

October 30, 2002

Office of Public Affairs  
U.S. Sentencing Committee  
1 Columbus Circle, NE  
Suite 2-500  
Washington, D.C. 20002

Dear Members of the Advisory Group on Organizational Guidelines:

As an Adjunct Professor at the University of Pennsylvania School of Law teaching Corporate Lawyering, I believe that Chapter Eight Guidelines should specifically mention the responsibility of boards of directors, committees of the board or equivalent governance bodies of organizations in overseeing compliance programs, and supervising senior management compliance with such programs. The Caremark Decision dicta on corporate compliance oversight by the board of directors should be incorporated into the Chapter Eight Guidelines criteria. The connections between good corporate governance and an effective corporate compliance program is critical.

I feel such a strong connection between corporate governance and corporate compliance will instill a high level of interest and promote corporate citizenship among officers of the company. It would be an important lever in creating a culture of compliance.

As you are aware, the New York Stock Exchange proposed rules issued on August 16, 2002 recommend a majority of independent directors. With this in mind, specifically connecting Chapter Eight Guidelines to corporate governance and the board of directors' responsibility would further compliance efforts since I believe that independent directors will more readily take a leadership role in making sure that they have the appropriate tools to oversee compliance.

The board of directors will be more likely to request a high level compliance officer who has adequate time and resources so they have someone to rely on; a third party anonymous hotline that provides regular, audited reports on violations; sufficient training on risk areas; and reliable and frequent monitoring of the compliance program. These are the key areas of oversee that the board of directors could expect regular reporting on a quarterly or semi-annual basis to be available.

Sincerely,



Carole Basri