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October 28, 2002

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INDEPENDENT

The Honorable John Ashcroft
Attorney General
Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Attorney General Ashcroft:

I am writing to you regarding the Justice Department's investigation of the French bank Credit Lyonnais.

According to press accounts, career prosecutors in the U.S. Attorney's Office in Los Angeles recommended in April 2001 that the Justice Department indict Credit Lyonnais for its role in the 1991 takeover of Executive Life Insurance Company.¹ This takeover appears to have violated federal and state law and resulted in losses to policyholders estimated at over \$2 billion.

Earlier this year, the press reported that the Justice Department was considering a lenient settlement with Credit Lyonnais that would not involve a criminal prosecution and would require the bank to pay only a nominal penalty.² Such a settlement, I believe, would be extremely detrimental to the many policyholders of Executive Life who lost money because of Credit Lyonnais's fraud.

On October 10, the Committee on Government Reform held a hearing on Credit Lyonnais's illegal acquisition of Executive Life. At the hearing, two policyholders, Robert Bozeman and Dru Ann Jacobson, testified about financial losses they and their families had suffered due to Credit Lyonnais's fraudulent conduct. I was moved by their testimony and asked them whether either of them — or for that matter, any Executive Life policyholders — had met with Justice Department officials to discuss the proposed settlement with Credit Lyonnais.

¹*Fraud Alleged in Purchase of Executive Life*, Los Angeles Times (June 20, 2001).

²*French Bank Still Pursuing U.S. Settlement*, New York Times (Mar. 7, 2002); *Ashcroft Pressed to Prosecute French Bank*, Los Angeles Times (Mar. 1, 2002).

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I was surprised to hear that such a meeting had never occurred, even though the French government and lobbyists for Credit Lyonnais have been in contact with Administration officials to discuss this matter. The unfortunate perception is that the Justice Department is more interested in hearing from the French government and Credit Lyonnais than from defrauded policyholders.

I believe that the Justice Department would benefit from hearing from these policyholders about how their lives have been affected by Credit Lyonnais's fraud. Consequently, I ask you to meet with a group of these policyholders before the Justice Department takes any definitive action relating to Credit Lyonnais. My staff would be happy to help facilitate such a meeting.

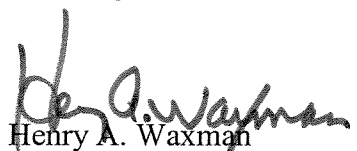
In addition, I am concerned about the potential influence of Credit Lyonnais's lobbying efforts on the Justice Department's prosecutorial decisions. In addition to the French government's lobbying of the State Department, the bank's lobbyist George Terwilliger appears to have had extensive contact with the Justice Department.³ I have no reason to believe that Mr. Terwilliger, who has close connections to the President, is doing anything other than being a vigorous advocate for his client. However, I do believe that these lobbying efforts should be disclosed.

Accordingly, I ask that you provide me with the following information:

- (1) The dates of any oral or written communications between Justice Department employees and George Terwilliger or any persons associated with him;
- (2) The names of the Justice Department employees involved in these communications;
- (3) The specific issues discussed in these communications; and
- (4) Copies of any written materials exchanged by Justice Department employees and Mr. Terwilliger or any persons associated with him.

I would appreciate your providing this information by the close of business on November 4, 2002.

Sincerely,


Henry A. Waxman
Ranking Minority Member

³*FBI Candidate's Continued Role in Fraud Case Faulted*, Washington Post (June 16, 2001).