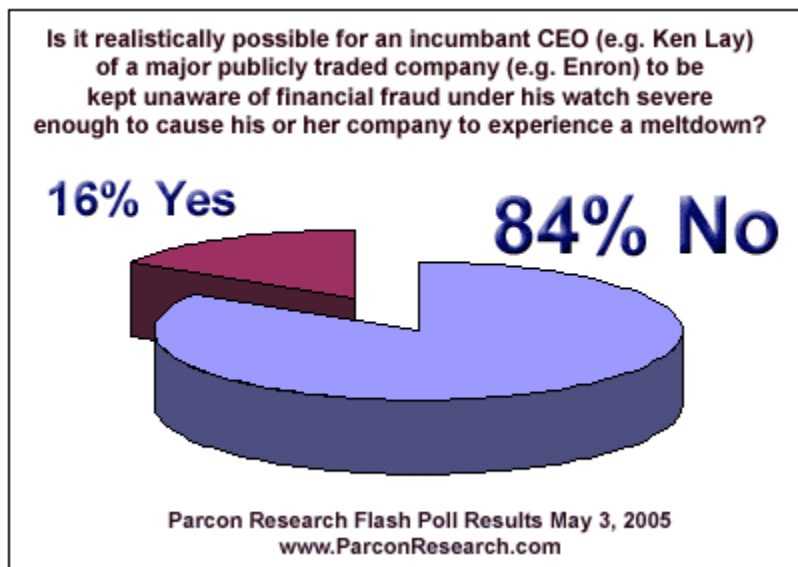




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## Flash Poll Results



**The Results:** As you can see, the consensus is that if you are a CEO the buck still stops with you. Where 16% said that it is indeed possible to fool a competent CEO into thinking things are ok when they are actually in a financial freefall, an overwhelming 84% said it wasn't, or shouldn't be, possible. It simply doesn't matter that businesses today are complex—if you are the CEO it's your job to *somehow* obtain an accurate picture of what's going on. There's simply no credible excuse not to know what the reality is. It keeps coming back to that's one reason you were hired and why you get paid. And woe to you if, for whatever reason, your company tanks around you and you claim to be surprised because a lot of this group (many of them CEOs) will come after you like the pitchfork wielding crowd went after Frankenstein. One CEO suggested wooden stocks in Times Square (for 30 days!). Some suggested just take away all (as in *ALL*) the CEO's money and give it to the damaged shareholders. In fact there were several comments I simply couldn't include because they were so, ah, *pointed*.

### And it's not just about fooling CEOs.

As you read the comments you realize that accountability isn't just about CEOs. Any employee has to be acutely aware of what's going on around them. They are, in effect, the CEO of their own area. If they are good the buck stops with them. Nobody can fool them—the good ones will know exactly what's going on. And they'll act accordingly. As one chief executive put it: A good CEO notices details, subtle and otherwise, and amplifies the good ones while fixing the bad ones. This is a common trait of a good employee and certainly one I

look for when screening executive candidates. Think about it. What's important for the CEO has to be good for everybody else too. It's like a good virus that starts with the boss and is eventually caught by everybody in the organization. Neat.

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## Reader Comments

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**Name\_Initials:** RLS  
**Title:** Medical School Chairman

### Comment

Even if one magnanimously presumes that the CEO didn't start it, a conspiracy of any magnitude can't be concealed very long from the guy one level up who either exposes it or is, himself, subverted. It's not long before that same choice lies on the desk of the CEO.

---

**Name\_Initials:** DMR  
**Title:** CEO and President  
**Company:** ASD, Inc

### Comment

My experience in the senior executive ranks of a Fortune 100 firm is that a truly engaged CEO has a definitive understanding of the various elements of the business. It is important to know that the results are not one quarter's worth, but a series of quarters, and thus trends and underlying problems cannot be hidden forever. A competent CEO necessarily must have a deep understanding of the financials, an awareness of the business systems in place to report on those financials, and perhaps most important, an ability to judge the character of the people running the businesses. One must conclude that a CEO who claims to be duped is lying, not truly engaged in the business, or fundamentally incompetent in the prime requisites for the position.

---

**Name\_Initials:** MSH  
**Title:** Sr. Vice President Operations

### Comment

Good morning. I find it very difficult to believe that a "competent CEO" can be kept unaware of a company's financial fraud for several years. I believe it is possible to do so for a short

time, i.e. one to two years - depending on a company's size and complexity. I believe it is the CEO's responsibility to hire and retain honest personnel, query the CFO, view the operations, ask questions about how some deals are structured, seek independent auditors who report directly to them findings that are without bias, etc. If they are not doing this, then the company's board has to ask itself: what is the CEO doing with his/her time?, what value are they adding to the organization? and why are they being paid so much for what they do? Finally, it was apparent that many persons lower in the Enron organization knew of improper and even fraudulent deal making, which could have provided insight to Mr. Lay if he had built a corporate culture that allowed persons to come forward with potentially damaging information without fear of reprisal. Finally, I vaguely recall reading that someone tried to inform Mr. Lay of concerns, and he still failed to pursue the matter. He acted quickly enough to sell his shares while prohibiting others from doing the same. Thank you for asking this question. I look forward to learning the opinion of others.

---

**Name\_Initials:** KB  
**Title:** CEO (ret)  
**Company:** NYSE company

## **Comment**

Tal, you may have forgotten this but I never will nor will my staff. Remember three years ago we were walking our plant in Dayton? In the rear mill room beside one of the presses you noticed a small pane of glass was cracked. When you went up to it and looked at it carefully you said it had been broken for sometime and asked me why it hadn't been replaced. I later found out why--the manager had been channeling some of the maintenance budget into his pocket. We did an audit and found he wasn't alone. The episode made me rethink my own qualities as the company's leader and I changed because of it. There was no excuse not to have 'noticed the broken glass' (this is how I came to refer to it). My point is a competent CEO notices the subtle details, both good and bad, and then acts to amplify the good and correct the bad. That's what it means to have the title.

---

**Name\_Initials:** DK  
**Title:** Treasurer

## **Comment**

The key word was "competent". Unfortunately, I believe that there are too many incompetent CEO's that don't have the requisite knowledge of the total company and its performance. However, they CHOOSE to be uninformed about that and are therefore just as guilty as the competent CEO who is knowingly involved in financial malfeasance. They are guilty of grand theft and perjury at a minimum for starters and should get the appropriate punishments for these crimes which are already on the books. There should be additional penalties if they coerce subordinates into supporting and perpetuating the fraud.

---

**Name\_Initials:** dvt  
**Title:** Sr. Dir, Comp

## Comment

A CEO may establish aggressive (or even unrealistic) goals that lead his/her subordinates to create a situation that is either fraudulent or pushes the limits of legitimate accounting. For example, a division may force sales that are not supported by consumer demand to inflate annual performance. If multiple CEO subordinates are involved in these actions, the CEO may think that they are real sales. The business executive creates the sales while the financial executive "verifies" them. However, the CEO cannot disclaim responsibility. Leadership does not accept all information without questioning & examination. The CEO should also make it clear that dishonest success is less desirable than honest failure.

---

**Name\_Initials:** KFG  
**Title:** HR

## Comment

In a world of many it takes all kinds.

There are as many management styles as there are people. Some styles are centralized and borderline dictatorial, others are decentralized and delegatory. All can be successful in the right conditions. CEO's who leverage decentralization can easily run the risk of being uninformed (when "empower" means "just-get-me-the-results-not-the-details").

I think what you are really looking for is the character trait of: "due to delegating responsibility, I am also delegating accountability". Consequently, the delegator builds a c.y.a.\* wall behind which he/she can hide if/when the going gets tough. Those who do not need that wall will instead construct communication bridges which maintain alignment and accountability in the CEO's seat.

In sum, there may be people of all kinds, but there is one trait to "winners"; they know "accountability" is never delegated ... and, thus, plan accordingly.

---

\*Presumed to mean "Cover Your A ss".

---

**Name\_Initials:** RJK  
**Title:** Retired CEO of NYSE Company

## Comment

While the "imperial"/"celebrity" type representing 10% or less of CEOs could possibly have

been unaware due to ego-driven distractions, the majority of CEOs are hands-on, customer-focused, market-driven, voice-of-the employee-sensitive, and ethically-oriented executives who would never be caught unaware of any vital issue. In terms of the appropriate punishment for corporate misbehavior, I would recommend that in addition to the conventional legal and financial punishments I would place the guilty CEOs in colonial day wood stocks on Times Square for 30 days from Noon to Midnight to experience extreme public humiliation for their dastardly deeds.

---

**Name\_Initials:** Ken McLeod  
**Title:** CEO  
**Company:** CSG Wireless Inc.

### **Comment**

Any CEO who doesn't know what is happening in their company is spending too much time living like a Prince of Business and not enough time wandering around. CEO's have a duty to trust but verify. Those who think otherwise have no place in business or are on their way to jail anyway.

---

**Name\_Initials:** Kim Anderson  
**Title:** President  
**Company:** Longitude Partners, Inc

### **Comment**

An interesting observation from nearly every one of the high visibility situations where the "incumbent CEO" was reportedly in the dark are the adjacent comments from subordinates about the prevailing cultural and leadership values. Seldom do you hear about collaborative, open, participatory but none the less hard driving and results oriented organizations with a CEO who was "in the dark" about any aspect of the business. Organizations with a proper focus on personal integrity and accountability self select those who conduct themselves otherwise.

---

**Name\_Initials:** TC  
**Title:** President

### **Comment**

The critical part of this question is "to cause his or her company to experience a meltdown". I do believe that a very competent CEO doesn't know absolutely everything going on in their company, especially multi-national companies. However, transactions of a magnitude that would cause the company to meltdown are identifiable under a scrutinizing and watchful eye - and that's the new role of a CEO.

---

**Name\_Initials:** jk  
**Title:** Principal

### **Comment**

The question really hinges on the term "competent." Some CEO's may focus almost obsessively on specific aspects of the business (e.g. Sales, R&D). It may even be their comfort zone. But the competent CEO is required to have a longer and wider view, to understand in both short and long terms the interdependency of all the aspects of the business and to ensure that all metrics are in place. It would take a significant level of collusion between his direct SVP's to accomplish this. If the collusion is so extensive, one has to examine how it (the collusion) could even be allowed to go unrecognized.

---

**Name\_Initials:** DBS  
**Title:** VP Sales

### **Comment**

Unthinkable the CEO would not be aware of fraud of this magnitude.

---

**Name\_Initials:** TLA  
**Title:** CEO

### **Comment**

Not everyone has a financial background. Hell, I 'm a good CEO but never studied accounting, majored and have an advanced degree in History. I'm dependent on what my financial people tell me.

---

**Name\_Initials:** BPR  
**Title:** CFO

### **Comment**

If he is found guilty - serious jail time is in order.

---

**Name\_Initials:** Richard Barron  
**Title:** President  
**Company:** Allen Barron Inc

## Comment

By definition if a CEO is competent he IS aware of the financial situation in his company. If others purposely try to hide information from him then he has to have mechanisms in place to foil that. But he must know and have an intuitive feel for the health of his business

---

**Name\_Initials:** cc  
**Title:** SVP Finance and Commercial Strategy

## Comment

Reason I said "no" is that any competent CEO should have an awareness of the financial condition of his/her company as long as they are focusing on the fundamental metrics which dictate quality of earnings. If they are not, they are generally "choosing to ignore the obvious and hiding behind a veil of complexity they imply on the finance profession - thus playing the game of plausible deniability." By simply not asking the questions that need to be asked, they avoid getting an answer which they fear they won't like.

---

**Name\_Initials:** RAS  
**Title:** VP IT

## Comment

If he did not know he would be enormously incompetent, and I don't think anyone can get to the CEO job with that level of incompetence. He should go to jail.

---

**Name\_Initials:** GE  
**Title:** Chrmn & CEO

## Comment

Whether or not you knew all the details is not as much at issue as the fact that YOU ARE responsible for the culture or environment that fostered the problem.

---

**Name\_Initials:** MM  
**Title:** VP-Finance

## **Comment**

The key word is "competent". If it was "pretty boy", then the answer is different.

---

**Name\_Initials:** Allen Hagerman  
**Title:** CFO  
**Company:** Canadian Oil Sands

## **Comment**

A competent CEO would establish an environment which would result in this information surfacing.

---

**Name\_Initials:** Dick Huisman  
**Title:** Principal  
**Company:** Huisman & Associates

## **Comment**

The internal audit team should report dotted line to the Chairman and or CEO and directly to the Chair of the Board's Independent Audit Committee.

---

**Name\_Initials:** Donald Robinson  
**Title:** Partner  
**Company:** D. J. Robinson & Associates

## **Comment**

The CFO position has the potential to be most powerful person in the company. The complexity of financial maneuvers make it virtually impossible to determine what is going on if that is the way it is structured, to be hidden. It is for these reasons that the LAW REQUIRES outside auditors review all financial activity and produce an independent report.

If there is collusion between the CFO and the outside auditors, as there was with Enron, the CEO can't possible understand what is going on. This is particularly true if he does not come from accounting but is an engineer or from legal or manufacturing.

---

**Name\_Initials:** Tom Zimmerman  
**Title:** CEO

## **Comment**

If the CEO doesn't understand his organization, especially the financial/economic plan/actual results, the organization has selected the wrong CEO. Further, the Board should be fired.

---

**Name\_Initials:** A. S.  
**Title:** CEO

## **Comment**

Maybe for one or two quarters, but even for a dummy in accounting by the third and certainly by the fourth quarter things will look, feel and be totally obvious through rumors and innuendoes even to the mailroom staff.

---

**Name\_Initials:** MPM  
**Title:** Managing Director

## **Comment**

It is unconscionable to accept salary for abdicating responsibility and hiding behind "I didn't know." A CEO is there to know, that is why they are tolerated by the shareholders...to know and safeguard.

---

**Name\_Initials:** Bagme  
**Title:** Consultant  
**Company:** ATC

## **Comment**

If you're a competent CEO and have the courage, clarity and humanity to lead people, then you should have enough brains and balls (or ovaries) to know what the heck is going on around you. It's in fashion to "overreach" nowadays so CEO's of the Lay variety probably think it's ok to feign ignorance. And if that doesn't work you can always say God told you to wipe out your employees pension fund.

---

**Name\_Initials:** CWL  
**Title:** Management Consultant

### **Comment**

If the CEO is worth their salt, they will have a good handle on the financial picture and be understanding of the detail to a level that they have confidence in the numbers. Otherwise they are not doing the shareholders or the organization any favors.

---

**Name\_Initials:** LCP  
**Title:** CEO/Chairman

### **Comment**

Punishment should be severe because what has happened is a transfer of wealth from the little people, participants in retirement plans etc., etc., to investment bankers, VC's and/or just executive management depending on the precise case in question. If you are an executive and you knowingly steal from the people who invest in your company while you hype the stock then the punishment should be severe for all the perpetrators.

---

**Name\_Initials:** Bjoern U Syrén  
**Title:** President

### **Comment**

Normally you have possibilities to extract information from different levels in the organization and can if and when you taken the annual results into account detect mistakes or faults. Fraud is very difficult to check, but generally I would say that you would notice it.

---

**Name\_Initials:** R. A. Cutler  
**Title:** CEO

### **Comment**

I could have answered your question "Yes", but the key word that influenced me to answer "Yes" is "competent" CEO.

---

**Name\_Initials:** Don Van Doren  
**Title:** President  
**Company:** Vanguard Communications

## Comment

Obviously, it \*does\* require that the CEO be 1) paying attention, and 2) aware of the possibilities to know what to look for. The question does not cover these points. With a CEO trying to do his or her job, this is not realistically possible, in my opinion.

---

**Name\_Initials:** JC  
**Title:** President

## Comment

It could only be possible if the CEO doesn't have a strong financial background which can happen in today's environment. The tax laws and GAAP have gone thru many changes and a CEO would have no reason to question financial moves that have gone thru many audit reviews by a supposedly top audit firm.

---

**Name\_Initials:** JG  
**Title:** VP

## Comment

Lots of our CEO's are not financially competent. They watch the big picture but do not roll up their sleeves about looking at the details of their transactions. I worked on a major merger and debriefed the CEO of one of the Biggies Globally that the "books" used before the merger were not the "books" used after! Not one other officer would tell him that simple truth. I had to debrief him on many other issues that I had found in doing an "After Merger Leadership Interview Series". He was silent at the findings. Months later the merger was considered a failure and he was "retired" as were others gracefully. It is very possible and I believe more common than not!

---

**Name\_Initials:** Dave  
**Title:** CEO

## Comment

It may be possible to be kept in the dark by a small portion of the company for what should be a limited amount of time but no competent CEO should ever be kept unaware of financial fraud in the core business.

---

**Name\_Initials:** DZ  
**Title:** CIO

## **Comment**

The key is "competent" CEO.

---

**Name\_Initials:** William McIntosh  
**Title:** CEO  
**Company:** Q-RNA, Inc.

## **Comment**

Ken Lay is no fool. Anyone who doesn't know the details of what is going on in his/her business for a certainty is either lazy, stupid or part of the mischief. He should go to jail along with Ebbers, etc., etc., etc.

---

**Name\_Initials:** Suniti Ponshe  
**Title:** CEO

## **Comment**

A not-so-professional CFO could do this but a competent CEO should be able to see through it.

---

**Name\_Initials:** Jim A  
**Title:** CEO

## **Comment**

It seems to me that Ken had his eye off the ball, catering to the investment community and not to his responsibility of leading his company. He failed to ask the tough questions of his executive team.

---

**Name\_Initials:** MJT  
**Title:** Chairman

## **Comment**

The key words in the paragraph above your question are "reasonably competent and

motivated". It is part of the CEO's job to have the systems and people in place to ensure that Enron-style events do not happen. To wake up and claim surprise at what has happened indicates a failure to do a key part of one's job. I think that it is possible that Ken Lay was, at least in part, deceived. If that is the case, though, then he was not performing a key part of his role, amid numerous warning signs.

---

**Name\_Initials:** CWT  
**Title:** CEO

### **Comment**

The CEO's job is to build value for the shareholders...the last I looked (except for the Internet bubble) that meant strengthening your Balance Sheet by driving the fundamentals on the P&L. CEO's hold the head of sales responsible for not selling and engineers for not building quality product, then CEO's should know how their business works and what their plan is to drive value and what strategies they are pursuing.

As for punishment, either take away ALL the money they made during their tenure or put them in jail so they can't spend it. Corollary: If the CEO does drive the value of the company with an honest plan and honest execution, pay him/her very, very well and then brag versus bitch about it.

---

**Name\_Initials:** Byron R. Siliezar  
**Title:** VP & CFO

### **Comment**

The CEO, like the captain of a ship or plane, needs to be intimately aware of the dashboard (fuel, speed, elevation) otherwise no one (investors, employees, or customers) would, could or should use his or her leadership.

---

**Name\_Initials:** Ken Rojek  
**Title:** President  
**Company:** Advocate Trinity Hospital

### **Comment**

Perhaps being fooled for 1 or 2 quarters, or even a single year is conceivable if a CEO puts full faith and trust in his staff, but any CEO should be aware of enough financial indicators, cultural indicators, inconsistencies, etc. to know something is not adding up. He did not want to know the truth.

---

**Name\_Initials:** BT  
**Title:** Sole Proprietor

## Comment

Of course it's not possible! Mr. Lay was the boss & was paid to manage the company. Why don't we read his job description?

I think that he, personally, should be moved into Chapter 11 with all his assets placed in a fund to be a foundation (mutual fund) for the people who invested in ENRON. Said investors would then have the option to keep the shares in that fund/foundation or move the money to a different investment vehicle. (BTW: I think that \*all\* the execs who behave in this immoral (never mind illegal) way should be stripped of their wealth & the funds be collected in this manner. There's got to be a way to restore investors' faith in the market & this would be a strong step in the right direction.)

---

**Name\_Initials:** JW  
**Title:** President

## Comment

The key word is competent! Any CEO worth his/her salt has some skills at reading financial statements AND should seek independent review on any areas he/she views as suspect. Failure to do so is, at least, misfeasance and more likely malfeasance.

---

**Name\_Initials:** Frank Casazza  
**Title:** CEO  
**Company:** AirSpeed Broadband

## Comment

Either way, the CEO is in the wrong. Either the CEO knew - or should have known. If the leader didn't know, it is by definition "a failure to perform".

---

**Name\_Initials:** DAC  
**Title:** VP

## Comment

A competent CEO, by the very definition of competent, cannot be misled about the financial health and status of his company. A good CEO needs to have an intuitive feel for the

finances of the company so that as results are presented, he/she can effectively challenge them.

---

**Name\_Initials:** cch  
**Title:** EVP/CFO

### **Comment**

I think it is nearly impossible to hide the kind of problems that existed at Enron, MCI and others. With all the tools available to the CEO to monitor the company's performance, it would be virtually impossible to hide financial issues of the magnitude that occurred at Enron or MCI from an intelligent, engaged and inquisitive CEO. Obviously the CEO has to question and satisfy himself as to the financial performance of his company. If these guys had seriously questioned the financial information, they would have smelled problems. If a CEO chooses not to pay attention to the financial information, he might not see problems, but then he would not be doing an important and significant part of his job.

---

**Name\_Initials:** CH  
**Title:** EVP, HR  
**Company:** Teleflex, Inc

### **Comment**

CFO, CEO and every high level person associated should be terminated "for cause" with no severance package, health and dental or outplacement benefits. Any vested stock options should expire within 90 days of termination.

---

**Name\_Initials:** T. Tracy Bilbrough  
**Title:** President & CEO  
**Company:** Juno Lighting, Inc.

### **Comment**

Any CEO that had anything close to Enron, Health South, or WorldCom happening without his/her knowledge is, by definition, incompetent and derelict in their duties. Your candidate's position on the issue is, frankly, absurd and naive.

---

**Name\_Initials:** BRB  
**Title:** Co-chairman

## **Comment**

It would be an oxymoron to be both competent and in the dark.

---

**Name\_Initials:** Charlie M  
**Title:** Finance Director

## **Comment**

A competent CEO is as knowledgeable as the CFO of the company's financial situation. Sure, there may be differences in how these two individuals view and process the information, but they complement each other rather than live in entirely separate worlds.

---

**Name\_Initials:** JB  
**Title:** Manager

## **Comment**

While a CEO can choose to abdicate their role as the guardian of the shareholders' assets by over-delegating financial oversight, for what CEO's are paid today, as a shareholder, I expect them to know the operating and financial performance in excruciating detail to ensure the performance of my investment.

---

**Name\_Initials:** EZ  
**Title:** Chairman

## **Comment**

There are two ways this could be a "yes": 1 - If the CEO is willfully ignorant, or 2 - If the CFO is a thorough-going crook, in which case the CEO would not be competent since he allowed the organization to have a felonious CFO.

---

**Name\_Initials:** WLV  
**Title:** CEO  
**Company:** DLI

## **Comment**

The CEO has the fiduciary responsibility to ask the tough questions and to uncover or hire people to uncover problems. He is appointed by the board as the expert and responsible. No way to hide from not doing his job.

---

**Name\_Initials:** Drew Fitch  
**Title:** CFO

## **Comment**

Not possible unless the CEO has deliberately "sheltered" himself from openly communicating the goals and values of the company under his leadership with his whole senior management team. It seems to me that Ken Lay's role was nothing more than that of a stock promoter.

---

**Name\_Initials:** AIM  
**Title:** partner  
**Company:** lawfirm

## **Comment**

Take away all (and I mean all) of his money, other than his homestead (limited to no more than \$1 million), and give it all to his defrauded stockholders.

---

**Name\_Initials:** Steve Doyle  
**Title:** Executive Vice President  
**Company:** Central Station Alarm Association

## **Comment**

As the CEO of a trade association representing the security industry, while it is possible that small items could be covered up and not come to the attention of the CEO, the reason we have audits and balance sheets, and P & L Statements is so that all this information can be cross checked. If he did not know when large amounts like this were involved then he did not want to know!

Kindest regards!

---

**Name\_Initials:** BP  
**Title:** VP, Business Development

### **Comment**

Given a limited choice between an unqualified 'yes' and an unqualified 'no', the answer should be no. I can however see a situation where a CEO could entrust the financial aspects of his/her company to a trusted subordinate who could perpetrate a fraud without the CEO's knowledge. Should it happen? Of course not, there should be sufficient oversight to prevent this which is the CEO's responsibility. Did that happen in this case? That's for a judge and jury to decide based upon a review of all the information available.

---

**Name\_Initials:** PDW  
**Title:** Chairman & CEO

### **Comment**

"A CEO has the responsibility to lead the corporation and to manage the corporation. Both vision and a detail of all operational areas are essential when managing the key reporting functions that deliver consistently superior results."

---

**Name\_Initials:** RW  
**Title:** President

### **Comment**

Lay's answer is purely a legal defense position that he didn't know about the fraud. He has to plead ignorance to have any chance of avoiding prison, lawsuits, and personal financial ruin.

---

**Name\_Initials:** Robert Dea  
**Title:** Partner  
**Company:** Robert Dea & Associates

### **Comment**

Depends on the thoroughness of the CEO in examining financial data, and the extent of business decision making delegation to second tier management.

---

**Name\_Initials:** PK  
**Title:** CEO

## Comment

A great leader/CEO manages the outcomes and the source of the outcomes. If a CEO is competent this will never happen.

---

**Name\_Initials:** David Gimpelevich  
**Title:** Managing Partner  
**Company:** Spearpoint Group

## Comment

Ken Lay, in particular, was not an expert in his own business after Enron transformed itself into a trading company. In general, it is always possible to keep a CEO in the dark, provided that he is willing to close his eyes; or that he is too trusting of or just not as bright as his criminally-inclined officers; or that he is simply incompetent in the business, which appears to be the case with Enron.

---

**Name\_Initials:** CWF  
**Title:** Pres. & CEO

## Comment

I believe that a competent CEO would not be satisfied with information that did not give them confidence in the information that they receive. Tone from the top is also important in setting the ethics for the organization. With the right tone and a competent, diligent CEO it is hard to believe that he wouldn't know about critical problems in the organization. Ultimately the CEO is responsible and must establish criteria which give them confidence in the information they receive.

---

**Name\_Initials:** apf  
**Title:** Chairman & CEO

## Comment

The CEO with the Board must set by example and conversation the standards for integrity and moral responsibility to shareholders, employees and customers. If properly articulated and communicated, subordinates "know" what is expected and what will be tolerated. I found this to be the case in each of the public companies in which I have worked. Ken Lay, it appears, failed in this regard. Thus, he is culpable.

---

**Name\_Initials:** BG  
**Title:** Consultant

## **Comment**

If the company is properly using outside auditors, I don't see how it would be possible for the CEO not to be aware of the financial condition of his/her company!

---

**Name\_Initials:** Peter Greenhough  
**Title:** CFO  
**Company:** ChildNet, Inc.

## **Comment**

A competent CEO will stay in touch with the key details. Competent leaders encourage subordinates to deliver news, both good and bad at the earliest possible moment. Strong leaders do not frighten their staff into actions that would be improper.

---

**Name\_Initials:** RAH  
**Title:** Executive Vice President

## **Comment**

This would only be possible if the CEO was either highly incompetent or very unattached to the business. In any event, if it were to happen on their watch they are still responsible and should be held fully accountable for the actions of their company.

Regarding the punishment, it should clearly fit the severity of the crime. However, in addition to any incarceration, they should be required to do many hours of community service in areas where they can add value because most of these people can still be productive. The rehabilitation benefits of doing community service will outweigh anything they'd learn in prison.

---

**Name\_Initials:** SM  
**Title:** VP, Market Intelligence

## **Comment**

Any competent leader MUST make all efforts to understand the nuanced forces and responses facing his organization. I have worked for some terrific CEOs, all of which understood the underlying strategies being employed in all areas of his organization.

---

**Name\_Initials:** Juan Trebino  
**Title:** VP Business Development

## Comment

Although it may be possible, the answer should be "No". Part of the CEO's responsibility is to ask the right questions and to be completely on top of the financial situation of his shareholder's company. We can all be swindled by crooks but awareness keeps the probability of that happening low. Power and Ego can make people lazy, unfocused, or simply believe that they are invulnerable. Too many people are hiding behind their underlings when, in fact, they should take responsibility for falling asleep at the switch.

But then again, I really don't have a strong opinion either way...

---

**Name\_Initials:** LD  
**Title:** director

## Comment

Yes, I believe it is possible, directly dependent upon the CEO's sense of personal responsibility. I also believe the paperwork required by Sarbanes-Oxley can become a routine process which can reduce its effectiveness, thereby creating a less than comprehensive review of the financial status of the company.

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**Name\_Initials:** KMF  
**Title:** President & CEO

## Comment

While the CEO may not know all the details, the overall strategic approach to financials and the overall control environment certainly must be guided by the CEO.

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**Name\_Initials:** Greg Guckes  
**Title:** President/COO

## Comment

The only way Ken Lay wouldn't have known what was going on at Enron was if he didn't want to know!

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**Name\_Initials:** steven annunziato  
**Title:** VP OR & Closure Technology

### **Comment**

I do not think a CEO can have the wool pulled over their eyes. Especially based on the financial challenges after 2000.

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**Name\_Initials:** Scott Brinks  
**Title:** SVP, Chief Logistics Officer

### **Comment**

For a real CEO not to know is to insult the intelligence of his staff and all business people. The CEO and the CFO (real ones) speak of current cash positions and flash reports of current financial performance almost daily. When doing acquisitions or sales of assets the CEO is always fully informed as Ken Lay must have been as those transactions would need board level approvals. No CFO can move the amounts in question in the ways in question without some approvals or at least agreements. So, Ken, get a life, be a man and stop insulting the millions of business warriors who add value every day by KNOWING AND LIVING THE DETAILS, just like you did. Live the Dream. stb.

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**Name\_Initials:** JG  
**Title:** President

### **Comment**

By definition, a competent CEO cannot/would not be kept in the dark.

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**Name\_Initials:** PRG  
**Title:** CEO

### **Comment**

Possible-yes. However, not acceptable, tolerable, nor adequate from a Board or CEO's perspective in terms of maintaining corporate legal compliance with fed, state, and SEC law and regulations. Making it possible takes cooperation from a CEO in the form of inaction. Hiding and avoiding responsibility is clearly not what he/she is paid to do.

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**Name\_Initials:** GH  
**Title:** President

## Comment

A CEO is responsible to have process and controls in place to ensure he knows what is happening. Also he is responsible for the culture and the values of the organization. he should make sure that each employee knows they are responsible to raise concerns and issues. He needs to be out talking to people on a regular basis. This way things come up and he will be able to hear enough to know something might be wrong. Bottom line, he is responsible

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**Name\_Initials:** AMW  
**Title:** CEO  
**Company:** Retail Consulting, Inc.

## Comment

While I feel it is entirely possible for a competent CEO to be in the dark about the details of operating and financial transactions, the degree of the "darkness" is the issue. It is one thing to depend on corporate staff to have command of the details...but quite another thing for a CEO to be clueless about strategy, revenue realization and organizational structure that creates opportunity for fraud.

The CEO sets the tone for the level of risk taking inside the company, as well as the ethical tone...a CEO that is encouraging high risk transactions or turning a blind eye to less than ethical behavior will quickly be surrounded by thieves that feel they have been given permission inside the culture to take advantage. The CEO is the gatekeeper of the values...and thus ultimately responsible.

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**Name\_Initials:** TBL  
**Title:** Global Ops

## Comment

Put all of them in a cell...Lay, Ebbers, others...and make them count money that will never be theirs!

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**Name\_Initials:** WC  
**Title:** Managing Partner

### **Comment**

Here is the thing: in a large, distributed corporation, where it is absolutely necessary for the CEO (even a good, competent CEO) to rely on reports, advice and information from his staff, if senior members of that staff were to undertake an effort to deceive, there would be a good chance that it could be pulled off (though, in my opinion, it seems as if this were not the full case with Ken Lay). In a small to mid-size corporation, it would be significantly harder for a competent CEO not to know what was going on.

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**Name\_Initials:** G.J.M.  
**Title:** Chairman.

### **Comment**

Mushrooms, not competent CEO's, accept being kept in the dark & fed shit.

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**Name\_Initials:** dcm  
**Title:** COO

### **Comment**

No way ~ considering how much CEOs are compensated they should ensure they understand what the company they are tasked with leading is actually doing.

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**Name\_Initials:** JJC  
**Title:** President

### **Comment**

A competent CEO will want to know how numbers are tracking and will question results of financials and details, if not monthly, at least on a regular basis.

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**Name\_Initials:** AIW  
**Title:** CEO

## Comment

The title Chief Executive Officer should say it all - a poor CEO may make more than his/her share of mistakes, and stock performance may slide, but a "meltdown" such as Enron requires such egregious behavior that I believe it would be impossible for the CEO not to be aware of and condone some if not all of such fraudulent behavior. In my opinion, for a CEO really not to know implies that he/she is so incompetent in that position that the board would have to be equally incompetent and blind to allow that CEO to continue.

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**Name\_Initials:** AK  
**Title:** GM/VP  
**Company:** FMT, Inc.

## Comment

Simply put, the folk at the top are there to know what is going on-or to at least build the communication and audit functions into the organization so that they are kept informed. Claiming ignorance (which did not work for B. Ebbers) is in effect claiming publicly that you were not minding the business.

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**Name\_Initials:** Stephen Tall  
**Title:** EVP  
**Company:** Fiduciary Trust Co Intl

## Comment

No company is too complex to have a control environment that ensures the CEO knows the books are clean, and understands the impact of material transactions. Furthermore, every CEO is responsible for supporting a culture of integrity - if the CEO hires or retains crooks, that is a leadership failure.

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...end results. Stay tuned for more polls.

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