enron
* The virtuous choice would be to honestly report losses and accept bankruptcy

**Social Contract**

* Social Contract Violation: Uphold agreements
* Enron received stockholder funding under the agreement that Enron was turning a legal profit
* At a certain point Enron broke this agreement by falsifying earnings
* Stock holders had no idea of this deception so they continued to fund Enron
* To uphold this contract Enron could have reported true earnings