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United States Senate

WASHINGTON, DC 20510

October 31, 2002

10/31/02

The Honorable George W. Bush
The White House
Washington, D.C. 20500

Dear Mr. President:

In the interest of restoring investor confidence that is vital to the functioning of America's financial markets, we urge you to call for the immediate resignation of Harvey Pitt, Chairman of the Securities and Exchange Commission (SEC).

Today it was reported that William H. Webster, the recently appointed chairman of the new Public Company Accounting Oversight Board (PCAOB), previously headed the audit committee of a company now facing accounting fraud accusations. It was also reported that Chairman Pitt was made aware of these allegations by Judge Webster prior to his appointment, but failed to provide this information to other SEC commissioners.

If true, the failure to disclose information that may have affected the vote on Judge Webster's nomination would be a troubling development that would further undermine confidence in U.S. financial markets after a year plagued by corporate scandals, historic stock market losses and the decimation of the pensions and life's savings of American workers and families.

Before a March Senate Banking Committee hearing on accounting and investor protection issues, Chairman Pitt testified:

"Our system requires that corporate leaders be faithful to the interests of investors and to act with both ability and integrity. Complete and accurate disclosure and financial reporting to investors and markets are important parts of this duty."

We agree, and would add that this duty is as incumbent upon those heading the agencies that oversee American corporations as it is upon corporate leaders themselves. By not disclosing information that raises legitimate questions about Judge Webster's suitability to head the PCAOB, Chairman Pitt failed to fulfill his duty as the head of the SEC. Now the integrity of that agency and the new accounting oversight board have been tarnished, which will only further harm investor confidence in U.S. markets.

For these reasons, we urge you to immediately call for the resignation of Harvey Pitt, Chairman of the Securities and Exchange Commission.

Sincerely,

CHRISTOPHER J. DODD
United States Senator

JON S. CORZINE
United States Senator

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