

# Enron – where are they now?



## Martin Malinow

**Career at Enron:** Malinow was hired in 1998 by Lynda Clemmons as the fourth person on the weather team in Houston.

**Best thing about Enron:** "It was a lot of young, smart dynamic people that had very much created an investment banking culture in an energy company in Houston. You had people that were super motivated. There was a line outside the gym every morning for it to open at 6am."

**Corporate culture:** "You would get a full hearing on any idea you had, and if it was a good enough idea and you got senior management buy-in on it, you would get the responsibility to pursue the idea commercially."

**Enron's legacy:** "The people didn't disappear. The most successful people at Enron are generally doing what they were doing 10 years ago, and doing it pretty well."

**Career after Enron:** Malinow left Enron along with Clemmons and others from the weather team in March 2000 to go to XL Capital, a Bermuda-based insurance company, to start Element Re, which later became XL Weather & Energy. He also served as president of the Weather Risk Management Association from 2008 to 2010.

**Current role:** Co-founder and chief executive of weather risk management firm Galileo.



## Ron McNamara

**Career at Enron:** McNamara was hired by Enron in 2000 as director of government affairs in the power business. He left in June 2001.

**What went wrong at Enron:** "The reason it blew up was primarily because of the asset valuation issues certain employees were trying to keep from affecting the stock price. It didn't have to do with the electricity or gas businesses, it had to do with things such as the ventures into international markets, water and broadband. The other parts of the company that were focused on natural gas and electricity were based on a pretty solid business model."

**Enron's legacy:** "In some respects, the industry misses the leadership of an Enron. Right now we're in a vacuum and we have been for the last decade in terms of where we are going with this industry and what it's going to look like. Perhaps Enron's view was not the right one, but at the very least they were willing to spend money, advance the arguments and put their ideas out there for public debate."

**Career since Enron:** In July 2001, McNamara went to American Electric Power and subsequently worked for the Midwest Independent System Operator, Bear Energy and Saracen Energy Advisors.

**Current role:** Managing director of research and consulting business First Principles Economics.

*I was at Enron for five years because I believed it was the correct way of working and I still work in that way these days*

## Chris Moore

**Career at Enron:** Moore was the fortieth Enron Europe employee appointed. He started in September 1997 as a manager and was later promoted to director.

**Best thing about working at Enron:** "What I saw in Enron first was a very American can-do attitude. It's about looking immediately and urgently for the commercial opportunity. I would hope the Enron approach is in my blood. I was at Enron for five years because I believed it was the correct way of working and I still work in that way these days."

**Lessons learnt at Enron:** "What Enron did for me is give me both a skill set that was unique in the market and a philosophy that was also unique. To me what that means is looking at a future opportunity like some type of commodity trade and deciding whether or not it's going to be profitable. Then putting together the resources and financing to penetrate the market and take a dominant position."

**Enron's legacy:** "Enron brought risk mitigation, both in terms of tools and products, to the energy market. Those tools and products are still there now."

**Current role:** Director at biomass company MGT Power.

*People really believed they could change things... Energy markets wouldn't be what they are now without Enron*

## Tani Nath

**Career at Enron:** Nath joined Enron in 1992 to develop power and gas trading and was also engaged in the commercial operation of Teesside Power. In 2001, she became involved in power plant development and was the project leader on the commercial side on the Sutton Bridge Power Station. At the time of Enron's demise she was head of structuring and research.

**Enron's culture:** "Enron Europe was very diverse and quite an intellectual hothouse, very creative and pretty disciplined. The great thing about it was that people really believed they could change things. And Enron did change things. Energy markets wouldn't be what they are now without Enron."

**Enron's legacy:** "Enron-trained people who are now scattered across the commodity markets. I think the risk management framework and the mark-to-market approach are fundamentally down to Enron having existed."

**Career since Enron:** Nath was head of structuring for power and gas trading North West Europe at BP and then ran BP's UK gas marketing business, followed by its UK gas and power downstream business.

**Current career:** Since 2007, Nath has been chief operating officer for commodities at Barclays Capital, based in London.

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## Cindy Olson

**Career at Enron:** Olson was present at the birth of Enron, working in accounting and internal audit at InterNorth when it merged with Houston Natural Gas in 1985. She was there until mid-2002. She worked her way up to become a member of the executive committee with positions in finance, back-office operations, community relations and human resources.

### Best thing about working at

**Enron:** "It allowed you to use your God-given talents to achieve more than you ever dreamed you could."

### Worst thing about working at

**Enron:** "The hours and weekends you spent working because you loved it so much, but looking back I feel it robbed me of some of the time I could have spent with my family."

### Enron myth you'd most like to dispel:

"That we came to work every day looking for ways to defraud investors. We did not. We came to work everyday because we loved it and we felt we really could change the world."

**Current role:** Olson has worked for the past three years to create an index rating for public companies that predicts the risk culture of a company. "I believe that our rating process and remediation work will help companies avoid a similar fate to Enron."

*The thing that binds most of us is the experience of seeing your entire world collapse in a matter of two weeks*

## John Paskin

**Career at Enron:** In 1997 Paskin took a job in IT with Enron Europe, managing back-office systems. He worked on Enron's IT development in both Houston and Europe and helped roll out SAP software implementation for Europe. He became chief information officer for Enron's corporate systems and remained in that role until Enron's collapse.

**Lessons learnt at Enron:** "Learning how to deliver IT systems that users want quickly and the development of management skills, both in bringing on excellent people and helping demotivated people leave the organisation, which unfortunately is an important skill to have."

### Strength of the ex-Enron network:

"The thing that binds most of us is the experience of just seeing your entire world collapse in a matter of two weeks. It's unusual and sharing that creates a sort of bond."

**Career since Enron:** He became head of IT at Continuous Links Settlement before working in IT for BP over a period of seven years.

**Current role:** Chief executive officer at Commodity Flow, an independent systems consultancy specialising in energy trading products and services.

*We showed them the margins that were available and they were amazed*

## Nick Perry

**Career at Enron:** Hired in 1993, Perry was the first person taken on by Enron Europe to work on projects other than Teesside Power. He became vice-president, UK gas business, spent a year in Moscow as vice-president of Enron Russia Development Corp, and served as an Enron Europe board member from 1996 to 1997. Perry hired Louise Kitchen and Richard Harper.

### Biggest surprise about Enron:

"I thought carefully before I joined as I was concerned about burn out, but I found the job didn't wear me out even though it was by far the highest intensity work I have ever done."

**Enron's legacy:** "I think Enron showed the banks that you could do remarkable things in markets that looked rather dull. We showed them the margins that were available and they were amazed that an energy company could come up with the ideas that we had."

### Career since leaving Enron:

In 1998, he became a founder-shareholder of Caminus LLP, later Caminus Corporation, a consulting and software house serving the energy sector.

**Current role:** Perry now runs his own consultancy, Perry Energy Services.



## Mark Pickering

**Career at Enron:** After joining Enron in Houston at the end of 1995, Pickering headed the front-office IT development team for two years. He then moved back to the UK to become chief information officer (CIO) for Enron Europe, for about three-and-a-half years. He was the group CIO during the last few months before the collapse.

**Best thing about Enron:** "The commercial people really believed that technology could help give them a competitive advantage. At Enron they really embraced the whole idea that you can make more money by having the best systems out there, along with the fact that we were building them ourselves. That's a technologist's dream: an organisation that wants to succeed and wants you to build the best systems you possibly can."

**Enron's legacy:** "There are quite a few people working in energy trading and risk management software companies today that have worked for Enron."

**Career since Enron:** Pickering was global CIO at Shell Trading from 2002 to 2008 and has been a non-executive director at Amphora since July 2008. He was CIO at EDF Trading from 2008 to 2010 and senior adviser at Eleven Canterbury from November 2010 to present.

**Current role:** In January 2011, Pickering founded IT consultancy CIO Squared.



## Joe Pokalsky

**Career at Enron:** Vice-president of energy trading and risk management from May 1991 to May 1996. He integrated the disparate physical and futures trading teams with the marketing teams to create one, centrally managed gas investment bank.

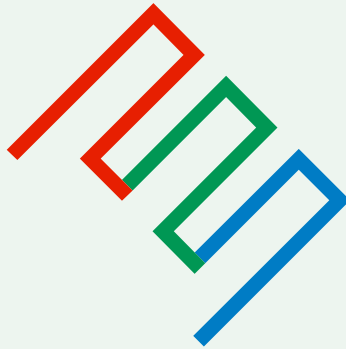
### Best thing about working at Enron:

"Originally, it was the entrepreneurial culture that provided the freedom to pursue original ideas without having to run a gauntlet of frustrating checks and balances, with only the caveat of having to answer to the performance review committee at the end of the year."

### Worst thing about working at Enron:

"The realisation that senior management had come to believe that they, not the people that reported to work every day, were solely responsible for the company's success. Unfortunately, this belief allowed management to disregard concerns from the company's best leaders and enter into businesses that were too far away from the company's core competencies. This ultimately led to earnings exaggerations and off-balance-sheet transactions in these new businesses that led to the company's downfall."

*Enron pioneered the financialisation of energy commodities in the early 1990s*



**Enron's legacy:** "Enron pioneered the financialisation of energy commodities in the early 1990s by building the pre-eminent financial and physical trading, research and product development, and information technology organisation. It truly did make transacting in the wholesale markets 'Better, Faster, Simpler' [an early Enron mission statement]. It recapitalised the independent oil and gas sector, created new demand for gas in power generation and shifted the paradigm for locational pricing of gas from pipeline tariff-based to market-based."

**Career since Enron:** Pokalsky left Enron to join Southern Company Energy Trading and Marketing in 1996, which then became Mirant. Subsequent roles included executive vice-president, risk management services at Altra Energy and managing member at Energy Vertical Analysis.

**Current role:** Senior risk manager at Energy Consulting Group, the service company for Co-operative Energy, a generation and transmission corporation comprised of seven Georgia-based electricity market entities.



## Paul Posoli

**Career at Enron:** Posoli joined Enron in 1995 and worked on the structuring desk.

**Enron's appeal:** He told *Energy Risk* in a 2009 interview (see [www.risk.net/1523183](http://www.risk.net/1523183)) that he was impressed by innovative ideas such as the volumetric production payments pioneered by Enron.

**Career since Enron:** Posoli left for independent power producer Calpine in 1999, where he set up a joint venture with Bear Stearns. He later moved to Bear Energy, where he worked on the acquisition of former Enron competitor Williams Power Company.

**Current role:** Head of global power, gas, coal and emissions at JP Morgan, which acquired Bear Stearns in 2008.



## Geoffrey Roberts

**Career at Enron:** Roberts joined Enron in 1991 to work at Citrus, a joint venture between Enron and Southern Natural Gas. He moved to Enron Gas Services and then to London where he was president and chief executive of Enron Europe. After that he was managing director for Enron Capital & Trade, North America, followed by MD for Enron International and then MD for Enron in Asia-Pacific until he left the company in January 1999.

**Enron's success:** "We really had a good and deep understanding of the fundamentals of the market. What really makes a great trading floor is its level of communication, and how well the group interacts and shares information."

### Worse thing about working at Enron:

"One of the biggest challenges globally at Enron was that the back office was never given the same level of recognition as the deal side. The back office was often playing catch-up. A lot of the organisation had very strong incentives to get deals done, and while that can be a very good thing, it can also lead to potentially bad behaviour."

**Career since leaving Enron:** Roberts was president and chief executive officer of Entergy until 2004.

**Current role:** Chief operating officer of a waste-water industry company, SuperOx Holdings, and serves on four energy industry boards.

# Enron – where are they now?



## Thomas Schmitz

**Career at Enron:** Schmitz joined Enron Europe in 2000 in the gas transportation business in Frankfurt. He later moved into power trading.

**Lessons learnt at Enron:** "Definitely the can-do attitude. Even though it was a big company, you just treated your project or your unit as if it was your own business."

### Overall impression of Enron:

"It was a great company to work for, especially because of the work environment – it was a competitive and fun workplace with great people. The network is still very strong. I use my network from my days at Enron every day."

**Enron's legacy:** "When I started at Enron, German wholesale power prices had already come down by 25%. In terms of gas deliveries, we undercut the incumbent sometimes by as much as 30%, so we definitely brought prices down. Enron introduced competition into the European energy markets, which in turn managed to always ensure, not lifelong low prices, but the lowest possible price in the current environment for the consumer."

**Current role:** Executive manager at D-CyphaTrade, which provides marketing and business development services for electricity futures and options contracts listed on the Australian Stock Exchange's 24-hour trading platform.

*We were the only firm able to integrate the power plant and asset business with the trading business*

## John Sherriff

**Career at Enron:** After joining the Houston office in 1994 to work on the natural gas desk, Sherriff moved to London in October 1996 to manage gas and electricity trading. In 1999 he became president of Enron Europe and in 2000, when Mark Frevert moved back to Houston, Sherriff became chief executive and president of Enron Europe.

**Enron's legacy:** "We really opened up trading in continental Europe. We were the only firm able to integrate the power plant and asset business with the trading business. Enron also created the weather, coal and shipping trading businesses."

### Best and worst things about Enron:

"If someone had an idea, it was fairly easy to get approval for it. Because of that it attracted a lot of innovators. However, we probably started a few too many businesses. Every new business starts as a drain on finances and takes a while to bring money in so if you have too many start-ups all at the same time, it can cause problems."

**Career since Enron:** In 2008, Sherriff became president of oil and gas company Incline Energy.

**Current role:** Owns Lake Tahoe Financial, which invests in lawsuits, particularly commercial cases, by buying a share of the plaintiff's contingent proceeds.



## Stuart Staley

**Career at Enron:** Staley spent six years at Enron from 1995, at first in the US electricity business. He then moved to London to build the international coal and freight business in 1998.

**Enron's workforce:** Staley told Energy Risk in a 2009 interview (see [www.risk.net/1560790](http://www.risk.net/1560790)) that the people at Enron were "an inspired peer group" and that the company offered "significant responsibility at an early age because the business was growing very quickly and they were always at the leading edge in developing new markets".

**Enron's collapse:** In the same interview, Staley said the market had benefited from Enron's collapse by developing a clear recognition of the price of credit after Enron "proved definitively that you can't build a highly leveraged trading house on a BBB balance sheet".

**Career since Enron:** Staley spent two years as chief executive of AEP Energy in London before joining Citi in May 2004. He headed Citi's North American commodities business from Houston until January 2010.

**Current role:** Managing director and head of global commodities at Citi.

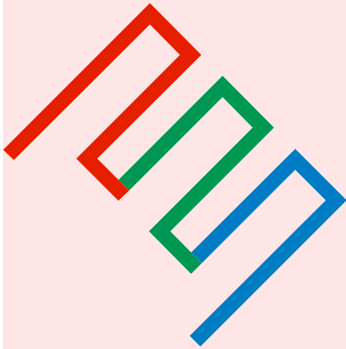


## Phil Stokes

**Career at Enron:** After joining Enron in August 1991 as one of the first UK employees, Stokes was involved in the construction of the Teesside plant until 1993. Until 1995, he was the engineering and maintenance manager on the operations side of the plant. From 1995 to 2000, Stokes was the site director and in March 2000 he started up a new business within Enron called Nepco Europe, which built new power stations for third parties. Nepco Europe was a subsidiary of an American group – National Energy Production Corporation – that was wholly owned by Enron, and Stokes was director until November 2001.

**Response to the collapse:** "At Nepco Europe we'd just won ourselves about £100 million of contracts. Those contracts were all shut down as a result of the Enron collapse because of the cross-company liabilities under the administration process, even though Nepco Europe was a profitable company. At the time of the collapse, we had 175 people, all of whom lost their jobs over 24 hours. Pretty much in the last few hours of business on Friday November 30, 2001, some of us agreed we would try to reinstate the business. We managed to get 10 people together over the weekend and when we met in the office on Monday we were able to start a new independent business called NEL Power Ltd. Over the next six months we were able to





reinstate about 85 of the jobs and two of the three contracts that we'd lost in the collapse."

**Lessons learnt at Enron:** "I can honestly say that from November 2001 onwards, in all the businesses I've run or been involved with, I only think about one thing now: cash. I don't think of profit any more. That's probably the most important lesson I've learnt in life. I remember someone saying to me 20 years ago that cash is king and profit is a myth."

**Best things about working at**

**Enron:** "Innovation and creativity. I do not regret working for Enron and feel proud to have been part of it. Even today, companies copy the activities that they started 15 to 20 years ago."

**Career since Enron:** Stokes spent seven years running NEL Power as managing director, two years as managing director of two of the six Welsh power companies, and then a year working for Dong Energy UK.

**Current role:** Self-employed consultant, managing three wind farms for a joint venture between Centrica and EIG, and developing a number of sub-50-megawatt power plants.



**Peter Styles**

**Career at Enron:** Joining Enron Europe in 1992 as European chief legal counsel, Styles was one of the first 30 employees. In 1995, Styles was appointed commercial vice-president for European business development and worked on the negotiation of gas supply and transportation projects. In 1996, he became vice-president for European government affairs with a focus on Germany and the Netherlands. Styles then started an Enron office in Brussels in 1998, where he stayed until the end.

**Best thing about working at**

**Enron:** "The best thing for me was being involved in the earlier days of Enron. From 1992 to 1994, we were laying the groundwork for the future model for independent power plant development. During the 1994 to 1998 period, we pioneered a vision of how to operate a wholesale energy market business in a liberalised power and gas sector."

**Worst thing about working at**

**Enron:** "The worst thing was still being there for the last 18 months. A lot of us should have got out, but that's easier said than done. At the time, you don't realise what's happening. It became a fight for survival and, ironically, those who survived were, at the end, those who couldn't survive any longer."

**The Enron myth you'd most like**

**to dispel:** "The myth that Enron was

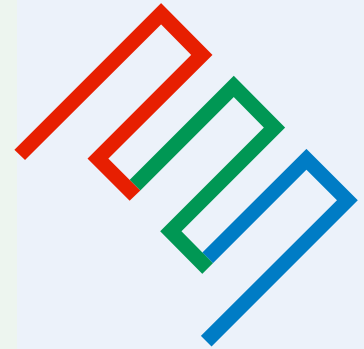
*[It is a] myth that Enron was brought down by its energy trading business – quite the opposite is true*

brought down by its energy trading business – quite the opposite is true. The energy trading business, in terms of the cash generation and the volumes that were being constantly added, could have been the salvation of the group. This was the business that was growing and was profitable."

**Enron's legacy:** "Its legacy was establishing a vision of how a wholesale gas and power market can be built on the basis of free competition, non-discriminatory grid access and demolition of barriers to entry. A market that will not only allow participants to prosper, but also bring greater efficiency and transparency to the business of supplying and consuming energy throughout the economy."

**Career since Enron/current role:**

After Enron, Styles set up two businesses: Stratos European Policy, which focuses on European Union policy trends, and Stratos Energy Consulting, which advises on market developments and market design. He is also a board member and chairman of the electricity committee at the European Federation of Energy Traders.



**John Thompson**

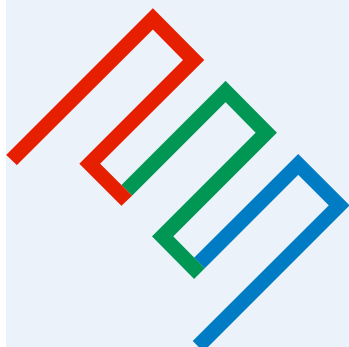
**Career at Enron:** Thompson moved from Wintershall to open Enron's German office in March 1996 where he led the development of Enron's German power business. The Frankfurt- and London-based team that focused on the German market had grown to more than 50 by the time Thompson moved to London in 2000 as vice-president with a broader business development remit throughout the continental European market.

**Greatest achievement at Enron:**

"The greatest achievement of our team was cracking the German market. After meeting with hundreds of leaders of municipal works we finally found one crazy enough to do a deal with us! Enron then moved everything to make it work. This included fighting the regional power company and getting the German Cartel Office on side, not to mention sourcing the power."

**Enron's legacy:** Enron pioneered a way of thinking about markets that, once introduced, made it difficult to think any other way. It was like eating fruit from the tree of knowledge in the Garden [of Eden]. Before Enron, people said deregulation and liberalisation went against the natural order of things, but, once Enron not only explained but demonstrated to people how things could work, it was never possible to think of things in the old way again."

# Enron where are they now



## Career since Enron/current role:

In 2006 Thompson set up a commodity hedge fund business, Energy Alpha Strategies (EAS), with a management consultant he met when giving a lecture on Enron. Over the past five years they have worked with more than a dozen fund managers marketing and, in some cases, setting up and helping to operate their fund management businesses. Several former Enron colleagues have been clients. Now EAS is launching its first joint-venture hedge fund with a leading trader where EAS will take on the chief operating officer and investor facing responsibilities, allowing the trader to face the market and trade with minimal distraction. More such deals are in the pipeline.

*Enron pioneered a way of thinking about markets which, once introduced, made it difficult to think any other way*



## Lauren Urquhart (now Bertwistle)

**Career at Enron:** Urquhart started as a temporary receptionist in 1993 and then moved into corporate development as a team assistant, followed by a move into treasury and then the southeast European team. After that, John Sherriff approached her to become his assistant, a role she stayed in until summer 2001.

**Impressions of Enron:** "Working there was an amazing experience. I was 23 years old when I joined and before I'd been working in a pub like every Aussie does in London! I got to wine and dine in the best restaurants in London, the offices were palatial and there was a fully-equipped gym in the basement that you could go to at any time."

**Best thing about Enron:** "Working for John Sherriff. He and Mark Frevort had such a great way of addressing the staff. They were 10 or 15 years ahead of their time. I still see the trends today of what John started more than 10 years ago. He loved to have early breakfast meetings at around 6.30am and he'd invite a diverse cross-section of people from across the organisation who might not ordinarily meet up."

**Career since Enron:** Urquhart left Enron to join Dynegy but decided to return to Australia at the end of 2001.

**Current role:** Executive assistant, P&H MinePro Services, Australasia.



## Jonathan Whitehead

**Career at Enron:** Whitehead started with Enron Europe on the analyst and associate programme in 1996 and was with the company until the end. In 1997 he was promoted to manager, gas trading, working for Louise Kitchen. By the time Enron filed for Chapter 11 bankruptcy protection in 2001, he was running the liquefied natural gas business in Houston.

**Lessons learnt at Enron:** "To always ask the question 'why?' At Enron you were taught to question everything and never accept something as 'that's the way it's always been'."

**Enron's best legacy:** "The people. It's relatively rare to find a big commodities business that doesn't have a fairly senior ex-Enron employee in it."

## Career since leaving Enron:

After Enron, Whitehead worked at Dynegy Europe as vice-president of UK & European origination for a year, before moving to EDF Trading in 2003 as head of origination and business development. In 2007, he joined Barclays Capital as head of commodities sales and structuring for Europe, Middle East and Asia, until the end of 2010.

**Current role:** Deputy global head of commodities at Société Générale Corporate & Investment Banking.

*It felt like a wonderful opportunity to do some great things in engineering*

## Richard Williams

**Career at Enron:** Williams worked at Enron from 1991 to 1996 as a development engineering manager.

**Initial impressions of Enron:** "I was one of only two engineers and it felt like a wonderful opportunity to do some great things in engineering."

**Memorable moments:** "When Rebecca Mark became the head of our team she invited us to her house on Lake Conroe outside Houston. We flew out on Continental Club First, stayed in Houston, and drove out to her astonishing lakeside house. There were jet skis, a mariachi band and waiters manning a barbecue."

**Biggest frustration:** "We decided there was a viable LNG [liquefied natural gas] project in Yemen. The negotiations were protracted and I wrote many versions of a memorandum of understanding between Enron and the Yemeni oil ministry. Finally, we got letters of intent for the sale and purchase of about half of the LNG output when Yemen had a small revolution and the oil minister was shot. When the dust settled, Enron was out of the frame and our erstwhile partner Total was in. Later, we got sight of Total's MOU: I recognised much of my phrasing."

**Current career:** Williams builds with straw bales and has won an award for one such structure in his garden. He intends to retire and build a straw-bale house in Hampshire to live in.