



Ex-Enron Finance Exec May Get Reprieve

Why does the government want to reduce the charges against the former CFO of Enron's broadband unit? Also, three more ex-Enron execs await sentencing this week.

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The former chief financial officer of Enron's shuttered broadband unit will probably spend a lot less time in prison than he had originally anticipated. The government has recommended to toss aside four of five federal convictions against Kevin Howard because it doesn't believe the charges will stand up on appeal, according to the *Houston Chronicle*, citing court papers.

This means that Howard would face a maximum of 10 years in prison rather than 30 years, if U.S. District Judge Vanessa Gilmore follows the government's recommendation, noted the paper. The government conceded in the court filing that jurors may have convicted Howard on four counts of conspiracy and wire fraud based on a flawed theory presented by prosecutors. As a result, the conviction should be vacated, the government suggested, added the *Chronicle*.

Howard's lawyers believe that the fifth conviction of falsifying books and records also was tainted and should be thrown out, noted the report. But, prosecutors disagree. "It's great news for Kevin," Jim Lavine, one of Howard's attorneys, told the paper. "It would be even better news if the judge grants it on all five counts."

Howard was convicted of the five counts of fraud, conspiracy, and falsifying records in May. However, Michael Krautz, the former senior director of transactional accounting of the broadband unit, [was found not guilty](#) of the same charges.

In June, the *Chronicle* reported that two jurors and two alternates said that they felt pressured by fellow jurors to convict Howard. All four reportedly signed letters asserting that the trial of former Enron Chairman Kenneth Lay and former CEO Jeffrey Skilling—taking place in the courtroom next door—created a vindictive atmosphere. One juror claimed she felt the goal was to "fry" Enron's upper management, including Howard; another reportedly wrote that some jurors were bullied into [swapping](#) their guilty vote for Howard for a not-guilty vote for Krautz, the *Chronicle* stated.

The government's court filing made last week stems from an August ruling by the 5th U.S. Circuit Court of Appeals that threw out most 2004 convictions against four former Merrill Lynch executives in a separate Enron case, the paper explained. During the trial, the issue was raised as to whether Merrill executives deprived Enron of their "honest services" because they participated in a sham deal to help Enron book bogus earnings. However, the appeals panel ruled that the honest services theory did not apply because the defendants' actions were aligned with corporate goals and didn't rob Enron of property or money.

As Howard awaits sentencing, three other former Enron executives will learn their fate this week. The most high-profile sentencing among the group will take place on Wednesday, when Richard Causey, Enron's former chief accounting officer, appears before the judge. Causey could wind up serving more prison time than former CFO Andrew Fastow—who received six years—because Causey's plea deal doesn't provide for the same amount of sentencing flexibility as Fastow's plea, said the *Chronicle*. Causey was supposed to go on trial with former bosses Lay and Skilling, but late last year—about one month before jury selection began—he decided to [plead guilty](#) to securities fraud.

On Friday, former Enron investor relations chief Mark Koenig and Michael Kopper, Fastow's former right-hand man, are scheduled to be sentenced, added the paper.

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