

--#include virtual="/ssi/header.txt" --> **Extended Discussion of John Kerry's Enron Hypocrisy:**

Senator John Kerry often bashes President Bush as to how Enron and other power companies have influenced the administration's energy policy. Kerry has used Enron as a pejorative adjective to describe dubious policies. Moreover, he gave \$1000 to an Enron worker's relief fund because it had originated as a campaign donation from a wind company which was an Enron subsidiary. On the campaign stump, he charges corporations with having adversely impacted American democracy.

NonprofitWatch.org agrees with the Senator regarding his critiques of Enron and corporations, but suggests that this criticism should also be directed at his wife Teresa Heinz.

For eight years Teresa maintained a close relationship with Ken Lay. Since 1995 Mr. Lay served as a trustee of the Heinz Center for Economics, Environment and Science which Teresa founded to memorialize her late husband. Teresa, as well Fred Krupp the executive director of Teresa's main environmental philanthropy Environmental Defense Fund (EDF), also served as trustees.

Oddly, Mr. Lay served as a trustee even after Enron's demise -- a pamphlet obtained from the Heinz Center in the spring of 2003 listed him as a trustee affiliated with Lay Interests LLC. This seems odd in light of Kerry's highly critical comments of Enron.

It is probable that as a wealthy trustee of the group, Mr. Lay was a major donor to the project; about this NonprofitWatch.org has no information, but this should be something for Teresa and the Heinz Center to reveal to the public.

In light of Enron's demise and Ken Lay's leadership role in the scandal-ridden company, his service as a trustee is a poor commentary upon the work of the Heinz Center, besides being an embarrassment to the memory of Mr. Heinz.

Regarding Teresa, Mr. Kerry and his campaign have celebrated Teresa Heinz for her philanthropy, of which environment is a major part. However, NonprofitWatch.org suggests that a significant part of her environmental advocacy was shaped to benefit Enron's interests. Teresa long served as vice-chairperson of the Environmental Defense Fund (EDF), though she has stepped down from that role and is currently just a trustee. Teresa's Heinz Foundation has long been a major financial supporter of EDF. In light of Teresa's relationship to Enron's Ken Lay and her role with EDF, the below policy stances by EDF that benefited Enron raise questions regarding the ethics and integrity of Teresa's work.

-- In 1998 EDF opposed a ballot initiative Proposition 9 that would have repealed utility deregulation in California. When the bill to deregulate California's energy market passed the legislature in 1996, EDF failed to voice opposition. Energy deregulation proved to be a gross catastrophe for California in terms of economics and the environment but was of great benefit to energy companies such as Enron. Teresa's close ties to Enron's Ken Lay raise the question of whether she was beguiled by Mr. Lay and his likely donations to the Heinz Center.

-- EDF was a major proponent of greenhouse gas emissions trading, a business-friendly approach to address global warming. While environmentalists criticize Bush regarding his opposition to the Kyoto Protocol, it should be noted that the Kyoto's trading clauses which EDF influenced have been criticized by some environmentalists as loopholes of the treaty. Enron was a strong supporter of Kyoto as the company looked forward to profiting from trading in greenhouse credits. In light of Enron's business shenanigans and the company's utter collapse, NonprofitWatch.org suggests that the emissions trading scheme may itself be a house of cards. Moreover, the capacity to trade depends upon low targets for emissions reductions. Here again, close ties to Ken Lay raise questions about the judgement of EDF.

-- EDF has long focused on environmental matters related to Brazil. When Enron built an environmentally-damaging pipeline through a biologically rich area of the Brazilian Amazon, EDF politely never publicly condemned Enron. Only after Enron's fall did EDF utter public criticism, in an email sent out to the group's email list.

-- Other examples of EDF's support for Enron will be described in a future briefing.

Whether Teresa had an active or ignorant role in the above is not clear and probably could never be fully ascertained; however either case reflects poorly upon her philanthropy environmentalism. Her close ties to Enron's Ken Lay cast questions about both the integrity of Teresa's philanthropy and the environmentalism of Teresa's EDF. At the very least there is the troubling appearance of conflict of interest coinciding with policy by EDF in the interest of Enron.

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