

The strange and convenient death of J. Clifford Baxter—Enron executive found shot to death

Patrick Martin
28 January 2002

Without anything that can be called a serious investigation, local authorities in a wealthy Houston suburb have whitewashed the death of former Enron vice chairman J. Clifford Baxter, calling it a suicide. Baxter, 43, was found shot to death in his Mercedes Benz in the early hours of Friday morning, January 25, near his home in Sugar Land.

Baxter's body was discovered inside his Mercedes Benz, which was parked in a turnaround on a street near his home. Officials in Sugar Land moved swiftly to label Baxter's death a suicide. Local Justice of the Peace Jim Richard initially declared that Baxter died of a self-inflicted gunshot wound and no further inquiry was required. But within hours he reversed himself, citing the intense public interest in the death, and ordered an autopsy.

Harris County Medical Examiner Joye Carter conducted the autopsy and found the cause of death to be suicide by a "penetrating gunshot to the head." The weapon was a .38 caliber revolver which was found in Baxter's car, next to his body.

Neither the perfunctory official probe nor the media coverage has addressed the obvious suspicions aroused by the death of a critically important witness in the investigation into the criminal activities at Enron, the biggest corporate fraud in American history. Baxter quit as vice chairman of the company last May, after reportedly come into conflict with other top executives over the phony accounting gimmicks used to plunder billions of dollars.

The most disturbing account of Baxter's last days comes from a former business associate who spoke to the *New York Times* but was not identified by the newspaper. This person spoke with the former Enron

vice chairman two days before his death and congratulated him "for being named among those people who complained about Enron."

According to the *Times* account, the unnamed associate added that Baxter "was talking about perhaps needing a bodyguard, though I'm not sure where that idea came from."

That a man only two days away from suicide would be considering hiring a bodyguard defies belief. But neither the *Times* nor any other media outlet has raised the possibility that Baxter felt his life to be in danger because of what he knew and could divulge about the internal affairs of Enron. Men have been killed for much less.

Baxter was named in a memorandum submitted by Enron Vice President Sheron Watkins last August to Chairman and CEO Kenneth Lay. Watkins warned Lay that dubious off-the-books transactions with private partnerships set up by top Enron officials might cause the company to "collapse in a welter of accounting scandals." She cited Baxter's opposition to one of these partnerships, set up by then-CEO Jeffrey Skilling, writing, "Cliff Baxter complained mightily to Skilling and all who would listen about the inappropriateness of our transactions with LJM."

Baxter received a subpoena from the Senate Government Affairs Subcommittee on Permanent Oversight and Investigation, along with 48 other people linked to Enron and Andersen. Investigators from the House Energy and Commerce Committee had told Baxter's lawyer that they wished to interview him, but had not yet issued a subpoena.

Representative James C. Greenwood, Republican of Pennsylvania and chairman of the committee's

Oversight and Investigations Subcommittee, said, “It seemed to us that he was a pretty highly placed insider at Enron who had understood exactly what was wrong there.”

Both Enron and its accountant and business adviser, Andersen, have been engaged in massive, illegal shredding of documents and deletion of computer files. Billions of dollars are at stake in the collapse. The highest levels of the Bush administration are implicated in the corruption of the financial and political system that Enron exemplified.

Under such conditions, the sudden death of a crucial witness inevitably raises the suspicion that it is not just pieces of paper and computer data that are being destroyed to protect the corporate and political gangsters at the top, but human lives as well.

Given the organized shredding operation, a systematic effort to destroy incriminating documents, Baxter’s evidence would be all the more critical, since he could testify, from the perspective of the highest levels of the company, what information Enron and Andersen were so afraid of. How can one not assume that Baxter, too, was “shredded” to prevent him from taking the witness stand?

A potential whistle-blower dies less than two weeks after his name first comes to public attention. What message does that send to others who might be considering testifying against Enron? And on top of that, the local police immediately declare his death a suicide. If there was foul play, those responsible have carried it out with impunity.

It is, of course, possible that Baxter actually took his own life. But no confidence can be placed in such a finding without a thorough investigation, and no such investigation can be expected from the local authorities in Houston, a metropolitan area where Enron was by far the most influential corporate power. (As one indication of its dominance, all the federal prosecutors in the US Attorney’s office in Houston have had to recuse themselves from the Enron investigation because of financial or family ties to Enron.)

The circumstances of Baxter’s life cast doubt on the verdict of suicide. He is not known to have been suffering from depression or any other mental health problem. He was a multimillionaire, having netted \$30 million from the sale of his stock in the company before and after his departure from Enron last May. His

family life was apparently happy, and he leaves a wife and two children, a 16-year-old son and 11-year-old daughter.

Far from being the target of media vilification, Baxter’s name had been linked to the Enron affair in a way that was largely favorable. His first appearance in the coverage of Enron came when the Watkins memo was made public, presenting him as an opponent of corporate fraud.

Friends and business associates interviewed by the press expressed shock and surprise at his reported suicide, although there were conflicting accounts of his state of mind after the bankruptcy of Enron.

An executive of Portland Gas & Electric, a subsidiary which Enron acquired in a takeover organized by Baxter, told the *New York Times*: “My impression of Cliff Baxter was that this was an enormously confident guy who came up here to get the thing done, and he did. The image I had of him at the time is totally at odds with the tragedy today. I mean, he was self assured, he was very friendly. This was practically the last person in the world you’d ever expect to commit suicide.”



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact