

Enron Task Force Is Glue That Binds As Ex-Prosecutors Rise Through the DOJ Ranks

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The work of the Enron Task Force has long been over. But prosecutors who served on it in the early to mid-2000s are still finding it a springboard to top Justice Department positions.

White collar defense attorney **Leslie Caldwell** – who as a federal prosecutor led the task force from its inception in January 2002 until March 2004 – would become the latest alumna to rise to a top policy job [if she is nominated and confirmed as Assistant Attorney General](#) ^[1] for the DOJ's Criminal Division.



[2]

Then-federal prosecutors Andrew Weissmann and Leslie R. Caldwell leaving the Houston, Texas, federal courthouse in 2002 during the Arthur Andersen trial. (Getty)

going to get charged at Enron?' There was an incredible amount of pressure."

Caldwell, he said, handled the pressure well. "She was fantastic. She never let it affect our ability to do our jobs. She certainly never let it affect her judgment."

Early 2000s accounting scandals

Houston-based energy company and commodities trader Enron Corporation went bankrupt in 2001, collapsing under the weight of years of deceitful accounting. It was the most prominent in a wave of corporate accounting frauds in the early 2000s that included WorldCom, Adelphia Communications Corp., Global Crossing, Tyco and HealthSouth Corporation. The scandals led to the 2002 enactment of the Sarbanes-Oxley law that strengthened oversight of public companies.

Federal prosecutors obtained more than two dozen convictions related to the Enron fraud, including former CEOs **Ken Lay** and **Jeffrey Skilling**.

Enron also led to the prosecution of then-Big Five accounting firm Arthur Andersen, convicted in 2002 for obstruction of justice in the Securities and Exchange Commission's Enron probe. Caldwell and Weissmann led that prosecution. Arthur Andersen collapsed after it was indicted, as its clients fled. The loss of some 20,000

Other former members of the task force include **Lisa Monaco**, who went on to become Assistant Attorney General for the National Security Division before taking her current job as President **Barack Obama's** top homeland security adviser; **Andrew Weissmann**, now the general counsel at the FBI, a component of the Justice Department; **Benton Campbell**, the former interim U.S. Attorney for the Eastern District of New York; and **Matthew Friedrich**, a former Assistant Attorney General for the DOJ's Criminal Division.

Kathryn Ruemmler, whom Caldwell hired onto the task force in 2004, later rose to become Principal Associate Deputy Attorney General – the top deputy to the second highest-ranking official in the Department of Justice. She [moved to the White House counsel's office](#) ^[3] in 2009 as deputy to then-White House Counsel **Bob Bauer**. Ruemmler herself is now Obama's top in-house lawyer and, as such, the person responsible for helping to select and vet the next Criminal Division chief.

Working in the high-pressure cauldron of the prosecution of the most prominent corporate accounting fraud scandal of the day helped forge lasting bonds among prosecutors.

"There was a terrific esprit d'corps," former Criminal Division Assistant Attorney General **Michael Chertoff**, who oversaw Caldwell's hiring onto the task force, said of its members. "I'm not at all surprised that many of them went on to be stars, because they came in as stars."

William Kimball, now in private practice in San Francisco, was one of the early Enron Task Force prosecutors. "At the very beginning, there were five or six of us in a little office in a corner of the Fraud Section at Main Justice," he recalled in an interview. "And every day the newspapers were saying, 'When is someone

jobs later helped lead to a policy change requiring prosecutors to weigh the potential “collateral consequences” of a corporate indictment. The Supreme Court in 2005 reversed Arthur Andersen’s conviction, criticizing the judge’s jury instructions as flawed.

A decade later, Obama’s first Criminal Division chief, **Lanny Breuer**, would come under harsh criticism for saying the Justice Department had to consider the collateral consequences of indicting financial institutions that contributed to the 2008 Wall Street collapse and a major recession that drove up the jobless rate.

Much had changed in the world since the DOJ racked up court-room victories in the Enron case. The use of deferred prosecution agreements to resolve criminal allegations against corporations — rarely used during the Enron era — later became commonplace. While the DOJ and companies praise the use of DPAs, which produce big financial penalties but don’t lead to trials or convictions — some critics argue they don’t really hold corporations accountable for wrongdoing. DPAs have become a “cost of doing business,” the critics say.

A different world

If Caldwell is nominated and confirmed as the next Criminal Division leader, her appointment would mark the return of a “prosecutor’s prosecutor” to the helm. Except for a stint early in his career in the Manhattan District Attorney’s office, Breuer had never been a prosecutor, and had not prosecuted federal cases before becoming Assistant Attorney General in 2009.

Only **Alice Fisher**, who led the Criminal Division from 2005 to 2008, had come to the position in recent years without a federal prosecuting background.

But the explosive growth in white-collar defense work over the last ten years also means that Caldwell would come to the job with experience in the private sector defending corporations, as Breuer did. As a New York-based partner at Morgan, Lewis & Bockius LLP, Caldwell has represented scores of CEOs and defended companies under investigation for potential Foreign Corrupt Practices Act violations.

Her private-sector defense work isn’t expected to be a major liability. “She’s a lawyer’s lawyer and a prosecutor’s prosecutor,” Kimball said. “There’s really no criminal case that the DOJ does that Leslie hasn’t done already.”

Caldwell, if nominated, would likely be in the mold of former Debevoise & Plimpton LLP partner **Mary Jo White**, the former Manhattan U.S. Attorney who recently took the helm of the Securities and Exchange Commission.

While some skeptics criticized the revolving door between the Justice Department and the private sector defense bar, White has proven aggressive in her early days at the SEC. The commission has said it will require more admissions of wrongdoing from companies in the most egregious cases. And it has taken a [creative approach](#) ^[4] toward attempting to hold billionaire investor **Steven A. Cohen** accountable personally, while the Justice Department pursues [criminal securities fraud charges](#) ^[5] against SAC Capital, Cohen’s hedge fund.

Attorney General **Eric Holder** recently [told the Wall Street Journal](#) ^[6] that he didn’t plan to step down until he’d made major charging decisions related to the financial industry collapse. Those cases are hitting up against a five-year statute of limitations.

The Mueller connection

Like other members of the Enron Task Force, Caldwell had connections to **Robert Mueller**, who was named FBI Director in 2001 and departs on Sept. 4. **James Comey** was recently confirmed by the Senate as his successor.

From 1999 to 2002, Caldwell served in the U.S. Attorney’s Office for the Northern District of California, then headed by Mueller, where she was chief of both the Criminal Division and the Securities Fraud Section. Mueller also hired Kimball into the U.S. Attorney’s office in San Francisco; he had previously been at the Securities and Exchange Commission.

Monaco also later worked for Mueller as his chief of staff at the FBI before moving into Ruemmler’s old job as Principal Deputy Associate Attorney General at the Justice Department. And Weissmann had worked under Mueller as the FBI’s general counsel [since 2011](#) ^[8]; he previously served a stint as Mueller’s counsel in 2005 after the Enron Task Force completed its work.

Caldwell and Weissmann had both been Assistant U.S. Attorneys in the Eastern District of New York. Caldwell, according to her [law firm bio](#) ^[9], successfully tried more than 30 cases and argued more than 30 appeals before the U.S. Court of Appeals for



[7]

FBI Director Robert Mueller
(photo by Ryan J. Reilly / Main Justice).

the Second Circuit while working in the Brooklyn-based office.

“Leslie’s a terrific lawyer,” said Chertoff, recalling why he brought her on to lead the Enron prosecutions. “She had a great combination of hands-on experience but also the ability to lead and manage a large organization. She had dealt with complicated financial fraud cases so she wasn’t afraid to dig into them, but at the same time she was level-headed.”

Jennifer Koons contributed to this report.

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