

TEXAS JUSTICE

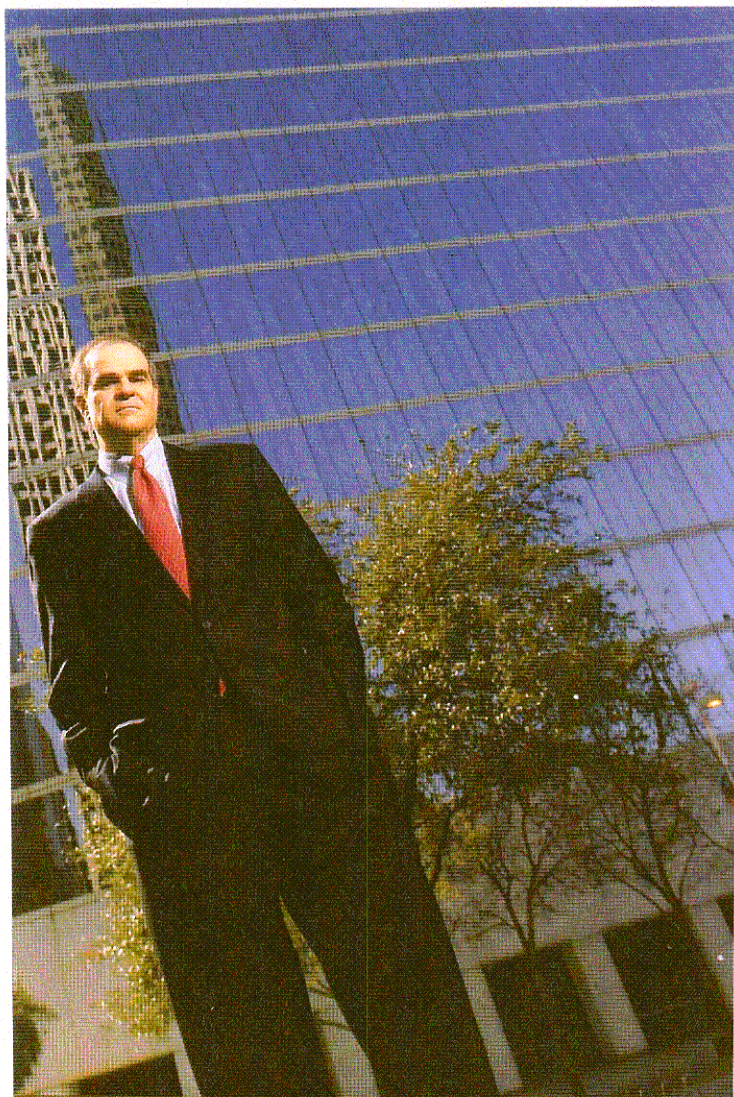


The Legacy of Historical Courthouses



Victoria

County Courthouse



"The Collapse of ENRON"

A Famous Texas Case as Told by

PHILIP HILDER

PHILIP H. HILDER & ASSOCIATES, P.C.

For a while, it looked as if the terrorist attacks of September 11, 2001, and the fighting that followed in Afghanistan would dominate the news for the rest of that year. Then came ENRON and whistleblower Sherron Watkins. No one ever thought that such an elaborate financial scandal could occur in the very heart of America's fifth largest corporation and the one known to be the country's most innovative—but it did. Enron's collapse would become the highest profile white-collar criminal investigation in American history. Hidden debt, false earnings reports and greed beyond comprehension and attorney Philip Hilder had a ring-side seat.

Weeks before the scandal even broke, executives on the inside knew something big was brewing. They began to seek counsel and to prepare for the coming investigation even before the government had time to take formal action. One of those executives was Sherron Watkins, who would soon be known as Enron's whistleblower. It was her internal memo to Enron's former chief executive and chairman Kenneth Lay that opened-up this whole can of worms. The memo to Lay, chairman since 1986, warned him of an elaborate accounting hoax and suggested that Enron would collapse in a wave of accounting scandals—warnings which quickly attracted the attention of investigators.

Watkins is a very astute woman and it not take her long to realize that it wasn't in her interest to be represented by Enron's legal counsel—the very people she thought were

complicit in the company's fall (many people at Enron were blind to interest conflicts, but Ms. Watkins wasn't one of them). Following a friend's advice, she contacted Hilder, a savvy former federal prosecutor and congressional aide.

As Watkins began telling Hilder about life at Enron, Hilder was both amazed and concerned for his new client. It sounded to him as though the world's most innovative company might also be the world's most crooked company and that most of the problems and the subsequent cover-up came from the top, with a lot of help from one of the world's most powerful accounting firm and one of the country's leading law firms. The ramifications were enormous. Indeed, it wasn't long before Enron's problems and the greed off its executives eclipsed the war on terror on the front pages of America's newspapers. When a Congressional investigator leaked Watkin's memo to the press, every major national newspaper, television network and cable company came running to her door.

While the cameras rolled and public speculation about Watkins motives abounded, Hilder was working on the inside. It became his role to shepherd Ms. Watkins through a mine field of investigations and hearings, including those with the House Energy and Commerce Committee and the Senate Commerce Committee. The road map outlined by Watkins proved to be invaluable for those striving to unravel Enron's web of deceit and those prosecuting those accused of wrongdoing. Thanks to Watkins, over two dozen individuals have been charged in the scandal to date, with several investigations continuing.

This case certainly changed Attorney Philip Hilder's life, but it is important to note that it also changed the nation as a whole. Many people now demand to know why Enron's false accounting was not spotted sooner. Further, a multitude of American firms, which in the past used aggressive accounting, are now being held accountable for

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their own misdeeds. Congress even went so far as to pass a new bill aimed at cracking down on corporate fraud. Congress has also ordered a review of US pension regulations, after Enron employees lost billions of dollars because their savings were invested in the company's own stock. Currently, Enron is seeking to salvage its surviving business by spinning off various assets. They have filed for Chapter 11 bankruptcy as well, which will allow them to organize while being protected from creditors. There are those who wonder whether all the lessons from this scandal have been properly learned by people not just inside the company, but throughout America's corporate suites.



*"Reasonable doubt at a
reasonable price."*

~ PHILIP'S FAMOUS TEXAS JUSTICE SAYING

Where did Victoria County get its name?

FROM ITS ORIGINAL NAME, NUESTRA SENORA DE GUADALUPE DE JESUS VICTORIA, LATER SHORTENED TO GUADALUPE VICTORIA AND THEN TO VICTORIA.

Where is the Victoria County Courthouse located?

ON THE CORNER OF GLASS AND CONSTITUTION STREETS IN VICTORIA'S BEAUTIFUL DOWNTOWN DISTRICT.

Who designed the Victoria County Courthouse?

THE ARCHITECT J. RIELY GORDON WAS RESPONSIBLE FOR THE DESIGN OF THIS 1982 HISTORIC COURTHOUSE, AS WELL AS AT LEAST SEVENTEEN OTHERS.

What is the Courthouse's most unusual feature?

ITS ROMANESQUE REVIVAL DESIGN AND REMARKABLE CLOCK TOWER WHICH MAKE THE COURTHOUSE THE FOCAL POINT OF VICTORIA'S DOWNTOWN.

What is the most famous case tried in the Victoria County Courthouse?

PERHAPS THE MOST FAMOUS CASE EVER TO BE TRIED IS CURRENTLY UNFOLDING AS THIS BOOK GOES TO PRESS. A YOUNG MAN BY THE NAME OF RYAN JAMES FRAZIER, AN EAGLE SCOUT AND A BAYLOR UNIVERSITY STUDENT, WAS ACCUSED IN DECEMBER 2003 OF MURDERING HIS FATHER, MOTHER AND BROTHER. THIS CAPITAL MURDER CASE WAS ONE OF THE BIGGEST CASES THAT VICTORIA COUNTY EVER SAW. FRAZIER WAS FOUND GUILTY.

Where do you hang your hat?

AT MY LAW FIRM IN HOUSTON, TX, WHERE WE SPECIALIZE IN DEFENDING WHITE COLLAR CRIMINAL CASES AND CONDUCTING INTERNAL INVESTIGATIONS.

Believe it or not!

PREHISTORIC FOSSILS OF MAMMOTHS, HORSES, CAMELS, SLOTHS AND BISON OF THE LATE PLEISTOCENE ERA HAVE ACTUALLY BEEN UNEARTHED IN VICTORIA COUNTY!