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Enron: ultimate agent of the American empire

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In portraying Enron as a "scandal", and as an isolated case of overheated capitalism and "unusual political influence", the mainstream American corporate media and congressional investigators have studiously hidden the truth: Enron, like many multinational corporations, has long functioned as an operational arm of the US government, the ruling financial elite and as a weapon of economic, political, and territorial hegemony.

The Enron scandal, arguably the biggest financial and political crime in modern history, exposes a terminal malignancy at the heart of world politics, and global capitalism itself.

Cold Warriors in suits

In a "free market world" in which **(1)** the goals of the state, corporations, world financial bodies (World Trade Organization, World Bank and IMF) and the national security apparatus (intelligence agencies and military) are indistinguishable, **(2)** these groups plan and conduct operations cooperatively, and **(3)** government and business elites (linked by longtime social ties) move seamlessly between public and private sectors, the hydra that is Enron is nightmarishly uncontroversial --- and quintessentially American.

Consider the company's leadership:

- Enron CEO Kenneth Lay was a Pentagon official during the Vietnam War, and a friend of the Bush family for decades.
- Frank Wisner Jr., a board member of the subsidiary Enron Oil & Gas, has intimate CIA ties, and is the son of former CIA deputy Director Frank Wisner Sr., who was present at the creation of the CIA.
- Board member and finance committee chairman Herbert "Pug" Winokur is a long-time Washington and Wall Street insider, intimately tied to military and intelligence communities. Winokur is the CEO of the private Capricorn Holdings. Capricorn is the lead investor of DynCorp. He was the chairman of DynCorp's board of from 1987 to 1997, and remains a DynCorp board member and chair of its compensation committee. Winokur's Capricorn Holdings was used as an investment vehicle in NHP, which from 1987 to 1997 was linked to massive HUD housing fraud and money laundering.

Enron's symbiotic relationship to the CIA/Pentagon-based Bush/Cheney oligarchy is well documented. As a pioneer of energy deregulation during his administration, George H.W. Bush virtually created Enron, and paved the way for its meteoric growth. And, as David Walsh wrote, "to speak of 'connections' or 'intimate ties' between Enron and the Bush regime nearly misses the point. To a large extent, the present administration is an extension of the Enron board of directors".

As a corporate agent and beneficiary of US and western military and intelligence operations, Enron is also no more an aberration than the United Fruit and Standard Fruit companies, whose dominance of Central America during the 1960s depended on cooperative operations with the CIA, the Pentagon and organized crime.

More modern examples abound.

American International Group, the insurance giant, has long been tied to the CIA and the military, and its board (not coincidentally) also includes Enron Oil & Gas director Frank Wisner Jr.

Over the years Citigroup has been repeatedly charged with money laundering. Citigroup's board includes John Deutch, former CIA Director, Robert Rubin, former Treasury secretary (who personally and financially intervened to bail out the collapsing Enron), and retired Executive Director of the CIA Nora Slatkin.

Winokur's DynCorp is a leading private contractor of the American global police state, and a major beneficiary of both the "war on drugs" and the "war on terrorism". Touted as a "technology company", DynCorp runs covert American military operations all over the world, including "Plan Colombia", or the "Andean Initiative". DynCorp also manages and controls the financial data and electronic records for more than 30 U.S. government agencies, including the FBI, the State Department, the Department of Justice, the Defense Department, the Drug Enforcement Agency, the Bureau of Prisons, and the Office of National Drug Policy. The company is one of the few with access to Promis software, which gives its users

access to worldwide banking records.

Enron's corporate cousin, Halliburton, was headed by Dick Cheney from 1995 until he became Vice President. The company provides "support services" to the military and oil industries, living off of US wars and "counter-insurgency" operations in Algeria, Angola, Bosnia, Burma, Croatia, Haiti, Kuwait, Nigeria, Russia, Rwanda, and Somalia and elsewhere.

Corporate quasi-agents like Enron are effective fronts in implementing the policies of the ruling elite. Among the goals are **(1)** securing and controlling of natural resources (oil, natural gas, electricity), **(2)** maintaining economic, geopolitical, and military advantage, and **(3)** controlling populations through the stifling of dissent, **(4)** the elimination of political opposition, and **(5)** the destruction of democratic reform movements.

Seen within this broad framework, Enron's activities are not only inherent manifestations of the ruling order, but official policy.

Extorting and racketeering in America

One of Enron's first acts on behalf of the present Bush administration was the manipulation of the California energy grid, which essentially blackmailed the state. California is a Democratic stronghold and "hotbed of liberal dissent" that opposed the installment of George W. Bush. California's once burgeoning economy was derailed, and its damaged Democratic political leadership was sent scrambling into months of damage control. There is evidence that the California "crisis" was entirely manufactured. Several investigations into the scam are underway.

As reported by David Lazarus in the *San Francisco Chronicle* (1/30/02), memos of conversations between Lay and Dick Cheney provide ample evidence of Lay's insider status in the Bush White House: he essentially dictated the administration's ruthless response to California --- and perhaps the rest of the energy policy.

Today, California remains a hostage to Enron and other Texas utilities, locked into expensive long-term energy contracts that will sap its resources and fleece consumers for years to come.

The California "energy shortage" became George Bush's national rallying cry for deregulation, drilling, building new power plants and the gutting of environmental regulations across the US. The Alaska National Wildlife Refuge and other protected lands, and the California coast, have been targeted for drilling.

Not content simply to deregulate national energy markets, Enron pushed for the deregulation of energy futures markets, making itself exempt from government oversight and from fraud laws. This maneuver, headed by Wendy Gramm, and assisted by Senator Phil Gramm (who pushed Enron-friendly changes in legislation in Congress) was tantamount to the company giving itself permission to launder massive amounts of money.

Enron, Bush administration officials, and Enron-funded right-wing "think tanks" such as the American Enterprise Institute, the American Council for Capital Formation (where Ken Lay is a director), the Institute for Policy Innovation (founded by Dick Arme) collaborated to lift restrictions on offshore tax havens. This blocked a multi-year 30-nation crackdown on the abuse of offshore tax havens led by the Organization of Economic Cooperation and Development.

Today, thanks to Enron, billions of dollars of mystery money are sheltered in thousands of phantom offshore accounts, in 874 Enron subsidiaries.

The looting of Harvard

Since the late 1990s, Herbert Winokur has been on the Board of Directors of the Harvard Endowment Fund. Harvard, the alma mater of George W. Bush, has long been connected to Republicans and the agenda of the Bush family.

In 2000, Enron, through Winokur, convinced Harvard professors to write studies promoting the privatization of government agencies and deregulating energy --- agendas that obviously benefit Enron and DynCorp.

Based on these Harvard "studies", Enron subsequently won major contracts, which remain on the books today. Harvard also benefited from the shorting of Enron stock in the fall of 2001, suggesting that insider trading had occurred. (For more detail on Harvard and Winokur, go to www.harvardwatch.org.)

Enron's past overseas adventures: collusion and exploitation

Where there has been warfare (led or funded by the US), there have been capitalists ready to profit from it, regardless of the cost in human lives. Where there is oppression, corporations are there to cut deals with dictators and corrupt finance ministers.

Enron was a master at this game, working alongside operatives of the Bush and Clinton administrations, and following routes carved out by the World Bank and other US financial cover groups.

- In 1988, Texas governor George W. Bush pressured Argentina's public works minister to award Enron a contract to build a natural gas pipeline by invoking the name of his father, president George H.W. Bush. The contract was eventually awarded to Enron when Carlos Menem, a friend of the Bush family, became president.
- Also in 1988, Enron executives were accused of diverting \$142 million to offshore accounts in Panama. Ken Lay professed ignorance.
- Operation Desert Storm secured the Iraqi oil field of Rumaila for western interests,

expanding the boundaries of Kuwait, doubling Kuwaiti oil output for American and British oil companies. In 1993, with James Baker, Robert Mosbacher and former operations director of the Joint Chiefs Thomas Kelly on the Enron payroll, the three former Bush administration officials, along with George H.W., Neil and Marvin Bush pressured Kuwaiti officials to award Enron a contract to rebuild the Shuaiba power plant, which was destroyed during the war. The contract was awarded to Enron, even though Enron's price for supplying power was significantly higher than that of other bidders.

- Enron hired former US Ambassador to India Frank Wisner, who subsequently used CIA influence to help Enron win a \$2.8 billion contract for the Dabhol power plant, the biggest international investment since India opened its economy in 1991. When thousands of local residents, including acclaimed journalist Arundhati Roy, protested the plant, Enron hired Indian police to beat and arrest opponents of the project. (www.hrw.org/reports/1999/enron/enron9-0.htm).
- In 2001, as Vice President, Dick Cheney spoke to Indian government officials about the Dabhol project. His justification: the plant was financed in part through the US governments Overseas Private Investment Corporation (OPIC).
- According to an investigative series on the notes of the late Ron Brown by WorldNetDaily.com, Enron became a major contributor to the Democratic National Committee (after the heavily Enron-financed George H.W. Bush re-election effort failed in 1992). Members of the Clinton administration, particularly Commerce Secretary Ron Brown, routinely negotiated deals for Enron and other big donors. [1, 2, 3]

In 1994, Brown participated in a US business trade mission in Indonesia. Documents obtained using the Freedom of Information Act shows that Brown assisted Indonesian dictator Suharto and his son in a kickback scheme involving US tax money and the construction of the Paiton Power Plant. Enron was awarded a contract. This project was funded in part by the Export-Import Bank (EXIM), which also financed \$4 billion in gas deals for Enron. EXIM has ties to Robert Rubin, a longtime friend of Kenneth Lay and Enron from his Goldman Sachs days.

- Also in part from generous DNC contributions, Enron received Clinton administration help in the marketing of Russian gas in Europe. Ken Lay and Boris Brevnov of Unified Electricity Systems of Russia signed a 10-year strategic alliance during the 1998 World Economic Summit in Davos, Switzerland. The press release quotes Lay: "We are very optimistic that the rapidly liberalizing markets in Russia, Europe, and Central Asia will create new electricity trading and marketing opportunities for both our companies."
- When Frank Wisner was the US Ambassador to the Philippines (1991-92), Enron was negotiating to manage the two Subic Bay power plants. Wisner helped Enron win the deal and began to manage the plant in January 1993. The plants cost the Philippine National Power Corporation (NPC) eight cents a kilowatt-hour --- 20 percent more than NPC charged customers. The entire NPC board resigned in protest.

- In 1995, Enron signed an agreement to build a gas pipeline from Mozambique to South Africa, to develop a gas field in southern Mozambique. Anthony Lake, president Bill Clinton's National Security Advisor, and the US Agency for International Development pressured the Mozambican government to sign with Enron.
- In 1998, the Dominican Republic fell victim to rolling energy blackouts and an alleged energy shortage. Demonstrations resulted in the killing of eight people. The utility, run by Enron, was purchased at a steep discount after a local Arthur Andersen affiliate valued the utility at \$1 billion below its actual value.
- In the fall of 1999, while still governor of Texas, George W. Bush arranged a meeting with Enron executives and Colombian president Andres Pastrana, to discuss a proposed natural gas power plant in Panama. The financing for this plant would come from a Colombian bank tied to narco-money laundering.

Enron, the Bush administration, and the Central Asian war

Most experts agree that the Caspian Basin and Central Asia are the keys to energy in the 21st century. Said energy expert James Dorian (*Oil & Gas Journal*, 9/10/01), "Those who control the oil routes out of Central Asia will impact all future direction and quantities of flow and the distribution of revenues from new production."

The Caspian Basin has an estimated \$5 trillion of oil and gas resources, and Central Asia has 6 trillion cubic meters of natural gas and 10 billion barrels of undeveloped oil reserves. Interconnecting pipelines are the key to accessing and distributing oil and gas to European, Chinese and Russian markets. Western policy planners have devoted years to this agenda.

For years, Enron (along with Unocal, BP Amoco, Exxon, Mobil, Pennzoil, Atlantic Richfield, Chevron, Texaco, and other oil companies) has been involved in a multibillion dollar frenzy to extract the reserves of the three former Soviet republics, Turkmenistan, Azerbaijan, and Kazakhstan.

Throughout his tenure as governor of Texas, George W. Bush colluded on a daily basis with oil and power companies, including Enron. Recently unearthed letters between Ken Lay and Bush offer evidence of their communication about Enron's involvement in the region. (<http://thesmokinggun.com/archive/bushlay12.shtml>)

According to Project Underground (11/7/99), former Soviet, KGB and Politburo members profited from oil riches, along with "a formidable array of former top Western Cold Warriors, drawn principally from the cabinet of George (H.W.) Bush."

The dealmakers include James Baker, Dick Cheney, Brent Scowcroft, and John Sununu. Also cashing in on the deals are former Clinton Treasury Secretary Lloyd Bentsen (close friend of Ken Lay and longtime recipient of Enron funding) and Zbigniew Brezezinski.

Brezzezinski, arguably the most influential policy planner in the world, spearheaded the

American effort to destabilize the Soviet Union in Afghanistan in the 1970s. He is a consultant to BP Amoco. His recent book, *The Grand Chessboard* is a virtual blue print for a war and balkanization of Central Asia.

According to Alexander's Oil & Gas Connections (10/12/98), Enron signed a contract in 1996, giving it rights explore 11 gas fields in Uzbekistan, a project costing \$1.3 billion. The goal was to sell gas to the Russian markets, and link to Unocal's southern export pipeline crossing Turkmenistan, Uzbekistan and Afghanistan. Turkmenistan (where Enron's project was based) and Azerbaijan are closely allied with US, Russian and Israeli military intelligence. Yosef Maiman, a former Israeli intelligence agent, is the official negotiator for energy development projects in Turkmenistan.

Enron recently conducted feasibility studies for a \$2.5 billion trans-Caspian gas pipeline to be built jointly with General Electric and Bechtel.

As described in many accounts, notably the recently published "*Osama Bin Laden: The Forbidden Truth*" by Jean Charles Brisard and Guillaume Dasique, the CentGas consortium led by Unocal had plans for a 1,005 mile oil pipeline and a 918 mile natural gas pipeline from Turkmenistan through Afghanistan to Pakistan. This project stalled because of the political instability in Afghanistan.

In August 2001, George W. Bush revived negotiations with the Taliban.

Journalist William Rivers Pitt notes that, "intense scrutiny has shaken loose two e-mails sent by Enron's Ken Lay to his employees in August of last year. In them, Lay waxes optimistic about the strength and stability of his company, and exhorts his employees to buy into the company's stock program." Pitt believes that, "while many observers view this as the gasping lies of a drowning criminal", Lay's messages must be considered in light of the timing: His last e-mail was sent on August 27th, about the same time as the final Taliban meeting with the Bush administration.

Was Kenneth Lay anticipating a significant piece of a new pipeline deal, and an Enron contract, courtesy of George W. Bush?

After the Taliban refused the Bush administration's "carpet of gold", America dropped its "carpet of bombs" on Afghanistan, allegedly in retaliation for the 9/11 terrorist attacks. Was Ken Lay also anticipating a war, and a way to profit from it?

Former Unocal lobbyist Hamid Karzai now heads a bombed and gutted Afghanistan. Bush's US envoy is Zalmay Khalizad, another former Unocal representative, who helped draw up the plans for the original CentGas pipeline. Pipeline projects have resumed.

The US has established four new permanent military bases, throughout the region, including a new one in Afghanistan. Recently, Uzbekistan, hosted dozens of members of the US House of Representatives and the Senate. The region will remain a zone of perpetual violence and conflict, and plunder.

If Enron had not made the mistake of collapsing, Kenneth Lay and his team would be in the

thick of it.

Enron, Halliburton, Bush and bin Laden

At the web site Rumor Mill News (www.RumorMillNews.com), a journalist named "Phoenix" has laid out business links that tie Enron to the bin Laden family. These connections, which have been independently verified by Michael C. Ruppert of From The Wilderness (www.copvicia.com), play out as follows:

1. Osama bin Laden's family business, the Saudi Binladin Group, is a major construction company. Saudi Binladin Group was an investor of the Carlyle Group. Carlyle's directors include George H.W. Bush, and James Baker. George W. Bush's firm Arbusto Energy was funded by an investment from Texas investment banker James Bath, who was also the investment counselor for the bin Laden family. Bath had connections to the CIA, and was involved with the Iran-Contra, savings and loan, and BCCI scandals.
2. One of Saudi Binladen's joint venture partners is H.C. Price Company.
3. H.C. Price is a major builder of pipelines, and is involved in large projects, including two projects for Enron: the Florida Gas Pipeline and the Northern Border Pipeline running from the US/Canadian border from Montana to Illinois.
4. In 1996, Dresser Industries and Shaw Industries merged their pipecoating businesses to form Bredaro-Shaw Group. H.C. Price became part of Bredaro-Shaw.
5. Halliburton acquired Dresser in 1998. George H.W. Bush's father, Prescott, was the managing director of Brown Brothers Harriman, which previously owned Dresser. Dresser Industries gave George H.W. Bush his first job in 1948.
6. Dick Cheney orchestrated the Dresser and Bredaro-Shaw acquisitions.
7. Both Halliburton, and its subsidiary Brown & Root, have deep ties to CIA and the military. The company has been involved in US military conflicts in Vietnam, Bosnia, Kosovo, Macedonia, Chechnya, Pakistan, Colombia and Rwanda. Brown & Root builds oil rigs, pipelines, wells, and nuclear reactors.

It does not appear to be a simple case of coincidence that Binladin, a long time business partner with the Bush family, also has a partnership with a Dick Cheney-affiliated Halliburton that works with Enron.

The cover-up that no one is talking about

Catherine Austin Fitts, former Assistant Secretary of Housing under the first Bush administration, has been investigating the massive fraud associated with the savings and

loan, BCCI, Iran-Contra and HUD pirating since the 1980s. She is currently tracking both Enron and "Pug" Winokur.

Recently, Fitts offered the following observations:

1. Arthur Andersen is also DynCorp's auditor.
2. Winokur's report accused Andersen of incompetence and deception. Yet, DynCorp has not fired Andersen.
3. Winokur's testimony came weeks after Enron and Arthur Andersen had ample time to shred documents and move massive amounts of monies.
4. The Department of Justice, through DynCorp and Winokur, has the tools to immediately seize and freeze assets. Ashcroft and the DoJ have made no effort to do so.
5. Enron and Arthur Andersen remain on government payrolls.
6. Nearly every member of Congress involved with investigating Enron has received campaign funding from Enron and Arthur Andersen.
7. Since 1997, various government agencies, including HUD, lost some \$149 billion in funds from computer systems run by DynCorp and Lockheed Martin. Fitts suspects that Enron was a laundromat for these funds, which may have ultimately landed in the over 700 of Enron's offshore accounts in the Cayman Islands and elsewhere. There has been no attempt by the US government to look into these accounts, despite the fact that Cayman Islands officials have invited inquiries.

In their book *The Outlaw Bank*, Jonathan Beaty and S.C. Gwynne wrote of the infamous BCCI,

"It was a conspiratorialist's conspiracy, a plot so byzantine, so thoroughly corrupt, so exquisitely private, reaching so deeply into the political and intelligence establishments of so many countries, that it seemed to have its only precedent in the more hallucinogenic fiction of Ian Fleming, Kurt Vonnegut or Thomas Pynchon. As tales of its global predations were splattered across headlines all over the world, its apparent influence reached almost absurd proportions."

The scope of Enron's influence has reached well into the absurd, if not beyond.

In describing the system that breeds Enrons, professor Michel Chossudovsky of the University of Ottawa (*CovertAction*, Fall 1996) wrote:

"Global crime has become an integral part of an economic system, with far reaching social, economic and geopolitical ramifications . . . the relationship among criminals, politicians, and members of the intelligence establishment has tainted the structures of the state and the role of its institutions . . . this system of global trade and finance has fostered an unprecedented accumulation of private wealth alongside the impoverishment of large sectors of the world population, and the prospects for change are dim. Meanwhile, the international community turns a blind eye until some scandal momentarily breaks through the gilded surface."

In light of congressional "investigations" headed exclusively by committee chairmen who have received Enron monies, FBI foot-dragging, continued White House secrecy and media complicity, the Enron trail has grown cold. Enron has largely disappeared from the front pages of American corporate media newspapers.

In an appearance before Congress that virtually ensured that the charade would leave criminals protected and free, and plundered monies hidden, "Pug" Winokur blamed the rest of Enron management, and the auditors at Arthur Andersen --- for deceiving him.

Members of the various investigating committees quickly accepted Winokur's disingenuous deflection, eager to avoid crossing the notorious Winokur, who (through DynCorp) owns the electronic files on virtually everybody.

Cronies and cohorts are meeting. Patsies and fall guys have been designated. Lies are being fabricated. Fifth amendment mantras will be repeated.

As was the case with Watergate, BCCI, Iran-Contra, and the savings and loan scandals, it is not too cynical to expect the Enron hearings to expose only enough malfeasance to silence the public, while leaving the massive system intact. The masterminds and the largest beneficiaries are about to slip into the shadows.

The American empire is built on a thousand Enrons. It will exhaust every means to avoid implicating itself, even as it drowns in the cesspool of its own creation, dragging thousands of innocent people down with it.

Larry Chin is a freelance journalist and a Contributing Editor for *Online Journal* (www.onlinejournal.com). For those interested in the most current investigation of Enron's global operations, read *Enron's Pawns: How public institutions bankrolled Enron's globalization game* by Jim Vallette and Daphne Wysham of the Institute for Policy Studies. (<http://www.seen.org/PDFs/pawns.PDF>). This report, released on March 22, 2002, provides additional details on a number of the same stories covered in this article.

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