Use of NLP in Financial Crime: Unveiling Enron: The Shocking Financial Deception That Rocked Wall Street

Enron, a once highly respected energy company, faced a rapid downfall due to revealed wrongdoings, leading to a catastrophic decline in its stock prices. Despite being recognized as America's most innovative company for several years, Enron's stock, which had reached a peak of $90.75 in mid-2001, dramatically plummeted to an all-time low of $0.26 by November 2001 as its unethical practices were exposed.

During this time, Enron employees, along with various investors, were encouraged to invest in the company's stocks, unaware of the impending collapse. As the executives were already aware of the company's impending downfall, they unloaded their shares without informing or warning the employees. They even encouraged them to buy more stock, assuring them of its growth prospects. This led to devastating consequences for Enron employees, particularly in their 401(k) retirement accounts, resulting in an estimated loss of approximately $850 million.

The executives' actions were marked by deception and disregard for the employees' financial well-being, as they prioritized their own financial gain by selling their shares while misleadingly assuring employees of the stock's future success. This unethical behavior further exacerbated the financial losses suffered by Enron employees, who were left significantly disadvantaged as the company spiraled towards bankruptcy.

Our project's primary objective is to analyze the Enron-email corpus, specifically targeting communications that reveal instances of executive abuse of power, resulting in severe financial and mental implications for employees. This paper aims to uncover evidence highlighting the adverse impact of executive actions on employees' lives within the context of the Enron scandal.

References:

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