

Rep. Rothman Seeks Federal Investigation of Possible "Enron-Style" Manipulation of Volatile Fuel Markets

For Immediate Release

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REP. ROTHMAN SEEKS FEDERAL INVESTIGATION OF POSSIBLE "ENRON-STYLE" MANIPULATION OF VOLATILE FUEL MARKETS

-- Asks GAO To Examine Trading of Petroleum Futures on NYMEX --

(Washington, DC) U.S. Representative Steve Rothman (D-Fair Lawn) and House colleague Greg Walden (R-OR) have written a letter demanding that the Government Accountability Office investigate the trading of heating oil, diesel and gasoline futures on the New York Mercantile Exchange. The two Members of Congress expressed their concern that some commodities traders may have been manipulating the price of petroleum futures for private gain at the public's expense.

"The past two years have seen increasing volatility in the daily price changes in heating oil and gasoline contracts ranging from eight to ten cents per gallon. The constant price changes have put a significant strain on consumers, retailers, and wholesalers across the nation as they budget prices for their products or the amounts paid at the retail counter," wrote the Congressmen to David M. Walker, the Comptroller of the Government Accountability Office (GAO), the investigative arm of Congress charged with examining matters relating to the receipt and payment of public funds.

Noting that the New York Mercantile Exchange (NYMEX) had conducted its own review in March on the possible negative impact of hedge fund managers' trades in the commodities market, Congressman Rothman said, "Although NYMEX has given a clean bill of health to hedge fund investors' practices, many of us still harbor legitimate concerns that the commodities markets have been the subject of Enron-style market manipulation, forcing consumers and businesses to pay more than necessary at the gas pump, to ship goods, and to heat homes and offices."

"Congress has an obligation to ensure that the Commodity Futures Trading Commission is adequately protecting the public from inappropriate trading practices," said Representative Rothman, a strong advocate in the United States Congress for consumer protections and small businesses. "We need a study conducted independently of NYMEX to determine the real facts regarding the extraordinary and disturbing volatility of our nation's fuel markets," concluded Congressman Rothman.

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