Enron was born on July 1985, when Houston Natural Gas merged with InterNorth natural gas Company based on Omaha, Neb, and Kenneth Lay who became Enron's CEO in February 1986. In 1989, Enron began trading natural gas commodities. The company eventually became the largest merchant in North America. Enron had 21 thousand employees, operated a 25 thousand-mile gas pipeline system. It was listed as the seventh-largest company in the U.S, with a revenue of nearly 101 billion of dollars. Its bankruptcy occurred on December 2, where Enron had listed 24.7 billion dollars in assets.

The collapse of energy giant Enron is the largest bankruptcy and one of the most shocking failures in United States corporate history. It embraced new technologies, established new methods of trading in energy and seamed to be a shining example of successful corporate America. But the company's success, were based on artificial inflated profits, dubious accounting practices, and some say fraud. The firm's success turned out to have involved an elaborate scam. Enron lied about its profits and stands accused of a range of shady dealings, including concealing debts. The profits eventually did not show up in the company's accounts.

As the depth of deception unfolded investors and creditors retreated, forcing the firm into bankruptcy in December

For Enron employees and retirees themselves, the consequences were crystal clear from the day the company crumbled. To put it simple, they lost their savings. They watched their nest eggs evaporate. They lost trust in both the personal and fiscal sense of the word in the system. Millions of other workers around the country who have been following the sad stories of

Enron's employees have grown anxious about their own accounts and their own retirement security. Most Americans used to count on traditional defined benefit pension plans in addition to their Social Security benefits, to support them in retirement

How did it all happen? First of all, Enron matched employee contributions with substantial amounts of its stock and prohibited employees from shifting that company contributed stock to a different investment until the age of fifty. Second of all, the company's culture actively encouraged accumulation of Enron stock. Enron's top management repeatedly promoted its stock through internal publications and communications. Leaving the question of legality aside for now, it is wrong for executives to enthusiastically recommend their company's stock into their savings. It is wrong for management to convey in internal communications that the company's stock is on the way up when they have reason to believe otherwise. That is not optimism. It is dangerous deceit.

As Enron's original divisions continued to rack up financial losses, company leaders devised new schemes to hide the red ink from ever hitting the paper and thus causing their precious stock prices to plummet. Instead of coming clean and reporting its shortcomings, Enron repeatedly expanded into new markets in attempt to sweep earlier ruinous transactions under the rug. In a dizzyingly short period of time, Enron had dipped its fingers into paper, chemical, metal, and fibber optics markets.

The rude awakening prompted by the Enron failure has triggered several positive steps. Congress has begun to explore ways to improve financial literacy among the American public. The public has learned the most basic of all financial lessons: diversification, especially in pension plans, is crucial. The Bush administration has proposed that companies be required to write their quarterly financial reports, which should improve information flow to investors. More importantly, where as in the savings and loan and banking cases there were clear policy options that Congress could implement. There are very few options in the current corporate crises, and there appears to be only limited consensus on which ones ought to be adopted.

Unless we uses this scandal as an opportunity to clean up the system and make significant changes in the structure of corporate governance, this will be seen around the world as just one more case of American hypocrisy.

This declaration of bankruptcy was the largest in United States History. The last people who are affected by this are the general public who was being provided with electricity by Enron. These people are also investors who lost money in the company. A lot of people are in huge financial debt from the ignorance of these executives at Enron. Ten's of thousands of people saw their pension and investment accounts depleted or destroyed. This scandal has had an enormous impact. If the Enron scandal had never happen and if they would've been extremely strict, they might still be one of Americas top companies and produces billons of dollars. All in all it is clear that the Enron scandal has changed the business world, as we know it. It taught us that even the biggest could come tumbling down at a fast rate. We know how politics, business, and greed all go hand in hand unfortunately and how corrupt corporate America is.