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## Harvard activists group call for Harvard to investigate Enron ties

By JUSTIN POPE, AP Business Writer

BOSTON -- A watchdog group called on Harvard University President Lawrence Summers to investigate Harvard's ties to Enron Corp., including whether an investor of Harvard endowment money had inside knowledge of the now bankrupt energy trader's financial problems.

The student and alumni group HarvardWatch on Thursday issued a report noting that Highfields Capital, which was founded with an estimated \$500 million from the university, purchased four options to sell a total of 3.5 million Enron shares between April 1 and Sept. 30, according to Securities and Exchange Commission filings.

It is impossible to tell from the filings the strike price, at which the options can be exercised, or how much money Highfields or Harvard could have made from them. The report also does not address the overall effect of Enron's collapse on Harvard's broader portfolio, most recently valued at \$18.3 billion. The watchgroup report estimates Harvard made \$50 million through Highfields when Enron stock began falling.

The report calls on the university to investigate whether Herbert Winokur gave any information to Harvard money managers. Winokur is an outside director of Enron and the head of its finance committee and a member of Harvard's governing body, known as the Harvard Corporation, and the board of Harvard Management Company.

Highfields executives did not immediately return several phone messages seeking comment. Harvard spokesman Joe Wrinn released a statement saying the university has not had the opportunity to study the report in detail.

"Mr. Winokur is a valued member of the Harvard Corporation," the statement said. "We understand that he is assisting Enron investigations under way. The university is reviewing the situation for any developments that have a genuine bearing on Harvard."

The board of the Harvard Management Company, which manages Harvard's endowment, "does not participate in the investment decisions of Highfields, including its Enron investments," Wrinn said.

He declined to answer further questions about the university's investments in Enron.

Highfields money manager Richard Grubman has been identified in recent weeks as one of the few analysts who questioned Enron's bookkeeping early on. Last April, when he asked why Enron was unable to produce a simple balance sheet during an analyst conference call, an Enron executive called him an obscenity.

"Mr. Winokur had no involvement with Highfields Capital's investments and any suggestion that he tipped the fund to short-sell Enron stock is just plain wrong," said W. Neil Eggleston, a Washington attorney representing the outside directors of Enron.

The report calls on Harvard to investigate the matter, disclose any ties to Enron and suspend Winokur pending the investigation.

The SEC filings show that Highfields purchased puts on 1.2 million Enron shares, valued at \$58.8 million during the quarter ending June 30. In the next filing period, ending Sept. 30, it purchased puts on 2.3 million shares, valued at about \$62.5 million. During the quarter ending Sept. 30, Highfields purchased only one other put, for 50,000 shares of Cree Inc.