



## Office of the Attorney General

Washington, D.C. 20530

June 16, 2009

The Honorable Patrick J. Leahy  
United States Senate  
Washington, D.C. 20510

Dear Senator Leahy:

Thank you for your letter dated April 3, 2009, sharing your support for the Justice Department's revised "Principles of Federal Prosecution of Business Organizations" ("Principles") adopted last summer. I agree with you that the Department must address lingering concerns about respect for the attorney-client privilege in investigations and prosecutions of corporate entities, while at the same time continuing to reward corporate citizens who cooperate with investigations. As you note, the new Principles strike an appropriate balance by evaluating cooperation efforts based on the information provided, rather than on waiver of the privilege. In addition, the Department has sought to bring certainty and continuity to this issue by incorporating the new Principles into the U.S. Attorney's Manual.

Since adopting the new Principles, the Department has engaged in extensive training efforts to educate prosecutors and law enforcement agents throughout the Department on the new Principles. The Office of the Deputy Attorney General has taken the lead in conducting training sessions devoted to the new Principles at eleven different U.S. Attorney's offices, including the largest offices in the Department, as well as at the Criminal Division's Fraud Section. These training sessions will continue. In addition, to the extent that Department of Justice employees have not been able to attend such a training session, the Department has training materials that are made available to anyone within the Department at any time. Presentations on the new Principles have also become a standard feature of our Office of Legal Education's course offerings at the National Advocacy Center, including the Basic and Advanced White Collar Prosecutions Seminars, the Grand Jury Practice course and most recently a seminar on "Successful Strategies for Navigating Health Care Fraud Cases."

Moreover, the Justice Department is engaged in ongoing efforts outside the Department to inform investigators and attorneys at other agencies about the new Principles and suggest them as best practices for investigations of corporate entities. For example, in January of this year, a representative from the Office of the Deputy Attorney General gave a presentation about the new Principles at a meeting of the Securities and Commodities Fraud Working Group in

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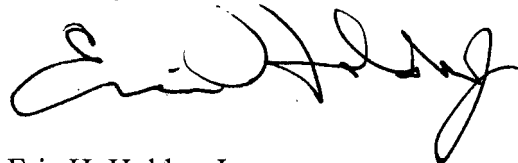
Salt Lake City, Utah. This meeting was attended by several representatives from the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Federal Reserve Bank, the Public Company Accounting Oversight Board, the Financial Industries Regulatory Authority and the New York Stock Exchange. Representatives from the Department attended another meeting of the Securities and Commodities Fraud Working Group in late May and specifically requested that the new Principles again be placed on the agenda of items to discuss. In addition, representatives of the Justice Department recently participated in the Department of Defense's annual Procurement Fraud Conference during which the new Principles were discussed.

I have also personally raised the new Principles and the Department's experience with them in discussions with a number of my counterparts at other departments or agencies that play a corporate enforcement role, and plan to continue to do so in the future. The Justice Department is currently reviewing options for a broad interagency effort to address the financial crisis and potential fraud during the recovery effort. While this inter-agency task force is still in its planning stages, we anticipate that it will include representation from agencies throughout the executive branch that engage in investigations and prosecutions of corporations. I expect that this group may provide an ideal forum within which the Department can encourage other agencies to adopt similar principles.

As you kindly point out, the Justice Department "has always set the tone and the standard for investigations of corporate wrongdoing." We will continue to lead the effort in aggressive but fair enforcement of corporate and securities fraud. In the process, we will lead by example in sharing our new Principles with our law enforcement and regulatory partners throughout the executive branch.

Finally, I want to thank you for your leadership and continued support for anti-fraud enforcement efforts in advocating for the Fraud Enforcement and Recovery Act of 2009. This legislation provides much needed tools for investigators and prosecutors to address mortgage fraud and other financial fraud related to the recovery efforts. We look forward to continuing to work with you to make sure that these tools are used effectively and appropriately.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric H. Holder, Jr.", written in a cursive style.

Eric H. Holder, Jr.  
Attorney General