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Office of the Deputy Attorney General

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The Acting Deputy Attorney General

Washington, D.C. 20530

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**MEMORANDUM**

**TO:** UNITED STATES ATTORNEYS  
ASSISTANT ATTORNEY GENERAL FOR THE CRIMINAL DIVISION  
ASSISTANT ATTORNEY GENERAL FOR THE TAX DIVISION  
DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION

**FROM:** Robert D. McCallum, Jr. *Robert D. McCallum, Jr.*  
Acting Deputy Attorney General

**SUBJECT:** The Department's Corporate Fraud Initiative And The Corporate Fraud  
Task Force's First Year Report To The President

Before former Deputy Attorney General Thompson left his post earlier this month, he sent the President, as Chair of the President's Corporate Fraud Task Force ("Task Force"), a copy of the Task Force's First Year Report. The Report catalogues the Task Force's impressive work over the last year, work highlighted by unparalleled cooperation by and among Task Force members. In addition to summarizing the individual contributions of each Task Force member, it also details the hallmarks of the Task Force's efforts to combat corporate fraud, including "real-time enforcement," prosecuting obstructive conduct, securing corporate cooperation in government investigations and prosecuting culpable business entities and professionals. Please take time to review the Report and circulate it among your senior staff and your corporate fraud prosecutors, investigators and support staff.

The Task Force's success is a direct result of the outstanding efforts of prosecutors, investigators and support staff within the United States Attorneys' Offices, the Criminal Division, the Tax Division and the Federal Bureau of Investigation. Although I certainly want to take this time to thank you on behalf of the Attorney General and myself, I know former Deputy Attorney General Thompson would want to thank you as well. He mentioned on a number of occasions how pleased he was that Justice Department personnel assigned to corporate fraud matters were aggressively and timely pursuing corporate fraud cases nationwide. He believed the Department had done much to help restore lost and needed integrity within America's financial marketplace.

Though we have done much to root out corporate fraud in America, there is much more to be done. I note that United States Attorneys' Offices are continuing to open a significant number of corporate fraud matters and that case filings continue to increase considerably. Please continue to not only give corporate fraud matters and cases your utmost attention, but also take whatever steps are necessary to ensure that corporate fraud matters and cases are properly staffed. As former Deputy Attorney General Thompson mentioned in a memorandum to you last year:

I encourage you to devote your finest efforts to these matters. Their prompt and effective resolution is a priority of the Department and a crucial factor in restoring the confidence of the American people in our financial markets. The investigation and prosecution of significant corporate fraud matters should command the focus of your office's efforts against white-collar crime and whatever resources are required to examine these matters swiftly and effectively. We must strive for what the Attorney General has called "real time" criminal enforcement of significant corporate fraud matters – not only to apprehend and punish those corporate criminals, but for the investing public to recognize these accomplishments.

Moreover, it is important that you stay in regular communications with members of my staff so that I can best assess the direction, progress and requirements of your investigations and prosecutions. I have assigned Stuart Levey, the Principal Associate Deputy Attorney General, and Bill Mateja, my Senior Counsel, to focus on these matters, and you should contact them at any time to apprise me of new significant corporate fraud investigations, to update me on existing matters and to give me advance notice of major events in those investigations.

Once again, I thank you for your continuing efforts to root out corporate fraud. I look forward to working with you to fulfill the President's mandate to eradicate corporate fraud and to continue to restore investor confidence in the marketplace.

**Attachment**

cc: Chief of Staff to the Attorney General  
Acting Assistant Deputy Attorney General, Office of Legal Policy  
Acting Assistant Deputy Attorney General, Office of Legal Counsel  
Assistant Deputy Attorney General, Office of Legislative Affairs  
Director, Executive Office for United States Attorneys  
Director, Office of Legal Education  
Director, Office of Public Affairs  
Chief, Fraud Section  
Director, Enron Task Force