REPORT OF INVESTIGATION OF ENRON CORPORATION AND RELATED ENTITIES REGARDING FEDERAL TAX AND COMPENSATION ISSUES, AND POLICY RECOMMENDATIONS

VOLUME I: REPORT

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION

At the Request of
Senator Max Baucus
and
Senator Charles E. Grassley
of the
SENATE COMMITTEE ON FINANCE

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TRANSMITTAL LETTER

Senator Max Baucus
Senator Charles E. Grassley
Senate Committee on Finance
Washington, DC 20510

Dear Senators Baucus and Grassley:

By this letter, I am hereby transmitting to you an official report of the investigation of the staff of the Joint Committee on Taxation relating to Enron Corporation and related entities, which was prepared pursuant to your request dated February 15, 2002. This investigation took nearly a year to complete. The Joint Committee staff spent countless hours reviewing documents and other information, interviewing individuals relevant to the investigation, and preparing this Report, while at the same time continuing to perform the normal legislative duties with which the Joint Committee staff is charged.

Each member of the Joint Committee staff contributed to the investigation. However, special recognition must be given to certain members of the Joint Committee staff who devoted much of their time during the last year to the investigation. Mary Schmitt, Sam Olchyk, and Carolyn Smith coordinated all aspects of the Joint Committee staff work on the investigation and were each primarily responsible for certain aspects of the investigation. Other Joint Committee professional staff members who also had primary responsibility for the investigation include E. Ray Beeman, Nikole Clark, Robert Gotwald, Brian Meighan, David Noren, Cecily Rock, Carol Sayegh, Ron Schultz, and Allison Wielobob. Other professional staff members who contributed to the investigation include Roger Colinvaux, Patrick Driessen, Deirdre James, Laurie Matthews, Patricia McDermott, Pamela Moomau, John Navratil, Oren Penn, and Tara Zimmerman. Recognition is provided to the administrative and support staff who assisted with the investigation, including Jean Best, John Bloyer, Sean Corcoran, Kathleen Dorn, Jayne Gribbin, Debra McMullen, Neval McMullen, Kristine Means, Tracy Nadel, Melissa O'Brien, Lucia Rogers, and Patricia Smith. A special thanks goes to Christine Simmons, whose skill at pulling together an enormous document made the Joint Committee staff's work much easier.

The Joint Committee staff gratefully acknowledges the contribution of Christopher Hanna, Professor of Law, Southern Methodist University, who contributed to the Joint Committee staff investigation as a consultant and was particularly helpful in assisting the Joint Committee staff understand Enron's complex tax transactions. In addition, Claire Merkine who was with the Joint Committee staff for six months under a special fellowship program with the New York University School of Law, also assisted in the investigation.

Sincerely,

Lindy L. Paull
Chief of Staff

CONTENTS

Page

INTRODUCTION 1

EXECUTIVE SUMMARY 2

A. General Overview of the Investigation 2
1. Scope of Report 2
2. Methodology and scope of Joint Committee staff investigation 2

B. Enron's Business Operations and Tax-Motivated Transactions 5
1. Summary of selected tax information 5
2. Enron's development and use of tax-motivated structured transactions 8
3. Enron's foreign subsidiaries and other entities 11

C. Pension and Compensation Arrangements 12
1. Overview 12
2. Enron's qualified retirement plans 12
3. Other compensation arrangements 13

D. Summary of General Observations 16

E. Summary of Findings and Recommendations 17
1. General findings relating to business tax matters 17
2. Specific recommendations relating to business tax issues 18
3. General findings relating to pensions and compensation 19
4. Findings and recommendations relating to pensions and compensation 19

PART ONE: GENERAL OBSERVATIONS, RECOMMENDATIONS, AND FINDINGS 21

I. GENERAL OBSERVATIONS 21

II. GENERAL FINDINGS AND RECOMMENDATIONS RELATING TO BUSINESS TAX MATTERS 25

A. General Findings Relating to Business Tax Matters 25
1. Cost-benefit analysis with respect to tax motivated transactions 25
2. Business purpose 25
3. Accommodation parties 25
4. Tax advisors 25
5. Generally accepted accounting principles relating to accounting for Federal income taxes 26
6. Disclosure of tax-motivated transactions 26
7. Continued use of certain structured transactions 26

Page

B. Recommendations Relating to Corporate Tax Issues 27
1. Curtail duplication of losses 27
2. Strengthen rules preventing acquisitions made to evade or avoid Federal income tax ... 27
3. Strengthen the extraordinary dividend rules 28
4. Provide guidance on the replication of earnings and profits in a consolidated group 28

C. Recommendations Relating to Partnership Tax Issues 29
1. Strengthen disclosure of disguised sales 29
2. Strengthen partnership allocation rules 29
3. Provide guidance regarding transfers of partial partnership interests 29
4. Provide rules for the appropriate interaction between partnership rules and corporate stock nonrecognition rules 29

D. Recommendations Relating to International Tax Issues 31
1. Modify the rules for allocating subpart F income 31
2. Modify the interaction between the subpart F rules and the passive foreign investment company rules 31
3. Strengthen the earnings stripping rules 32
4. Require annual information reporting with respect to disregarded entities 32

E. Recommendation Relating to Financial Asset Securitization Investment Trusts 33
1. Repeal financial asset securitization investment trust rules 33

F. Recommendation Relating to Corporate-Owned and Trust-Owned Life Insurance 34
1. Repeal grandfather rules for pre-June 20, 1986 contracts 34

G. Recommendations Relating to Structured Financing Transactions 35
1. Modify the rules relating to the characterization and treatment of debt and equity 35
2. Modify the rules relating to disqualified indebtedness 35

III. PENSION AND COMPENSATION OBSERVATIONS, FINDINGS, AND RECOMMENDATIONS 37

A. General Observations with Respect to Pensions and Compensation 37

B. Findings and Recommendations Relating to Pension and Compensation Arrangements 39
1. Cash balance plan 39
2. Blackout periods under qualified plans 39
3. Investments under the Enron Savings Plan 40
4. Nonqualified deferred compensation 41
5. Stock-based compensation 42
6. Employee loans 42
7. Split-dollar life insurance contracts 43
8. Limitation on deduction of compensation in excess of $1 million 43

Page

PART TWO: GENERAL BACKGROUND INFORMATION 44

I. BACKGROUND AND METHODOLOGY 46

A. Background Information Relating to Joint Committee on Taxation Staff Investigation of Enron 46

B. Methodology and Scope of Joint Committee Staff Investigation 49

II. HISTORY OF THE COMPANY 58

A. Background 58

B. History of Business Operations 61
1. Formative years and the 1985 acquisition of Houston Natural Gas 61
2. Transition from natural gas company to diversified energy company: 1986-1995 63
3. Transformation to a marketing and logistics company: 1996-2001 65

C. Recent Financial History 72
1. Use of off-balance sheet entities to enhance financial performance measures 72
2. Financial performance and liquidity issues 77
3. Accounting irregularities, adjustments, and non-recurring charges to earnings for financial reporting periods 1997 to 2001 81
4. Illiquidity and failed merger attempts during November 2001 85
5. Bankruptcy reorganization and present condition 86

D. Enron's Federal Income Tax Position 90
1. Enron's consolidated Federal income tax filings 90
2. Interaction between Enron and the Internal Revenue Service 93
3. Enron's Federal income tax payments 98
4. Enron's reported present Federal income tax position 100
5. Federal income tax claims in Enron's bankruptcy proceeding 100

Page

PART THREE: DISCUSSION OF SELECTED TAX-MOTIVATED TRANSACTIONS AND BUSINESS ARRANGMENTS USED BY ENRON 100

I. STRUCTURED TAX-MOTIVATED TRANSACTIONS 102

A. Background and Rationale 102

B. Transactions That Raise Corporate Tax Issues 109
1. Discussion of relevant corporate tax laws 109
2. Projects Tanya and Valor 118
3. Project Steele 135
4. Project Cochise 147
5. Project Teresa 165

C. Transactions That Raise Partnership Tax Issues 181
1. Discussion of relevant partnership tax law rules 181
2. Project Tomas 189
3. Project Condor 208
4. Projects Tammy I and Tammy II 221

D. Other Structured Transactions 242
1. Project Apache 242
2. Project NOLy 260

E. Transactions in Which Enron is an Accommodation Party 274
1. Project Renegade 274
2. Project Valhalla 282

II. COMPANY-OWNED AND TRUST-OWNED LIFE INSURANCE 290

A. Summary 290

B. Background, Present Law, Discussion and Recommendations 290
1. Background and present law relating to the tax treatment of company-owned life insurance 290
2. Enron's COLI and TOLI transactions 298

III. STRUCTURED FINANCING TRANSACTIONS 304

A. Background and Rationale 304

B. Discussion of Present Law Relating to Certain Structured Financing Transactions 305
1. Debt characterization 305
2. Constructive sales 305
3. Disqualified indebtedness 306

Page

4. Straddles 307
5. Prepayment transactions 308
6. Notional principal contracts 310
7. Application of present law to Enron structured financing transactions 312

C. Tiered Preferred Securities 313
1. Brief overview 313
2. Background 313
3. Discussion 325
4. Recommendations 331

D. Investment Unit Securities 333
1. Brief overview 333
2. Background 333
3. Discussion 339
4. Recommendations 345

E. Commodity Prepay Transactions 346
1. Brief overview 346
2. Background 347
3. Discussion 358
4. Recommendations 362

IV. USE OF FOREIGN ENTITIES BY ENRON 363

A. Overview of Selected International Tax Rules 363
1. In general 363
2. Foreign tax credit 363
3. Anti-deferral regimes 365
4. Transfer pricing 367
5. Entity classification 368
6. Treaties 369

B. Enron's General International Tax Posture 370
1. Foreign tax credit problems arising from interest allocation rules 370
2. Planning techniques addressing the foreign tax credit problem 371

C. Proliferation of Foreign Entities in Enron's Ownership Structure 373
1. Background 373
2. General reasons for complex entity structures 373
3. The number of foreign entities in Enron's ownership structure 374
4. Sources of complexity in Enron's ownership structure 376

D. Transfer Pricing Issues 383

E. Recommendation: Information Reporting with Respect to Disregarded Entities 387

Page

V. OFF-BALANCE SHEET TRANSACTIONS 389

A. Overview 389
1. Introduction to off-balance sheet transactions 389
2. Description of Chewco and JEDI I structure and transactions 390
3. Description of LJM1 structure and transactions 395
4. Description of LJM2 structure and transactions 398

PART FOUR: ISSUES RELATING TO COMPENSATION 404

I. INTRODUCTION TO COMPENSATION-RELATED ISSUES 404

A. Overview of Issues Relating to Compensation 404

B. Overview of Enron Internal Functions Relating to Compensation 406

II. Qualified Plans 407

A. Overview of Present Law Relating to Qualified Retirement Plans 407
1. In general 407
2. Types of qualified retirement plans 409
3. General rules relating to investment of qualified retirement plan assets 414
4. Rules relating to investments of qualified retirement plan assets in employer securities 418
5. Other rules 420

B. Overview of Enron's Qualified Retirement Plans 425
1. In general 425
2. Recent and pending legal matters involving the Enron qualified plans 426
3. Administration of the Enron qualified retirement plans 430
4. The Enron Corp. Retirement Plan ("Enron Retirement Plan") 439
5. The Enron Corp. Employee Stock Ownership Plan ("Enron ESOP") 442
6. The Enron Corp. Cash Balance Plan ("Enron Cash Balance Plan") 449
7. The Enron Corp. Savings Plan ("Enron Savings Plan") 452

C. Discussion of Specific Issues 458
1. Phase out of the ESOP offset under the Enron Corp. Retirement Plan 458
2. Conversion of the Enron Retirement Plan to the Enron Cash Balance Plan 475
3. Enron ESOP Investment in Enron Stock 487
4. Change of recordkeepers under the Enron Savings Plan 493
5. Investments under the Enron Savings Plan 515
6. Allegations of misuse of benefit funds 540

III. OTHER COMPENSATION-RELATED ISSUES 545

A. General Overview of Compensation 545

Page

B. Overview of Executive Compensation Arrangements 558
1. In general 558
2. Bonuses 566
3. Special compensation arrangements 579
4. Board of Directors compensation 584

C. Discussion of Specific Issues 592
1. Nonqualified deferred compensation plans 592
2. Stock-based compensation 637
3. Employee loans 665
4. Purchase and reconveyance of Kenneth L. Lay's annuity contracts 679
5. Split-dollar insurance arrangements 686
6. Limitation on deduction of certain executive compensation in excess of $1 million 701