

Low Man on the Totem Pole – How I became a White Collar Criminal

1. Introduction – The transaction, related charges and the consequences
2. Background
 - a. Mark to Market Accounting Overview – dangers/ risks and side effects (i.e., “gap Between earnings and cash flows)
 - b. “Project Alpha” myths debunked
 - i. NO off balance sheet debt or inflation of earnings
 - ii. Accounting Issue was a reclassification on the statement of cash flows FROM an operating cash flow to a financing cash flow (i.e., a loan)
3. Project Alpha – how it came to be
 - a. AA tax savings strategy pitched to Dynegy /combined with a long term physical pre-paid gas transaction
 - b. Early warning signs
 - c. Accounting Rules – vagueness surrounding “at risk” requirements for SPE’s
4. Closing the Transaction – New York
 - a. Issues with the bank and references to Enron that foreshadowed its collapse
 - b. “Deal breaker” moments
5. The After-math
 - a. October 2001 – Enron SEC investigation announced – “aha” moments
 - b. April 2002 – Wall Street Journal article exposes “Project Alpha” and SEC announces Dynegy investigation
 - c. Dynegy and bank settle with the SEC
6. The Department of Justice Announces Criminal investigation
 - a. Individuals working on the transactions become targets
 - b. June 12, 2003 – 3 Dynegy employees charges with Securities Fraud and wire and mail fraud
 - c. Changing plea from innocent to guilty
 - d. November 2003 - Jamie Olis trial
 - e. Living with sentencing looming
7. The Sentencing
8. Preparing for Prison - “Club Fed” doesn’t exist – what Prison is really like
9. “Project Alpha” Players - where are they now?
10. Lessons to live by
 - a. Trust your Gut
 - b. Look out for yourself because no one else will