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528483

**THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

ID# 528483
PAGE 1

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DATE RECEIVED: 08/15/2002

NAME OF CORRESPONDENT: THE HONORABLE SHELLEY MOORE CAPITO

SUBJECT: URGE THE PRESIDENT TO RECONSIDER HIS JULY 30TH INTERPRETATION OF SECTION 806 AND TO RESTORE WHISTLE BLOWER PROTECTIONS TO THOSE CITIZENS WHO ARE COURAGEOUS ENOUGH TO TAKE A STAND ON CORPORATE FRAUD

ACTION

DISPOSITION

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
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LEGISLATIVE AFFAIRS	NICK CALIO	ORG	2002/08/15			
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ACTION COMMENTS *no response necessary*

ACTION COMMENTS:

ACTION COMMENTS:

ACTION COMMENTS:

COMMENTS

ADDITIONAL CORRESPONDENTS: 0

MEDIA: LETTER

INDIVIDUAL CODES:

REPORT CODES:

USER CODE:

**SCANNED
BY
ORM**

ACTION CODES:

A - APPROPRIATE ACTION
C - COMMENT/RECOMMENDATION
D - DRAFT RESPONSE
F - FURNISH FACT SHEET
I - INFO COPY/NO ACT NECESSARY
R - DIRECT REPLY W/ COPY
S - FOR SIGNATURE
X - INTERIM REPLY

DISPOSITION CODES:

A - ANSWERED
B - NON-SEPC-REFERRAL
C - COMPLETED
S - SUSPENDED

OUTGOING CORRESPONDENCE:

TYPE RESP = INITIALS OF SIGNER
CODE = A
COMPLETED = DATE OF OUTGOING

REFER QUESTIONS AND ROUTING UPDATES TO RECORDS MANAGEMENT (ROOM 72, OEOB) EXT-62590

KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

528483

COMMITTEES:
TRANSPORTATION & INFRASTRUCTURE
FINANCIAL SERVICES
SMALL BUSINESS

Congress of the United States
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Washington, DC 20515-4802

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WWW.HOUSE.GOV/CAPITO

August 1, 2002

The Honorable George W. Bush
President of the United States
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Mr. President:

It was an honor to join you at the White House as you signed the Sarbanes-Oxley Act of 2002 into law. As you know this landmark legislation will toughen penalties for corporate criminals, provide greater oversight for the accounting profession and increase the volume of information disclosed to investors.

I also want to commend your administration's commitment to bringing corporate criminals to justice as was demonstrated by the recent arrests of executives at both WorldCom and Adelphia. I believe these arrests will send a strong message to both Wall Street and Main Street that fraud and bogus numbers will not be tolerated.

As a strong supporter of the Sarbanes-Oxley legislation however I was disturbed by your July 30th interpretation of Section 806, which provides protections for corporate whistle blowers. According to your statement, employees of a company would not be given federal protection from corporate retaliation if they provided information regarding corporate fraud to a Member of Congress who was not at the time authorized to conduct an investigation.

As a member of the House Financial Services Committee I strongly disagree with your interpretation. The language in the bill is very clear when it states that a whistle blower would be protected "when the information or assistance is provided to or the investigation is conducted by "(A) a Federal regulatory or law enforcement agency; "(B) any Member of Congress or any committee of Congress;". Nowhere in the language does it indicate that that protection only applies to "investigations authorized by the rules of the Senate or the House of Representatives and conducted for a proper legislative purpose ..." as you infer in your statement.

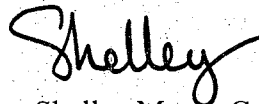
Under this interpretation, a person who has witnessed or has evidence of corporate fraud would only receive whistle blower protection if Congress was already conducting an investigation. In many instances, however, congressional investigations are the result of information gathered from whistle blowers meaning that protection must

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be granted prior to the start of the official investigation. Given Congress' continual need to gather this type of information, the intent of Section 806 was to ensure that the public would be protected from retaliation whenever they brought evidence of corporate fraud to either a congressional committee or to an individual Member of Congress.

In order to ensure the most ethical and lawful business environment, I strongly urge you to reconsider your July 30th interpretation of Section 806 and to restore whistleblower protections to those citizens who are courageous enough to take a stand on corporate fraud.

Sincerely,

A handwritten signature in cursive script that reads "Shelley".

Shelley Moore Capito, M.C.