

# Honors Project

## Enron Overview:

1. In just 15 years, Enron grew from nowhere to be America's seventh largest company, employing 21,000 staff in more than 40 countries.
2. But the firm's success turned out to have involved an elaborate scam.
3. Enron lied about its profits was accused of a range of shady dealings, including concealing debts so they didn't show up in the company's accounts.
4. As the depth of the deception unfolded, investors and creditors retreated, forcing the firm into Chapter 11 bankruptcy in December, 2001.
5. More than six years after the forced bankruptcy of Enron, the justice process is still continuing with yet another trial (appeals court) set for 2008.

## Major Players:

- Kenneth Lay
- Jeffrey Skilling
- Andrew Fastow
- Richard Causey & Kenneth Rice
- Sherron Watkins & Michael Kopper
- Arthur Anderson Accounting Firm (including the Sarbanes-Oxley Act)
- Overview—including a description of the business of Enron and a timeline spanning the six to eight year period. What factors or conditions caused the Enron collapse? What was the latest court ruling for Enron?

## Economic Crisis of 2008

- Mr. Richard Fuld—who he is and why did he testify before Congress?
- Failed banks of 2008—the biggest 5 banks, what happened to them to make them fail, what is their future?
- Economic Bailout Plan—outline the plan Congress voted for and explain what it will do for the economy.
- The Federal Reserve Bank & Ben Bernanke—summarize the function of this bank and its chairman and what role it plays in the current economic state.
- What factors or conditions may have caused or contributed to the current economic crisis?
- What is the newly elected president's plan to help stimulate the economy?
- Who is Warren Buffet and what would his plan include for fixing the struggling economy?

## History of Accounting

- What is the purpose and function of Federal Reserve Banking System?
- How and where is our US currency made and how is it distributed?

## Assignment:

Research, in depth, the topic that has been assigned to you. If you have an Enron player, investigate his/her role in the scandal from the time just before the news broke to the end—include any of the most recent court cases or prison sentences.

Enter your information into the Accounting Wiki and cite your sources using MLA style. Information should be gathered from a variety of sources including at least one **non-web based** source (i.e., magazine or newspaper). Remember the information you enter will be used by your classmates for a future assignment. This information can also be viewed by anyone invited to join the wiki. Plagiarism is not an option and is cause for a failing grade for this assignment.

Also completion of this assignment is one of the components necessary for earning honors standing for the semester grade. A rubric will be used to determine your grade for information placed in the wiki as well as a grade for your paper written from the collection of information found in the wiki.

## **Reflection Paper:**

After the topics have been added the wiki, each student will write a 2-3 page paper comparing and/or contrasting the Enron Scandal and the Economic Crisis of 2008. This paper should include reflection paragraphs stating you have learned from this assignment about corporate America and the history of money/banking/accounting.

**Dates:** November 26— rough draft of the research due to Mrs. Dietsche. December 12— information due on wiki page including your sources. January 7—reflection paper due.