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United States Senate

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WASHINGTON, DC 20510-6250

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November 1, 2002

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

Dear Mr. President:

It is time for Harvey Pitt, Chairman of the Securities and Exchange Commission, to tender his immediate resignation. His continued missteps are further damaging investor confidence at a time when the U.S. economy is weak and consumer confidence is at the lowest point in years.

Last week, Mr. Pitt forced a partisan vote at the SEC on the first chairman of the new Public Company Accounting Oversight Board established to help restore auditor integrity. Mr. Pitt has never explained why he withdrew his initial support for John Biggs, a candidate with superior qualifications and bipartisan appeal, or why he failed to find a chairman who could receive the unanimous support of the SEC commissioners. This week, we learned that Mr. Pitt withheld from his fellow commissioners prior to the vote highly relevant information about Judge William Webster's recent experience as an auditing committee chair of U.S. Technologies, a publicly traded company. Yesterday, Mr. Pitt called for his own appointment process to be investigated by the SEC's Inspector General, while senior Members of the House and Senate Banking Committees requested a General Accounting Office review with Senate hearings to follow.

This painful set of facts is not just embarrassing, it undermines the corporate reform efforts of Congress and the SEC. From his personal meetings with companies under investigation, to his deference to accounting firms fighting tougher oversight, to his mishandling of the new oversight board, Mr. Pitt has shown that he has neither the judgment nor the credibility to continue in this important position.

Your continued personal support of Mr. Pitt sends the wrong message about the importance of corporate reform, investor protections, and strong government oversight. If Mr. Pitt does not step down voluntarily this week, I urge you to ask him resign.

Sincerely,



Carl Levin, Chairman
Permanent Subcommittee on Investigations

CL:ejb

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