

# Enron executive claims files have been shredded

By William Neikirk  
Chicago Tribune

WASHINGTON (KRT) — A former Enron Corp. executive said Monday that company documents were destroyed at its Houston headquarters even after the federal government began investigating the firm's spectacular collapse last fall.

The startling accusation of document shredding prompted Enron's attorney, Robert Bennett, to say that the company would immediately look into the allegation made by former executive Maureen Castaneda in an ABC News interview.

Displaying a box of shredded material, Castaneda, identified by ABC as the former director of Enron's foreign investments section, said the document destruction began after Thanksgiving and continued as late as last week in the 19th-floor accounting office of the company's Houston headquarters. She said she got the box of paper to use for packing material and that there were "a lot more" boxes like the one she showed on the air.

Federal authorities and congressional committees are already investigating the shredding of documents by Enron's auditor, Andersen LLP, in connection with Enron's failure. The revelations that Enron may have done the same thing added a new dimension to the burgeoning scandal.

"It's one thing to make bad business decisions; it's another thing to cover up bad business decisions," said Ken Johnson, spokesman for

Rep. Billy Tauzin, R-La., chairman of the House Energy and Commerce Committee, one of the panels investigating the firm. "If it's true, this is an even bigger mess than we thought."

Johnson said the committee undoubtedly would look into the new allegation and probably call Castaneda to testify. Meanwhile, the panel will hold a session Thursday to hear evidence on the shredding of documents at Andersen, and is threatening to force a former Andersen auditor, David Duncan, to testify. Duncan has sought a postponement.

Castaneda told ABC she found shredded paper with references to some of Enron's controversial businesses partnerships, such as Jedi, which the firm used to hide millions of dollars in debt.

"A lot are accounting documents," she added. "You can tell because of the colors yellow and pink."

"I left the second week of January, and the shredding was going on until the day I left, and I have no idea if it continues," said Castaneda, who worked across the hall from the accounting office.

Bennett issued a statement after the broadcast, saying that "we are investigating the circumstances of the reported destruction of documents. In October, the company issued several directives to all Enron employees worldwide that all relevant documents should be preserved in light of pending litigation. If anyone violated these directives, they will be dealt with appropriately."

The Securities and Exchange

Commission began investigating Enron in mid-October, and this month the Justice Department said it had opened a criminal investigation. Other federal agencies are looking into various aspects of Enron's collapse. A number of committees on Capitol Hill have launched their own probes.

Enron's demise has political significance in that the firm was an active contributor to political campaigns, especially those of President Bush. The firm gave money to both parties and lobbied extensively for its causes in the nation's capital.

The investigations cover not only the shredding of documents, but also the possibility of criminal behavior in the use of partnerships to hide the true financial condition of the company from investors. Some congressional Democrats also allege that the Bush administration's energy policy was heavily influenced by Enron and its top executive, Kenneth Lay.

The shredding of documents also is becoming a major issue in a suit against Enron's board and its officers. William Lerach, attorney for plaintiffs who have sued the firm's board and its officers, said he plans to take the box of shredded documents to federal court, according to The Associated Press.

"They even shredded on Christmas Day," Lerach told the AP.

Chicago Tribune correspondent Flynn McRoberts in Houston contributed to this report.

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## King supporters favor non-violence

By Dahleen Glanton  
Chicago Tribune

ATLANTA (KRT) — Rev. Martin Luther King Jr.'s birthday was celebrated across the country Monday in typical fashion: glittery parades, fiery ecumenical services and a proclamation signed by President Bush. But beneath the surface of this year's tribute to King, a man who devoted his life to non-violent social change, there was a rumbling of discontent among civil rights activists who believe the war in Afghanistan is wrong.

Though King supporters refused to use the holiday as a platform for their stance, there is a growing sentiment among those who believe in King's philosophy that war under almost any circumstance is unacceptable and that the military use of force in Afghanistan must stop.

"I believe that (King) would feel the same as I do, that we would like to see our country take the moral high ground and try to bring those people to justice and address the issue of terrorism through diplomatic and law-enforcement channels rather than so much bombing and killing," said Rev. Joseph Lowery, who co-founded the Southern Christian Leadership Conference with King. "The government has the responsibility to make the nation safe, but the means by which we respond defines us more than what our enemies do to us."

Since the Sept. 11 terrorist attacks, some high-profile civil rights leaders have engaged in a delicate balancing act, weighing their long-time commitment toward non-violence with the nation's overwhelm-

ing support for the president's call to war against those nations that support terrorism.

During an ecumenical service at Atlanta's Ebenezer Baptist Church, attended by First Lady Laura Bush, there was barely a mention of the war on terrorism. However, Coretta Scott King, the civil rights leader's widow, as well as former U.N. Ambassador Andrew Young and others have quietly stated in recent months that war conflicts with King's teachings.

King, a recipient of the Nobel Peace Prize in 1964, preached the philosophy of non-violence as a way of life. And many of his supporters said those words are as relevant today as they were when King spoke out against the Vietnam War in the 1960s, drawing the ire of President Lyndon Johnson as well as many prominent African-Americans.

"I thought we made progress on war, but it looks like the situation with us is getting worse," Young, a King protégé, said during a televised fireside chat with civil rights leaders in Atlanta in September. "Dr. King said the bombs you drop in Vietnam will explode at home. The bombs we drop on the Middle East will explode at home quicker."

On the same program, Coretta King, an acknowledged pacifist, said: "I shudder to think of the prospect of war, an endless cycle of war is what we will be getting into."

Lowery, who worked at King's side during the civil rights movement, said the slain leader would be "saddened by the fact that we

still resort to so much violence both domestically and internationally."

Groups in Atlanta have protested against expanded racial profiling supported by the Bush administration, fearing that it could be unjustly applied to blacks.

In Washington, Black Voices for Peace on Monday held a five-hour assembly of community organizers at the Metropolitan AME Church to plan a national campaign seeking a new U.S. foreign policy promoting permanent peace and organizing support for those unemployed because of the Sept. 11 terrorist attack and the anthrax crisis.

Martin Luther King III, head of the SCLC, said during a King celebration in Knoxville, Tenn., last week that more than 33 years after his father's death, his goal of eliminating racism, poverty and violence remains a dream. He urged Americans to observe his father's holiday by "doing something that will uplift the dream and make the dream become a reality."

In Boston, King's eldest daughter, Yolanda, told 1,500 people at the city's largest annual MLK Memorial Breakfast, that Sept. 11 had erased racial differences — for now.

"Skin color was covered by the ash of burning towers," she said. "Perhaps the best response to this tragedy is not to go back to normal."

Chicago Tribune correspondent Glen Elsasser and Tribune news services contributed to this report.

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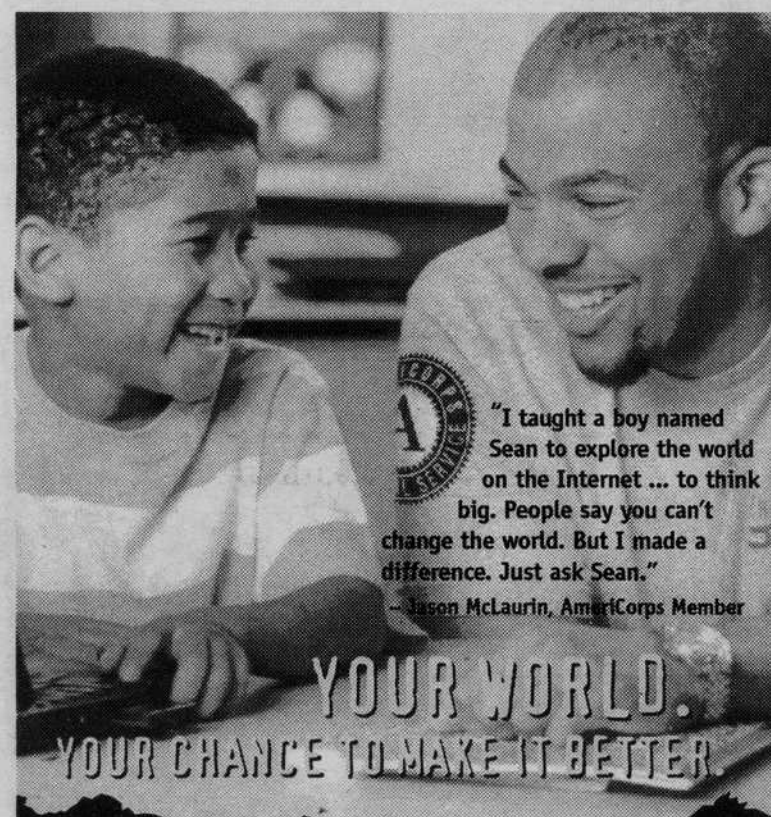
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