

August 27, 2002

United States Sentencing Commission
One Columbus Circle, N.E.
Suite 2-500
Washington, D.C. 20002-8002

Attn: Michael Courlander

Dear Mr. Courlander:

On behalf of United Technologies Corporation, I am grateful for the opportunity to provide input to the Advisory Group for Organizational Guidelines. I would like to offer recommendations in two areas included in your questions listed for comment.

Your paragraph f. relates to Chapter 8A1.2 comment, 3(k)(5). It would be helpful to have the need for guaranteed confidentiality built into point 5. The reason is that experience and surveys show that a certain percent of the work force will not report because it fears retribution or retaliation from management or co-workers. Thus without the cover of assured confidentiality, even in third-party law suits, organizations are potentially missing certain sources of information regarding suspected wrongdoing because those sources are afraid to come forward. Most recently, several articles (post Enron collapse) have pointed out the perils of the whistleblower.

Item 5 under your list of questions discusses the potential need for added incentives that might be provided by Chapter Eight Guidelines in order to encourage greater self-reporting and cooperation. While the following might not be considered an incentive, it would be helpful to those of us who promote and manage effective ethics and compliance programs to have Commission data on how the guidelines have been applied as a benefit or penalty to those organizations that chose to have or chose to ignore the seven points. We suggest that the Commission survey U.S. attorneys to learn how organizations found guilty of violating U.S. law had fines reduced or multiplied because of how they embraced or ignored the guidelines. Then, make the data available so that those of us who work in this area can use it to keep management informed of the judicial application of the Sentencing Guidelines.

Thank you again for this opportunity to comment. I will be sending this letter in email form as well.

Sincerely,

Patrick J. Gnazzo
Vice President, Business Practices
United Technologies

cc: D. Bednar
P. Fiorelli
E. Holder
C. Howard
E. Petry
W. Swenson