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'Benron' Behind Bars

An inside look at the life of Ben Glisan Jr., the first Enron executive to go to jail.

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By JOHN R. EMSHWILLER

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BASTROP, Texas -- In his journey from Enron Corp. whiz kid to convicted felon to star government witness, Ben Glisan Jr. says he faced aggressive prosecutors, hostile prison officials -- and "Mikey." In late 2004, Mr. Glisan was locked up in Houston's federal detention center. He was nervous. Government "snitches" aren't well treated by other inmates, and the next day Mr. Glisan, who'd been given the prison nickname "Benron," was scheduled to testify against his former colleagues. Mikey, who described himself as a member of the Mafia, was Mr. Glisan's cellmate.

The heavy metal cell door clanged shut for the night and the interrogation began, Mr. Glisan recalls. Did Enron dump him, Mikey asked. Essentially, Mr. Glisan replied. Did Enron owe Mr. Glisan money? It did. Did Enron promise to take care of him when the dust settled? No. "So, they basically threw you under the bus?" In that case, Mikey said, testifying was OK.

Mr. Glisan breathed a silent sigh of relief. Until then, "I thought I was going to have to fight this guy to get to the panic button" and call the guards.

In September 2003, Mr. Glisan became the first in a long line of Enron executives to enter prison. The energy giant's December 2001 collapse marked the beginning of an era of corporate criminal cases that continued to play out this week with the conviction of former Qwest Communications International Inc. Chief Executive Joseph Nacchio on 19 counts of insider trading.

During Mr. Glisan's three years on the inside, he worried about his physical safety, especially as he became an important government witness. To protect himself, he applied the same types of skills that helped him climb the corporate ladder. He formed relationships with prison gang leaders. He negotiated with federal officials over the conditions of his incarceration.

Mr. Glisan even won over Mikey. After approving of the decision to testify, Mikey -- Mr. Glisan doesn't recall the man's real name -- offered to find someone who would collect the onetime accountant's money from Enron. Mr. Glisan demurred, but made sure to say thanks. After that encounter, "going on the witness stand was easy," he says.

The son of a financial planner, Mr. Glisan, 41 years old, was raised in an upper-middle-class home in the same suburban Houston area where he now lives, south of downtown. In college, he gravitated to business. He joined Enron in 1996 armed with an MBA from the University of Texas and experience working at accounting firms.

'I Feel for the Other Guys'

Read key excerpts from Mr. Glisan's interview with The Wall Street Journal's John Ershwiler.

He quickly became part of the inner circle of Enron Chief Financial Officer Andrew Fastow. In 2000, Mr. Fastow tapped Mr. Glisan, then 34, to be corporate treasurer, with a staff over 100, annual compensation of \$1 million and bigger paydays on the horizon. Some Enron executives, even his admirers, thought Mr. Glisan at times tried too hard to ingratiate himself to his superiors, even mimicking one natty dresser. (If that

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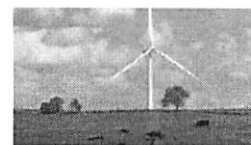
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happened, Mr. Glisan says, it was inadvertent.)

Mr. Glisan commuted back and forth to his two-story brick home in an upscale neighborhood dotted with pines. He and his wife, Barbara, didn't get into the kind of lavish lifestyle enjoyed by some other top Enron officials, in part because Mr. Glisan didn't start making really big money until shortly before Enron's collapse.

Yet he routinely put in 12-hour days, and often didn't see his daughter and son, then age six and four, much before their bedtime. Much of his work was with Mr. Fastow and others setting up the complex financial structures that Enron used to illegally hide losses from some of its businesses. On some nights, when dining with Enron's bankers, Mr. Glisan recalls personally downing a bottle of wine or more before making the 25-mile drive home.

Despite this soaring career, Mr. Glisan became increasingly uncomfortable -- ahead of many of his colleagues -- with Enron's efforts to hide its weakening financial condition. Fellow workers remember him as agitated amid the burgeoning negative press coverage and government investigations. At one point, after a particularly damaging financial revelation, he was heard to say "we're toast."

Catch Up

See a rundown of [key dates in the Enron scandal](#), read excerpts from [Mr. Glisan's testimony](#) in the case against Messrs. Lay and Fastow and read more about [Executives on Trial](#).

Mrs. Glisan had long pressed him to quit. "You are missing your kids grow up. We're not spending as much time together as we should. You're not paying attention to the important things in life," she told him. He says loyalty, ambition and greed kept

him on board.

With Enron's 2001 collapse, the government embarked on what would become its biggest ever criminal investigation of a company. When Mr. Glisan met with the Justice Department's special Enron Task Force, the encounter did not go well. Prosecutors thought he was lying about the extent of his involvement with the company's collapse. They felt "Ben was still drinking his own Kool-Aid," says Tom Allen, one of Mr. Glisan's attorneys.

Though Mr. Glisan maintained his innocence, even some friends thought he was lying. At Enron, "this man's life had been built on dishonesty" and it took him time to come to grips with that, says Baker Duncan, a San Antonio investment banker who met Mr. Glisan in 2002 through work they were doing at a Houston charter school. During later court testimony, Mr. Glisan admitted as much.

In May 2003, the government indicted Mr. Glisan on 26 counts of conspiracy and fraud. It alleged in its indictment that Mr. Glisan illegally enriched himself to the tune of \$1 million through his connection to a Fastow-run partnership.

As part of his arraignment, Mr. Glisan spent several hours in a holding cell in downtown Houston. It was the first time he had spent time behind bars. The cell had two long metal benches attached to the walls and one filthy unenclosed toilet. Prisoners shuffled in and out during the day.

Free on bail, Mr. Glisan wrestled with what to do next. Going to trial could cost millions in legal fees. Losing at trial could land him in prison for over a decade.

He received advice from others, including three men -- fathers of friends -- who also had legal problems. One, Harvin C. Moore III, spent two years in federal prison in the early 1990s for committing fraud at a savings-and-loan association he co-owned.

"I told him I knew what he was struggling with, and that he needed to go deep into his heart and find the right thing to do," recalls Mr. Moore, 69, now a real-estate developer. Mr. Moore told Mr. Glisan that taking the right course, which could mean prison time, "wouldn't be easy, but it would work out. He would still have family and friends. There would be life on the other side."

In September 2003, Mr. Glisan pleaded guilty to one count of conspiracy to commit fraud. Often such a plea is accompanied by an agreement in which the defendant helps prosecutors nab others in hopes of leniency. Prosecutors wouldn't give Mr. Glisan such a

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deal. They still didn't believe he was fully forthcoming, say people familiar with the matter.

Mr. Glisan had an unusual request: to be immediately sentenced and imprisoned so he could return to his family as soon as possible. He received five years, the maximum.

Mr. Glisan and his attorneys tried persuading the federal Bureau of Prisons to assign him to a minimum-security facility, known as a "camp." Camps house low-risk prisoners, usually with relatively short sentences. Bastrop's camp looks like an aging high-school campus.

Across the road sits a higher-security prison housing many inmates who had committed more serious crimes, usually involving drugs. Bands of gleaming razor wire surround the facility, suggesting that the population inside was more dangerous. When the government car carrying Mr. Glisan arrived at Bastrop, it turned into the prison. That's when he learned his request had been denied.

After he entered the compound, Mr. Glisan began the physical process of becoming an inmate. He took off the black, designer suit he'd worn for the ride, boxed it up and mailed it home. His new attire was a light-green, prison-issue jumpsuit.

Prison officials immediately put him into "solitary confinement," also known as "the hole." A prison official "told me that I was the worst criminal at Bastrop and they were going to make my life difficult," says Mr. Glisan. This person "made it very clear that [it] was because I was an Enron guy." He estimates that his cell measured 7 feet by 12 feet, and contained three bunks, a sink, a toilet and one small window with a view of nothing much.

Traci Billingsley, a Bureau of Prisons spokeswoman, says the agency doesn't discuss matters involving individual prisoners. In general, if a new prisoner's paperwork hasn't arrived, it's routine to put him temporarily into the facility's "special housing unit," she says, calling "solitary confinement" an outdated term. The spokeswoman says the agency "treats all prisoners fairly, equitably and consistently."

On his first day in prison, Mr. Glisan says he received notes from two Hispanic prison gangs, which were delivered by a 6-foot, 300-pound man covered with tattoos. The notes offered words of welcome, although Mr. Glisan feared more sinister motives.

Some fellow inmates in the hole slept during the day and stayed up through the night yelling and screaming, Mr. Glisan recalls. He guesses this was possibly their way of exercising power in a world where they had little. After about 10 days, he was transferred into the general prison population.

During his first walk across the prison, Mr. Glisan encountered one of the gang leaders who'd sent a note. The man loomed a couple of inches over the 6-foot-2-inch accountant, who braced for the worst. "But he was very friendly," says Mr. Glisan, who concluded that the note really was a sort of neighborhood "welcome wagon." Another former Bastrop inmate and friend of Mr. Glisan, who received similar notes, says the welcomes are an effort on the gangs' part to let newcomers know they have real, if unofficial power.

Mr. Glisan says other inmates knew about his Enron connection, either from watching TV or reading one of the books about the company.

"Benron" quickly developed some survival rules: Don't disrespect anybody. Don't get on anyone's bad side. Be friendly, especially toward powerful people. He shared some of his books with a black gang leader, including Dan Brown's Vatican thriller, "Angels & Demons."

Soon after settling in, Mr. Glisan joined the prison's underground economy. While each prisoner officially had access to washers and dryers for their clothes, a small group of inmates handled the laundry chores of others for \$10 a month – payable in postage stamps or commissary items such as bags of tortilla chips. (Prisoners don't have access to money.) Mr. Glisan handed over his wash, in part to avoid potential scrapes with other inmates jockeying to use the facilities.

Mr. Glisan says his days typically looked like this: He awoke a little after six a.m. and had a cup of coffee. While other inmates were eating breakfast, Mr. Glisan walked around the

compound, one of the few times of the day when inmates' movements were relatively unrestricted. Set in rolling countryside, dotted with pines, Bastrop's grounds were well landscaped, aside from the razor wire.

After a few weeks, Mr. Glisan successfully applied for a prison job doing clerical work for about six hours a day. It consisted of keeping schedules and work records for inmate tasks ranging from plumbing to gardening to cooking. All inmates had to be back in their cells at 4 p.m. for a head count. After that, Mr. Glisan exercised.

In early 2004, he faced a crossroads in his relationship with the government. Task Force prosecutors resumed questioning Mr. Glisan, but given their past doubts about his forthrightness, they weren't sure his answers would be of much value.

Mr. Glisan says that as he moved through the justice system -- first as a defendant, and then as a prisoner -- he dropped his defensive stance. Prison taught him "a greater sense of acceptance" of his wrongdoing, Mr. Glisan says.

Prosecutors say that white-collar criminals, even after they enter a guilty plea, often take months or more to fully accept their guilt, having spent most of their lives viewing themselves as law-abiding citizens. Mr. Glisan's coming to terms with his sentence was a gradual affair. During his incarceration, Mr. Glisan met frequently with John Kieschnick, senior pastor at the Gloria Dei Lutheran Church in Houston where Mr. Glisan remains a parishioner.

Mr. Glisan has always been "a driven individual," the pastor says, but the past several years taught him, "you have to check the demon to make sure it doesn't destroy you."

As a result, when he sat down with prosecutors, Mr. Glisan "opened doors into Enron that we didn't think would be opened," particularly concerning former Enron Chairman Kenneth Lay and former President Jeffrey Skilling, says John Hueston, a former senior Task Force prosecutor. For the first time, "I thought we might have a case against Lay," says Mr. Hueston, now a partner with Irell & Manella LLP. Adds Kathryn Ruemmler, the Task Force's former deputy director: Mr. Glisan finally "had gotten rid of the 'why me' rationalizations."

Of all the government's witnesses, Mr. Glisan probably had the best understanding of the financial and accounting intricacies that were a big part of Enron's finances -- and the criminal case against Messrs. Skilling and Lay. He also took part in some crucial conversations with Mr. Lay concerning Enron's financial health in the weeks before the company's bankruptcy filing. Moreover, his clean-cut and courteous manner gave him credibility with jurors.

A few months after those Glisan sessions, the government indicted Mr. Lay.

Prosecutors tapped him to be a witness in an Enron criminal trial involving former Merrill Lynch & Co. officials. Worried about being labeled a snitch, Mr. Glisan says he sought out the leader of the white prison gang. Mr. Glisan and his inmate friend say prisoners typically took problems to the gang of their own race.

He explained that the government required him to testify, and that he could face a longer sentence if he refused. The gang leader and his lieutenant assured him he wouldn't face retaliation for his testimony, Mr. Glisan says.

After also passing muster with Mikey, Mr. Glisan proved an effective witness at the Merrill trial. Five of the six defendants were convicted. (Several had at least part of their convictions overturned on appeal; the government plans to re-try them.)

After the trial, Mr. Glisan says Bastrop authorities wanted to put him back in solitary for protection. He said he could manage the risk, and assured officials that if problems surfaced, he would check himself into the unit. He didn't mention his contacts with gang leaders. Mr. Glisan later heard they nixed one inmate's effort to retaliate against him for testifying.

As he continued working closely with prosecutors in the ongoing probe, Mr. Glisan renewed his push for a transfer to a lower-security camp. So did Ms. Ruemmler, the prosecutor, now a partner at Latham & Watkins LLP. The move came months later in

mid-2005.

The tough treatment, however, continued. Instead of traveling directly to his new home in Beaumont, 220 miles away, Mr. Glisan rode a prison bus over 400 miles to a federal transfer facility in Oklahoma City for a roughly one-week stay. He says he rode with shackled prison-gang members. He was given the task of passing out the bag lunches: bologna sandwiches and apples.

The prison bureau spokeswoman says prisoners are regularly transferred through that facility.

In Oklahoma City, he shared a cell with an inmate who was being moved to take part in an anger-management program. One night, the cellmate became extremely agitated, turning red and cursing after another prisoner accused him of cheating at cards. Mr. Glisan says he stuck his face in the book he was reading until the storm passed.

Mr. Glisan and Ms. Ruemmler began preparing for the January 2006 trial of Messrs. Skilling and Lay, but meeting regularly at Beaumont became a pain. It was roughly two hours away from the Task Force's Houston offices. After researching prison rules, Mr. Glisan suggested he be given "furloughs" to meet the Task Force in Houston during the day, spending evenings at home with his family.

Mr. Glisan eventually had several such Monday-to-Friday furloughs. Before the first one, Ms. Ruemmler phoned Mrs. Glisan to confirm that the prisoner was in fact welcome back home, and that he needed to stay indoors. Mrs. Glisan replied that she had hoped her husband would mow the lawn.

The furloughs gave Mr. Glisan a chance to ease back into family life after some two years away. He, his wife and the two kids spent evenings watching movies, playing board games and talking. Mr. Glisan and his 12-year-old daughter made lots of Italian dishes together.

When Mr. Glisan testified at the Skilling-Lay trial, defense attorneys recognized his importance, referring to him as the government's "clean-up hitter." To discredit him, they argued that the government doled out privileges, such as furloughs, only when he gave answers they wanted. One Lay attorney likened Mr. Glisan to a "performing monkey."

However, jurors convicted Messrs. Skilling and Lay on multiple felony counts and cited Mr. Glisan's testimony as a major factor. Mr. Skilling, who is serving a 24-year sentence at a Minnesota federal prison, plans to appeal his conviction. Mr. Lay died shortly after the trial, age 64, from heart-related problems.

Last September, Mr. Glisan was released to home confinement, which lasted until January, when he was freed; he remains on probation for three years. That month, Mr. Glisan and his son attended their first pro basketball game together. A week later, his daughter cooked his birthday dinner by herself: a three-course meal that included seared tuna, garlic mashed potatoes, and homemade tiramisu. It was, he declares, "the best birthday I will ever have."

Mr. Glisan occasionally still runs through a mental list of former colleagues he feels were more culpable, many of whom were never indicted. Now, he's trying to build a financial consulting business. He thinks he'll be especially sensitive to when aggressive financial tactics verge on fraud.

Write to John R. Emshwiller at john.emshwiller@wsj.com

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