

DETERMINED TO BE AN ADMINISTRATIVE MARKING  
By *Jmi* E.O. 12065, Section 6-102 NARS, Date *5/2/2012*

02:11pm From-House Energy & Commerce Cmte Ford 202-226-2447 T-688 P.002/005 F-163

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ONE HUNDRED SEVENTH CONGRESS

U.S. House of Representatives  
Committee on Energy and Commerce  
Washington, DC 20515-6115

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CHAIRMAN

July 2, 2002

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DAVID V. MARVENTANO, STAFF DIRECTOR

The Honorable Harvey L. Pitt  
Chairman  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Dear Chairman Pitt:

The Committee on Energy and Commerce is undertaking a comprehensive review of the propriety of financial statements by certain publicly traded companies. The Committee is profoundly disturbed over the recent string of allegations that companies such as WorldCom, Inc. ("WorldCom"), Tyco International, Inc. ("Tyco"), Global Crossing Ltd. ("Global Crossing"), Xerox Corporation ("Xerox") and Qwest Communications International, Inc. ("Qwest") may have engaged in questionable accounting practices that had the effect of substantially enhancing their reported financial positions, and may have failed to disclose information necessary for investors in these companies to fully understand the true financial conditions of them.

In accordance with our oversight obligations, we are conducting a full review of the issues surrounding the allegations of accounting improprieties and financial misrepresentation that have arisen in connection with the above-mentioned companies. Accordingly, pursuant to Rules X and XI of the U.S. House of Representatives, we request that the Securities and Exchange Commission ("SEC") provide to the Committee the information set forth below by Tuesday, July 9, 2002. Question Nos. 1 through 5 are applicable to the five companies listed above and the Committee requests that the SEC respond separately for each company in the following order: WorldCom, Tyco, Global Crossing, Xerox and Qwest.

1. For the period from January 1998 through the date upon which the SEC began its current formal inquiry into the company, did the SEC review any of the 10-Qs or 10-Ks filed by the company? If so, identify the filings reviewed, provide a brief description of the reviews conducted, and provide all records relating to such reviews.

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2. Identify all inquiries or investigations, whether formal or informal, conducted by the SEC of the company for the time period referenced in Question No. 1. Include in your response the date the inquiry began and ended (if applicable), and a description of the nature of the inquiry and any action taken by the SEC at the end of the inquiry. If the SEC did not take action against the company, provide an explanation as to the reason(s) for the SEC's decision. In addition, provide all records relating to any such inquiries or investigations, including, but not limited to, all records relating to the SEC's decision to issue a "closing letter" to Tyco in July 2000, concerning an investigation announced by the SEC in December 1999.
3. For the time period referenced in Question No. 1, all records relating to communications between or among the SEC, its Commissioners, officers, or employees with respect to the company's accounting practices, disclosures, or financial statements.
4. For the time period referenced in Question No. 1, all records relating to communications between or among the SEC (including any of its Commissioners, divisions, officers, or employees) and the company in question with respect to the company's accounting practices, disclosures, or financial statements.
5. For the time period referenced in Question No. 1, all records relating to any proposed or actual adjustments by the company's internal or external auditors to the company's filings submitted to the SEC.
6. State whether the SEC's procedures for initiating an inquiry or investigation of a company have changed from January 1998 through the present, and, if so, describe those changes and the time period during which such changes were implemented.
7. Describe the SEC's procedures for determining whether to take action on an investigation or inquiry. Include in your response whether the decisional process has changed from January 1998 through the present, and, if so, describe those changes and the time period during which such changes were implemented.
8. Describe the procedures that the SEC's Division of Corporation Finance uses for determining what company filings they review in connection with an inquiry or investigation. Include in your response whether the procedural process has changed from January 1998 through the present, and, if so, describe those changes and the time period during which such changes were implemented.

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Please note that, for the purpose of responding to the above requests, the term "WorldCom" means WorldCom, Inc., or one or more of its divisions, subsidiaries or affiliates, or related entities; the term "Tyco" means Tyco International, Inc., or one or more of its divisions, subsidiaries or affiliates, or related entities; the term "Global Crossing" means Global Crossing, Ltd., or one or more of its divisions, subsidiaries or affiliates, or related entities; the term "Xerox" means Xerox Corp., or one or more of its divisions, subsidiaries or affiliates, or related entities; and the term "Qwest" means Qwest Communications International Inc., or one or more of its divisions, subsidiaries or affiliates, or related entities. Further, the terms "records" and "relating" should be interpreted in accordance with the attachment to this letter.

Finally, we request that the SEC provide to Committee staff by Wednesday July 10, 2002, a briefing covering the details of the SEC's current investigations of WorldCom, Xerox and Tyco.

If you have any questions, please contact Kelli Andrews, Majority Counsel, at (202) 226-2424.

Sincerely,

  
W.J. "Billy" Tauzin  
Chairman

  
James C. Greenwood  
Chairman  
Subcommittee on Oversight  
and Investigations

Attachment

cc: The Honorable John D. Dingell, Ranking Member  
The Honorable Peter Deutsch, Ranking Member  
Subcommittee on Oversight and Investigations

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**ATTACHMENT**

1. The term "records" is to be construed in the broadest sense and shall mean any written or graphic material, however produced or reproduced, of any kind or description, consisting of the original and any non-identical copy (whether different from the original because of notes made on or attached to such copy or otherwise) and drafts and both sides thereof, whether printed or recorded electronically or magnetically or stored in any type of data bank, including, but not limited to, the following: correspondence, memoranda, records, summaries of personal conversations or interviews, minutes or records of meetings or conferences, opinions or reports of consultants, projections, statistical statements, drafts, contracts, agreements, purchase orders, invoices, confirmations, telegraphs, telexes, agendas, books, notes, pamphlets, periodicals, reports, studies, evaluations, opinions, logs, diaries, desk calendars, appointment books, tape recordings, video recordings, e-mails, voice mails, computer tapes, or other computer stored matter, magnetic tapes, microfilm, microfiche, punch cards, all other records kept by electronic, photographic, or mechanical means, charts, photographs, notebooks, drawings, plans, inter-office communications, intra-office and intra-departmental communications, transcripts, checks and canceled checks, bank statements, ledgers, books, records or statements of accounts, and papers and things similar to any of the foregoing, however denominated.
2. The terms "relating," "relate," or "regarding" as to any given subject means anything that constitutes, contains, embodies, identifies, deals with, or is in any manner whatsoever pertinent to that subject, including but not limited to records concerning the preparation of other records.