



American Express Company
General Counsel's Office
200 Vesey Street
49th Floor
New York, NY 10285

October 4, 2002

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

**Re: Responses to Request for Public Comment to Advisory Group on
Organizational Guidelines to the U.S. Sentencing Commission**

Dear Mr. Courlander:

I am recommending that the Chapter Eight Guidelines' criteria for an "effective program to prevent and detect violations of law" at §8A1.2, comment 3(k)(1-7), be clarified, with respect to comment 3(k)(5), which addresses implementing and publicizing a reporting system that fosters reporting without fear of retribution.

I recommend that comment 3(k)(5) be made more specific to encourage the creation of a neutral or Ombudsperson ("Ombuds") Office for confidential reporting. This recommendation is consistent with Section 301 of the Sarbanes-Oxley Act of 2002 which requires Audit Committees of publicly traded companies to "establish procedures for the confidential, anonymous submission by employees ... of concerns regarding questionable accounting or auditing matters."

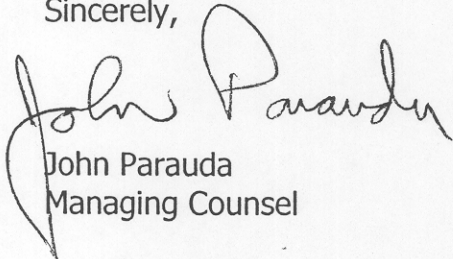
Organizational ombuds are independent, neutral, and confidential offices for issue resolution and provide a variety of services, such as coaching, discussing possible options, etc. to employees to assist them in identifying and resolving workplace issues, including concerns over unethical and possible illegal actions. Many employees who contact the ombuds office to discuss issues have been hesitant or unwilling for a variety of reasons to go through internal company channels such as their leaders, general counsel's office or human resources.

Ombuds offices provide additional valuable non-confidential information to an organization's management through trend reports without compromising the confidentiality of employee communications. American Express Company has an Office of the Ombudsperson. In 2001, more than 3,000 employees contacted the Ombuds Office. Eighty-five percent of these calls resulted in a change or information provided to resolve an issue.

In response to a recent survey, 97% of respondents indicated they would use or recommend the Ombuds Office and 95% were satisfied with the office's services. While an Ombuds office does not replace our human resources, legal and compliance departments, it does provide a valuable service to American Express by providing a neutral, confidential environment to report issues that may not otherwise be raised.

Ombuds offices are an important means of encouraging employees to report concerns and suspected misconduct without the fear of retaliation and should be encouraged by the organization guidelines promulgated by the U.S. Sentencing Commission.

Sincerely,



John Parauda
Managing Counsel