

# The smartest guys in the room

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“ The smartest guys in the room” movie review Part I The movie is based on the book written by Bethany McLean and Peter Elkind. Alex Gibney produced the movie that tells the tale of how Enron, an infamous energy corporate company ascended to riches, fame through financial malfeasance, and later on flopped tremendously. The movie begins with the suicide of Enron’s’ vice chair, Cliff Baxter. His bipolar and macho nature makes him suited for the job but he later succumbs to depression and kills himself. The film explores the steps that the company went to in order to ascend to wealth and riches. It shows how the company faked good quarterly reports so that they could accelerate their stock. Another form of malpractice that the company participated in is loaning money to itself in order to conceal debts. They also manipulated California’s’ energy supply using its electricity market. The movie elaborates how thousands of Enron employees lost their job in the scandal albeit their loyalty, while their bosses maintained their wealth. In reality, this movie is a criminal documentary that reveals how the executives of Enron, which was America’s seventh largest company, participated in a pansy scheme and got away. Their investors and employees succumbed to great losses while they walked away with billions of dollars (Sterling 22).

## Part 2

An ethical consideration is the rights and duties of an entity to its employees, customers and their fiduciary responsibility towards their investors. These considerations assist in maintaining the integrity of a profession by setting out standards. Professionals found in violation of ethical responsibility are subject to sanctions, withdrawal of licenses and charges by law. It is unfortunate that the pioneers of the pansy scheme involving Enron walked away scot free with billions of dollars while their employees and investors

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made huge losses. The underlying principle in ethics is choosing the right irrespective of the foreseen or unforeseen consequence. Ultimately, unconditional responsibility that surpasses belief and interest is essential for harmony in human interactions. After watching this film, it important to recognize that community support does not determine ethical standing. A company may donate or fund other projects generously but the behaviors that take place behind the scenes are the most crucial. Enron was the leading financier of George W. Bush 2000 election campaign but they had many hidden issues (Sterling 63).

### Part 3

I believe that justice was served in the Enron scandal. The executives associated with the issue faced serious legal implications. Jeff Skilling was sentenced to 14 years in prison. Ken Lay was also convicted. Enron's former employees who put their pension plans into Enron stock and those who received salaries as Enron stock made huge losses. In addition, the investors too lost billions of dollars largely due to their ignorance. The consumers who suffered from energy shortages in summer and overcharged bills all received justice after prosecution of the responsible parties

### Conclusion

The Enron scandal was a candid revelation to the government and the world. One of the lasting effects of this saga is the " Sarbanes Oxley Act of 2002". This act tightened the penalties associated with financial manipulation. The level of ethical standards is higher and the board of directors in companies is now independent. They can fire incompetent managers and hire competent personnel (Sterling 132).

### Works Cited

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Sterling, T. F. (2002). The Enron scandal. New York, NY: Nova Science Pub.

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