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Business

Ex-Enron exec urges students to avoid ethical errors

Knight Ridder News

BOULDER, Colo. - A former Enron executive speaking this week at the University of Colorado urged students to avoid the ethical mistakes she had made in her career.

"What each of you have inside is intuition, and if something doesn't feel right, it's up to you to stop it," Lynn Brewer said. "Something's got to change, and it's not going to happen with my generation."

Brewer's appearance came during Integrity Week, a series of events hosted by the CU Honor Code Council to promote academic integrity across campus. She shared experiences from her three-year tenure at a company whose name has become synonymous with corporate fraud.

"It was an interesting lesson in how competition can breed a lot of unethical behavior," said Andy Cohen, 21, a senior studying broadcast news. "It's a reminder about the costs that are involved a lot of times with deception."

Ashley Littrell, 19, director of student education for the Honor Code Council, said the choices Brewer struggled with relate to those often faced by students.

"When you come to a college like CU, you are put to the test," Littrell said. "That doesn't stop once you leave college; it's something you'll face again and again."

While Brewer ultimately became a whistleblower in the Enron scandal, she views her complacency at the company as a contributing factor in its downfall.

"I have to apologize every day for the role I played in this," said Brewer, who served in various risk management, e-commerce and competitive intelligence positions for the company's energy, water and broadband divisions. "I am as equally guilty as Ken Lay."

In 1998, Brewer had been employed for only six months when she says she found bank fraud in the amount of \$250 million in a gas-trading deal. When she brought her findings, which showed that the gas involved in the deal did not exist, to her boss, she was told to "just leave that part out of the brief."

Later, Brewer would uncover information that a senior Enron executive's husband was involved in espionage, selling secrets he had stolen back to the company. After confronting the head of public relations, Brewer received instructions to remove the senior executive's married name from all Internet documents so that a connection with her spying husband would not be as immediately obvious.

Earning \$2,000 each time Enron's stock gained a dollar, and with stocks on the rise, Brewer says she faced a difficult choice: resign, lose a great deal of money and possibly sully her reputation, or alert authorities to illegal activity.

The final straw, however, came in 2000, when Chief Executive Officer Jeff Skilling began grossly overstating Enron's broadband share value to financial analysts. At the time, Brewer was responsible for competitive intelligence for the company's broadband group.

"The head of accounting for broadband services said, in an all-employee meeting, 'Jeff, where are you getting your numbers?'" Brewer recalled. "And he said, 'These are the numbers I was given.' And she said, 'No, those are not the numbers I gave you.'"

At this point, Brewer decided to blow the whistle. After failed attempts to report corruption to the company's internal hotline, she hired a lawyer and went to the government with her information.

Long before Enron collapsed in late 2001, Brewer says most employees were aware of the manipulation going on inside the company.

"This is not just a story of those who refused to tell the truth and those who refused to listen," Brewer said. "There were 20,000 employees who went along with it all by looking the other way."

Representatives from the Honor Code Council, as well as members of the Alpha Kappa Psi business fraternity, who helped sponsor the event, said the speech was especially appropriate in light of several ethical issues and scandals the university has recently experienced.

"Lynn Brewer couldn't have come at a better time," said Warren Ng, 21, president of Alpha Kappa Psi and a senior marketing major. "We need to spread

the word that business is not an individual effort, and that people who are the wrong things will be caught eventually."

Littrell believes the \$10,000 fee paid for by the Cultural Events board to bring Brewer to CU was well spent.

"We were so thankful to have such a dynamic speaker," Littrell said. "It was the highlight of our week."

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