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## CNN BREAKING NEWS

### Accounting Firm Arthur Andersen Found Guilty of Obstruction

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FREDRICKA WHITFIELD, CNN ANCHOR: Well, as promised, we want to take you to Houston now where prosecutors are responding to a guilty verdict in the Arthur Andersen case.

LESLIE CALDWELL, JUSTICE DEPARTMENT: Who chose to obstruct justice and tilt the scales in their favor. We believe in the jury system and we have confidence and that confidence was born out today. And I'd like to -- if you have questions I'll turn it over to the trial team.

QUESTION: Suggested that your search (UNINTELLIGIBLE)

SAMUEL BUELL, GOVERNMENT PROSECUTOR: Well, we don't think that's correct. We think that Andersen's troubles -- we think that Andersen's troubles were a result of its involvement with Enron and its failed auditing work for Enron and also other clients. Certainly those troubles were made worse by it being called to justice for obstructing an SEC investigation.

But we don't think it was the government's choice to enforce the laws here that caused problem for Arthur Andersen. It was Arthur -- failed audit work and their choice to violate the law by obstructing justice.

QUESTION: (UNINTELLIGIBLE)

ANDREW WEISSMANN, GOVERNMENT, PROSECUTOR: Ten days of deliberating is tense for everybody.

QUESTION: How important do you think jury question number nine was to getting a conviction?

WEISSMANN: I think that the last note that the jurors sent out made it clear that, that was not important because they all agreed that there was the same person. So that note became irrelevant. So -- it clearly had no role at all in the deliberations.

QUESTION: (UNINTELLIGIBLE)

WEISSMANN: No, we didn't ask, they didn't tell us.

QUESTION: What did they say to you?



WEISSMANN: We're not going to discuss our conversations with the jurors.

QUESTION: Gentlemen, how much momentum does this give to your continued investigation of Enron?

WEISSMANN: Hopefully, quite a lot.

QUESTION: What happens next for Mr. Duncan?

WEISSMANN: Mr. Duncan is scheduled to be sentenced. As you recall there are now two convictions in this case. Dave Duncan was convicted in April when and he pled guilty, and today Arthur Andersen was convicted.

QUESTION: Are you disappointed in Duncan's testimony (UNINTELLIGIBLE).

WEISSMANN: No, I think it is clear in the verdict today that his testimony and the government's case was strong and the verdict today confirmed that. I'd like to say that this case was really about a simple principle which is when you expect the police don't destroy evidence. And for Arthur Andersen that police was the SEC. And they knew they were coming and they destroyed evidence in advance of their getting there.

That's what the case was about. That's what they were charged with and that's what they are now convicted of.

QUESTION: How did this help you move forward with your investigation?

CALDWELL: We've been moving forward with the Enron investigation throughout this trial. Our team is much larger than what you see here and we have been moving forward on several fronts, some of which have nothing to do with Arthur Andersen. I think this can only help us.

QUESTION: How is it going to help?

CALDWELL: Well, I think it sends a strong message that this is a very serious investigative team and a very serious prosecutive team. And we are going to get to the bottom of the Enron debacle and those people who are responsible are going to be prosecuted.

QUESTION: (UNINTELLIGIBLE)

CALDWELL: We'll still have the cooperation of numerous individual Arthur Andersen partners who have the knowledge that is needed to help us in our case.

QUESTION: Can we expect the indictment of any other Arthur Andersen (UNINTELLIGIBLE).

CALDWELL: We are still looking at all aspects of the case but we can't comment on any specific indictments.

QUESTION: (UNINTELLIGIBLE)

CALDWELL: We're not finished with Arthur Andersen, that's right.

QUESTION: I'm sorry this is kind of late. I just want to know what your thoughts were on this? But you've already answered this. You guys seem to be very pleased.

WEISSMANN: Yes, I think it is fair to say we're all very pleased.

QUESTION: When the judge made that decision, did you figure OK, this is done.

WEISSMANN: You never know with the jury. It was obviously a favorable rule, we thought it comported with the law, but you never know until the verdict comes in. And today proved that note was not the dispositive factor because they, in fact, all agreed on the same person.

QUESTION: (UNINTELLIGIBLE)

WEISSMANN: Well, I think the jury, not only did we think that, but the jury found that in a standard in a criminal case it is beyond a reasonable doubt and they found beyond a reasonable doubt that Arthur Andersen is guilty.

QUESTION: Now that you all are talking publicly, are you all disappointed that (UNINTELLIGIBLE) sort of an ugly picture by calling you all whiners throughout the trial. How do you feel about that?

BUELL: We're actually -- we're not going to comment on Mr. Hardin's professionalism. We made it a practice throughout this trial of not personalizing the case and we're not going to start doing that now. Suffice to say that having tried a number of cases as prosecutors we're not unfamiliar with those kind of tactics -- they usually don't work, they didn't work in this case.

QUESTION: Andersen was making some talk that this was not the open and shut case maybe the public had expected it to be?

WEISSMANN: No one from the government ever said it was going to be an open and shut case. We charged Arthur Andersen because we thought they were guilty and we were proved correct today when 12 jurors found Arthur Andersen guilty.

QUESTION: Are you confident the case can hold off on appeal?

WEISSMANN: Yes.

QUESTION: Showing the jurors that they should have known -- [inaudible].

QUESTION: (UNINTELLIGIBLE)

BUELL: Well, we think there was clear evidence in the case that not only had upper management at Arthur Andersen been well aware of the problems they had with the SEC in those cases, but in fact the very attorneys who were working on the Enron situation,

including Ms. Temple, documents proved had discussed this very issue. Whether waste management and Sunbeam put the firm in greater jeopardy in light of what was happening on Enron.

So we think it was clearly highly relevant evidence. There was lots of other evidence in the case, but it was important evidence.

WEISSMANN: I also think it is important to remember that the government did not put waste manage and Sunbeam into this case. It was in the case because the defendant had actually violated the law and SEC regulations in those cases and was specifically discussing this in October as one of the problems that they faced when the SEC was coming knocking again with respect to Enron.

What we did is we followed the evidence in the case which led us to the problems that Arthur Andersen was having and these were extraordinary problems. There was no other accounting firm in this nation who had, had the problems with the SEC that Arthur Andersen had.

We followed the evidence and it gave a very powerful motive which was proved out by the jury's verdict for Arthur Andersen to have obstructed justice.

WHITFIELD: You have been listening to the prosecutors in the Arthur Andersen case. A clear victory for them. They say this now paves the way as they pursue the energy firm Enron.

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