INTRODUCTION

This document,[1] prepared by the staff of the Joint Committee on Taxation ("Joint Committee staff"), is an official report of the Joint Committee staff investigation relating to Enron Corporation and related entities. This investigation began in February 2002 at the request (by letter dated February 15, 2002) of Senator Max Baucus and Senator Charles E. Grassley of the Senate Committee on Finance.

The Joint Committee staff is publishing this Report in three volumes. Volume I contains the Joint Committee staff report of investigation. Volume I is divided into Four Parts: Part One is the general observations, findings, and recommendations; Part Two contains general background information including the methodology and scope of the Joint Committee staff investigation and a history of the company; Part Three provides a detailed discussion of certain of Enron's tax-motivated business transactions and other business tax issues; and Part Four provides a detailed discussion of Enron's pension plans and compensation practices.

Volumes II and III contain four Appendices to this Report. Appendix A (general information relating to investigation) and Appendix B (information relating to Enron's tax-motivated transactions) are contained in Volume II. Appendix C (tax opinion letters with respect to Enron's tax-motivated transactions) and Appendix D (pension and compensation-related materials) are contained in Volume III.

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[1] This document may be cited as follows: Joint Committee on Taxation, *Report of Investigation of Enron Corporation and Related Entities Regarding Federal Tax and Compensation Issues, and Policy Recommendations* (JCS-3-03), February 2003.

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