

Enron-Crushed for Corruptiopn

Written by Steve Marr
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"Public records now document that both Enron senior management, accounting staff, and the auditor - Auther Anderson, knew that past earnings were overstated by five hundred million dollars, and liabilities were understated potentially by billions of dollars. The result was the largest bankruptcy filing in U.S. history, and the evaporation of 80 billion dollars of stock market value within the past year.

"Clearly, the auditors - Arthur Anderson, and key management executives knew in February 2001 that the company was in serious trouble and failed to honestly communicate that fact to the employees and public. Scripture instructs us, "...one who knows the right thing to do, and does not do it, to him it is a sin" (James 4:17 NASB). A Christian, who may become knowledgeable of the facts surrounding the coming collapse, had a responsibility to insist that prompt and complete disclosures be made within the company. If senior management refused appropriate disclosure, I believe a Christian then needs to resign, rather than keeping silent about wrongdoing. Going bankrupt by itself is not a sin, but failing to be straightforward with investors, creditors and employees is sinful.

"Second, Enron engaged in partnerships where much Enron business was diverted to partnerships controlled by high-level officers at Enron. In the future, the legal system will determine if these partnerships were a violation of the law, but clearly these partnerships violated the principle of avoiding the appearance of conflict. Paul taught "Do not merely look out for your own personal interests, but also for the interests of others" (Philippians 2:4 NASB). Christians in the business world need to ensure that we not only meet the legal standard of conduct, but avoid any appearance of conflict of interests.

"Finally, many investors in Enron lost substantial money, but the hardest hit group were Enron employees, many of whom who invested 100% of their retirement funds in company stock. King Solomon wrote, "Divide your portion to seven, or even eight, for you do not know what misfortune may occur on the earth" (Ecclesiastes 11:2 NASB). Nearly three thousand years ago we were instructed to diversify our investments, no matter how attractive any one investment may appear. Failure to observe this Biblical principle can spell disaster for anyone."

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