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National Economic Council

Sumerlin, D. Marcus (Marc)

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Folder Title:

Banking : Corporate Governance [Folder 4] [3]

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DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
001	Outline	Corporate Fraud Task Force	2	N.D.	P5;
002	Memorandum	Corporate Governance - To: POTUS - From: Larry Lindsey	4	06/27/2002	P5;
003	Email	Language - To: D. Marcus Sumerlin - From: K. Philippa Malmgren	1	07/01/2002	P5;

COLLECTION TITLE:

National Economic Council

SERIES:

Sumerlin, D. Marcus (Marc)

FOLDER TITLE:

Banking : Corporate Governance [Folder 4] [3]

FRC ID:

5551

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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- P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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OA Num.:

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FOIA IDs and Segments:

2014-0278-F

2014-0373-F

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TOM DASCHLE
SOUTH DAKOTA

United States Senate
Office of the Majority Leader
Washington, DC 20510-7020

July 1, 2002

The Honorable George W. Bush
The White House
Washington, D.C. 20500

Dear Mr. President:

We welcome today's reports that you are considering new corporate penalties in response to the recent wave of financial scandals. We hope that today's news signals a willingness to rethink the Administration position, expressed previously by your political adviser Karl Rove and SEC Chairman Harvey Pitt, that legislation in this area is unnecessary.

Democrats have long believed that tough new laws are needed to restore investor confidence and prevent future abuses. Under the leadership of Chairman Paul Sarbanes, the Senate Banking Committee approved, in an overwhelming bipartisan vote, accounting reform legislation that will be considered by the Senate next week. We hope you will actively support this important measure.

Accounting reform alone, however, is not enough to restore confidence in our capital markets. We call for enactment of tough criminal penalties to hold corporate wrongdoers accountable for their actions. To this end, we have introduced "The Corporate and Criminal Fraud Accountability Act," S. 2010, which the Senate Judiciary Committee unanimously approved in May.

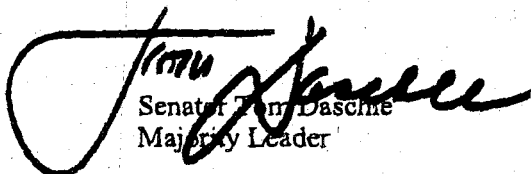
The bill creates a new ten-year felony for any "scheme or artifice" to defraud shareholders in publicly traded companies. It protects evidence by giving corporate whistleblowers, for the first time, an effective remedy in federal court if the wrongdoers retaliate against them. These insiders are often key witnesses needed to prove fraud cases.

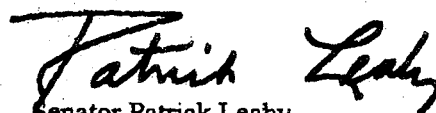
This legislation also creates two new "anti-shredding" laws that close loopholes in the current obstruction of justice offenses and create a clear rule that corporate audit papers must be kept for at least five years, which mirrors the statute of limitations for many federal crimes.

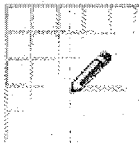
Next week, S. 2010 will be offered in the Senate as an amendment to the accounting reform bill. We urge you to consider endorsing both measures in order to send a strong message that you are prepared to join with Democrats to crack down on corporate fraud.

We look forward to working with you and members of your Administration in a bipartisan manner to enact comprehensive legislation to restore confidence in the integrity of our capital markets.

Sincerely,


Senator Tom Daschle
Majority Leader


Senator Patrick Leahy
Chairman, Judiciary Committee



Eric H. Otto
06/27/2002 09:12:06 AM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: Diana E. Furchtgott-Roth/CEA/EOP@EOP
Subject: LL on SEC, Debt Limit, the Dollar

White House's Lindsey Comments on SEC, Debt Limit, the Dollar
2002-06-27 09:09 (New York)

Washington, June 27 (Bloomberg) -- Comment from Lawrence Lindsey, chief economic adviser to President George W. Bush, on efforts to raise the U.S. debt ceiling, legislation to increase funding for the Securities and Exchange Commission, and the dollar. Lindsey spoke in an interview on CNBC.

On the debt ceiling:

"In the case of the House our real challenge is (that) the minority leader, Gephardt, who has 49.5 percent of the seats there, said he can't deliver any votes at all. We can almost get there with Republicans. But we really need bipartisan support there. In the Senate that's what we've got. We really need that in the House."

On additional SEC funding and accounting standards reform:

"We are all for an increase in SEC funding. It's got to happen. What the House is proposing is a \$250 million increase. That is plenty of money."

The administration is not backing a "watered-down" accounting standards bill, he said. "What we have is a major debate about how best to enforce the laws."

"Our main problem with the Sarbanes bill is that it creates overlapping jurisdictions," he said. When more than one regulator has responsibility "things fall through the cracks and then they end up pointing fingers at each other."

On the SEC's performance:

"The SEC has been out there with more prosecutions this year than any time in the last 10 years at least. Remember most of this stuff didn't happen last year. This stuff was happening in the '90s. We want to, we have to follow a lot of abuses and clean them up."

"What we should have had is consistent enforcement of the laws during the bull market. The right thing to have here is consistent enforcement of the laws. And that was lacking in the 1990s and that's why we have so much left over. The right time to stop abuses is when they're occurring. All we're doing now, as you know, is cleaning up the action after it's already happened."

"Individuals who have responsibility to the corporation do have a responsibility to be candid and honest with shareholders."

The problem in the '90s was that they were not. They were not asked to be."

On the dollar

"What a strong dollar policy is all about is, first of all, maintaining an anti-inflationary policy. The surest way to sink a dollar is to have a resumption of inflation."

Keeping inflation down is important and "we support the Fed in that," he said. "The second thing you do to have a strong dollar is to make America the place in the world in which to invest. And it is and it continues to be. That's what our strong dollar policy is all about."

--Michael McKee in Washington (202) 624-1895 or at mmckee@bloomberg.net. Editor: Greene

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WCOM US <Equity>

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Corp Governance

● Rachael L. Sunbarger

06/28/2002 03:28:43 PM

Record Type: Record

To:

cc:

Subject: PRESS BRIEFING BY ARI FLEISCHER

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 28, 2002

PRESS BRIEFING BY
ARI FLEISCHER

James S. Brady Briefing Room

12:47 P.M. EDT

MR. FLEISCHER: Good afternoon. Let me give you a summary of the President's day, then I have a brief statement I'd like to make, and then I'd be happy to take your questions.

The President began this morning with his briefing from the CIA, followed by a briefing from the FBI. Then he convened a meeting of the National Security Council. The President has just concluded his remarks at the Friends of Connie Morella for Congress luncheon. And the President will depart for Camp David later this afternoon.

I do want to note that as the Congress leaves for its July 4th recess, the President believes that this week particularly was a week of accomplishment for the American people. The House of Representatives passed the trade promotion authority legislation, which enhances the

likelihood of a conference agreement. That's something the President will work for, because he believes trade is important to creating jobs.

The House also passed an exciting new law, or new bill, providing for prescription drug coverage for America's seniors, something the President thinks is long overdue. He's very pleased that the House has taken this action. The House of Representatives has also put our nation's defense first, and they have passed the defense appropriations bill, as well as the military construction bill. The President is pleased to see action on this. He hopes the Senate will follow.

And the President also wants to note an important Supreme Court case this week dealing with providing more educational choices for our nation's schoolchildren. As the President said, the Supreme Court decision was a landmark ruling, a victory for parents and children throughout America. By upholding the constitutionality of Cleveland's school choice program, the Supreme Court has offered the hope of an excellent education to parents and children throughout our country. And the President said, this decision clears the way for other innovative school choice programs, so that no child in America will be left behind.

The President is pleased with this week of accomplishment in the Congress, looks forward to more successful work when Congress returns in August, as many items are now pending in conference committees.

With that, I'm happy to take your questions. Ron.

Q Ari, have you, or to your knowledge, the President, been involved in any meetings to talk about the possible political ramifications of the Worldcom and Enron cases?

MR. FLEISCHER: No. And, Ron, I was with the President when the President discussed the Worldcom case, when it was in the papers in Canada. And I can tell you, the President was just outraged. The President read about it, he talked to us about it, and that's why the President went out and spoke about it as strongly as he did.

Q But were you, or to your knowledge the President, involved in any meetings that talked about the political ramifications of the case?

MR. FLEISCHER: No. And I can tell you, the President's focus is on solving problems. That's why he has spoken out about this as long as he has, as repeatedly as he has, going back months.

Q So you haven't been involved in any meetings that talked about the political --

MR. FLEISCHER: No. Haven't.

Q But certainly, a continued lack of confidence in the economy, and possibly even another dip or at least continued slowdown would likely hurt him in the fall, wouldn't it?

MR. FLEISCHER: These are not the issues the President is focused on. I mean, some in Washington may want to focus on the politics of this. The President is focused on people's jobs, and the fact that corporations have a responsibility to be above board, to honor the call of ethics and high ethics. And just as the President calls on all in our society to honor their role in the responsibility era, the President calls on corporate America to do the same thing. That's his focus.

Q Ari, when you say you have not attended any of these meetings, you're not saying that you don't know of any such meetings, are you?

MR. FLEISCHER: No, Ron's question was have I attended or have any knowledge of them, and I don't.

Q So, so far as you know, nobody in the White House is discussing the politics of the fallout?

MR. FLEISCHER: I have no idea. I mean, its politics can get discussed. Politics -- I don't rule out politics get discussed. I can tell you, though, what the President is focused on is helping America to know that corporations are above board in their reporting of their numbers, so that investors and employees have confidence in a system, a free enterprise system that has worked well for our country.

Q How can they know that, when everything's falling apart? Really. They're falling like tenpins, one corporation after another. So why should they have confidence?

MR. FLEISCHER: And that's why the President feels so strongly about it, Helen. And that's why he speaks out.

Q Well, what's he going to do about it?

MR. FLEISCHER: Well, I'm glad you asked me that question. The President has already made several proposals which are working their way through the system, which would address this directly. And two of the most important provisions in there -- and the President's radio address this weekend will be about this -- are that if any corporate leaders have stock options and report profits, and have their own personal gains as a result of these inflated, phony numbers, the Securities and Exchange Commission has the authority to get the money back, because it should not belong to these people in the first place.

And so they have actively been going after these corporate leaders, not only to get the money back and make them lose these ill-gotten profits. But, as well, people who abuse the public trust should no longer be in the position to hold any public trust and they would be banned from serving on corporate boards or board of directors. And let me give you some numbers. In this fiscal year, the Security Exchange Commission has sought to bar 54 officers and directors. That is more than was sought during all of last year, and it's a 40-percent increase in the number of people who were acted against in the year 2000, in the full year.

So this fiscal year is not even over yet, and the number of people the Security and Exchange Commission is going after to bar is way up.

Q Barred from what?

Q Barred from serving --

MR. FLEISCHER: Barred from serving as officers and directors.

Kelly.

Q Ari, as you know, some Democrats say those measures don't go far enough, that it relies a little bit on self-policing. Case in point: those measures, would they have prevented Worldcom from potentially

misaccounting for \$3.8 billion? Just that, in and of itself, affected shareholders, not whether these officers have stock options connected to those profits. How would the President's proposals prevent a company from "cooking the books"?

MR. FLEISCHER: Well, one of the things that Congress can do is pass the President's request -- there's money in the supplemental right now for \$20 million for the Security and Exchange Commission to have another 100 enforcers of the law. And that's something the President has worked with Congress on. It's in the supplemental that's pending in the Congress, and that's action that can be taken so the Security and Exchange Commission has even more resources to go after these bad apples. And the President supports that funding; he hopes Congress will be able to pass it.

And let me walk you through several of the President's other proposals on corporate responsibility

--

Q Can I just interrupt a minute?

MR. FLEISCHER: Go ahead, Helen.

Q When did the President first become aware of this tremendous abuses?

MR. FLEISCHER: The President made these proposals back in March, and this is something, as you know from being on the trail with the President, you hear him talk about it very often.

Let me walk you through some of the President's specific proposals dealing with how to clean up corporate America and make certain that their actions are above board and the shareholders, investors and the public have confidence in the information they're receiving.

Q Ari, these are from the 10-point plan?

MR. FLEISCHER: That's right, these are some proposals the President made earlier, way before Worldcom, because the President recognized the need for better enforcement to take action to make certain that corporate books are honest, open and accurate.

And here's the President's proposals. The President believes that investors should have quarterly access to

information needed to judge financial performance, conditions and risks. That CEOs need to personally vouch for the veracity, timeliness and fairness of the company's public disclosures, including their financial statements. And on that point I want to note that the Security and Exchange Commission just yesterday ordered CEOs and CFOs of the thousand largest public companies to certify that the financial information they submitted last year was fair and accurate. So they're going to make them go back and show that it's accurate, which is a helpful step to promote consumer and investor confidence.

The President also believes, as I indicated earlier, that CEOs and officers should not be allowed to profit from erroneous financial statements; that if they receive any bonuses or any stock options, incentive-based forms of compensation that were based on phony, pumped up, fraudulent numbers, they need to give the money back. And the SEC has been taking action on this. That's called disgorging the profits.

And finally, as I indicated earlier, CEOs and officers who clearly abuse their power should lose their right to serve in any corporate leadership position.

Kelly, go ahead.

Q Does the President believe that if people are found to be "cooking the books," that they should go to jail?

MR. FLEISCHER: Absolutely. Absolutely. All determined by the Department of Justice in accordance with the laws. And what you're seeing in the case of Enron, in the case of Arthur Andersen, is vigorous enforcement of the laws.

Ron.

Q The President said today that the Justice Department will hold people accountable. Was he confirming that the Justice Department is looking into the Worldcom case? And separately, can you confirm what's been in the papers today, that you're looking at even more initiatives for July on this?

MR. FLEISCHER: Ron, I will always allow the law enforcement agencies to describe their own law enforcement actions. I don't think the White House should get into the specifics of a law enforcement

action. That's for the individual agency to detail.

The President will be giving a speech on July 12th in New York City about corporate governance again. The President spoke about it today at his luncheon, and as those of you who traveled with the President, you've heard him talk about it on a repeated basis. He will continue to say it, because he thinks it's important to hold corporate America responsible.

Having said that, what I want to emphasize is the President has tremendous faith in our free enterprise system. The President believes that America's free enterprise system is a system that has done very well for the American people; it's led to much comfort; it's led to a strong way of life for the American people; and that if there are any bad apples, those bad apples need to be targeted, the light shown, and they need to get after --

Q Let me follow up real quickly. You said July 12th -- are you sure it's not July 9th --

MR. FLEISCHER: July 9th? I'm sorry, July 9th. Thank you for the correction.

Q When the President made these proposals it appeared that Enron was an isolated case. Now we know that's not the case. So hasn't he changed his opinion at all about what needs to be done, including perhaps more sweeping changes at the SEC or anything --

MR. FLEISCHER: As to when the President made these proposals, he made them because he thought these were the right proposals for all corporate America to protect investors and shareholders and the public. So it was aimed more broadly.

Steve.

Q What's the President's position on the Sarbanes legislation, which seems to be gaining ground in the Senate?

MR. FLEISCHER: The President shares the goal of the Sarbanes bill. He believes that we need more disclosure, we need better information, increased corporate responsibility and a crackdown on corporate wrongdoing. He's pleased that Senator Sarbanes' bill calls for stepped-up enforcement by the SEC. And we do have some

concerns that the Sarbanes' bill doesn't give the President -- doesn't give the SEC administrative authority to ban officers and directors from serving on those positions if they're involved in wrongdoing. The President wants the SEC to be able to do that administratively, so that way it can be done quickly and fast, and done where the case is deserving.

On the accounting board, we think that Chairman Pitt has laid it out in a good approach that would be speedier and more effective in creating greater accountability.

We'll continue to work with the Congress on this. The measure that passed the House that the President proposed passed by an overwhelming bipartisan vote of 334 to 90. So there clearly is bipartisan support for the President's approach.

John. Then I want to keep moving to the second row.

Q Ari, there are those who have said for some years now that if you rob a bank and are caught, you go to jail for a long time. If you're a corporate officer who's guilty of fraud or juggling the books in some way, you -- or misrepresenting the accounting, you go to jail for a short period of time, you get a fine and you go back and you're still a zillionaire. Does the President feel that way at all? Does he feel that the sentencing is out of kilter?

MR. FLEISCHER: Well, I think there are some severe sentences that are available under the law, and this is why the Department of Justice makes individual decisions based on the facts before them on every individual case. And what the President has said is the law needs to be fully enforced and enforced vigorously. And that's how his approach is.

Q But does he feel there need to be tougher sentences, as well as more of these people going to jail?

MR. FLEISCHER: The President believes that the laws need to be enforced vigorously, and that involves putting people in jail.

Q Ari, besides giving the speech tomorrow and giving a speech in New York on July 9th, the President has the bully pulpit and he has convened many conferences already in the White House about different issues. There is a crisis of confidence out there. Will he convene a

White House conference on this issue?

MR. FLEISCHER: The President will continue to talk to the American people and to corporate leaders. I can tell you, there was a meeting the President had earlier this month with corporate leaders to discuss getting them involved in Freedom Corps, having people who are involved in corporate America give their employees time to sign up for charitable work. And during that meeting -- it was an unrelated topic -- during that meeting the President called on these leading business leaders to exercise corporate responsibility, to make certain that their books were open and transparent and accurate, to make certain that their compensation packages were reasonable for the times. So this is a message that the President brings up in public, he brings up in private, and he'll continue to bring it up.

Q How about focusing on it at a White House conference?

MR. FLEISCHER: I think you'll hear a lot from the President directly when he goes to Wall Street and talks about it in less than two weeks' time.

Keith.

Q One clarification. When you said the accounting board that the chairman laid out, that the President supports, you meant Chairman Pitt, not Chairman Sarbanes, correct?

MR. FLEISCHER: That's correct, Chairman Pitt.

Q And what's the state of play on the debt limit?

MR. FLEISCHER: The White House has not yet received the debt limit bill. It remains possible that it will be received today prior to the President's departure. We'll keep you posted. As soon as the President receives it, he intends to sign it.

Finley.

Q Ari, what's the scoop behind General Downing's departure? And to what extent does this signal policy differences over the next phase of the war on terrorism?

MR. FLEISCHER: There's nothing to that, in terms of signal of the next phase of the war on terrorism.

remains an issue that the President is going to continue to monitor. It remains that the administration at all levels continues to work very hard, because it is volatile, it's important, but it is certainly far less tense now than it was just recently.

Q Can I follow one more? If the President has any comments or worried about the Russian and Chinese military to military deals, including submarines and other -- Russia is selling to China?

MR. FLEISCHER: Do you have a specific military -- you need to give me a specific military --

Q This week Russia is selling six more submarines.

MR. FLEISCHER: I don't have anything specific on that.

Q Well, in general?

MR. FLEISCHER: I don't have anything specific.

Q Is he --

MR. FLEISCHER: I'd have to take a look at the exact circumstances.

Q Aside from the speech that the President is going to be giving on corporate responsibility, his overall message, and aside from the 10-point plan which he already has proposed, does the President feel there are additional measures that need to be taken? Are you all considering anything else that's more than just message?

MR. FLEISCHER: I would invite you again to the President's speech and I think you'll hear from the President directly about what he thinks needs to be done, including whether anything additional. But one important starting place for additional activity to be done that goes beyond what the President has already called for is Congress to pass the supplemental, which provides for 100 more enforcement agents for the Security and Exchange Commission. It's one more good reason for Congress to pass that bill and get it to the President. It's called an emergency bill for a reason, and the fiscal year is almost over. Congress needs to pass that bill.

Go ahead, Francine, follow up. And then Paula.

Q Can you just respond to the criticism that the White House kind of just let these 10 points lie low, quietly, until it was reminded again by Worldcom that this is a big problem that we need to pay attention to?

MR. FLEISCHER: If it lied low quietly, then why did the House pass it by such a huge overwhelming vote before Worldcom took place?

Paula.

Q Along the line of Francine's question, when the President is in Wall Street, one of the areas the SEC has received criticism in is its conflict rules with respect to Wall Street analysts when they hype stocks that they publicly -- Is that possibly an area that the White House thinks the SEC should revisit?

MR. FLEISCHER: I'm not going to get into any guess work about what may or may not be in the President's speech. Suffice it to say that the areas that the President is going to focus on, as he already has, is transparency, accuracy, accountability, and high sense of ethics. And I think you'll continue to hear that message from the President, and I'm not going to get into any potential specifics.

Q You won't rule out conflict rules might be --

MR. FLEISCHER: I'm just not going to speculate about what may or may not be in.

Q Ari, the President, as you told us this morning, is going to be focusing on the compassionate conservative agenda in speeches on Monday and Tuesday.

MR. FLEISCHER: That's correct.

Q When it comes to welfare reform, and the faith-based and those other items that he'll be talking about, is the President's message resonating on the Hill? Particularly in the Senate, given where we stand on the congressional calendar right now?

MR. FLEISCHER: Well, I think the President's message is certainly resonating in the House. The President's agenda on faith-based initiatives has already been passed by the House. And it remains to be seen what

will happen in the Senate.

The Senate Finance Committee has passed some helpful steps involving faith-based programs. On welfare, on the other hand, the Senate has taken steps that move in the opposite direction of moving people from welfare to work. And so the President will, as always, continue to work with the Congress.

I think what -- looking broadly at August, Congress is about to leave for July 4th. And I think -- it remains to be seen about whether this will be a summer of productivity in the Congress when all is said and done, or a summer of inaction. There are many important issues that are currently pending in the Congress between the House and the Senate, that the American people are looking to the Congress and to people in Washington to work together to get resolved.

That includes a patients' bill of rights, something the President cares very deeply about, that he would like to get passed and enacted into law. Energy legislation, to make the country more energy independent; that, too, is caught right now between a House and Senate conference committee. Faith-based legislation. A ban on cloning. Trade promotion authority. Terrorism insurance. These are all important issues that are pending in the Congress.

There is a good possibility that this will be a summer of productivity in the Congress. Certainly this last week in the House of Representatives is an encouraging sign, heading into the final month of the summer. But it will remain to be seen. The President's going to do his part, though, to bring people together and to get it done.

I've been here a long time in Washington. I've seen, even in election years, very explosive, productive summers by the Congress. And the President will be curious to see which one it is this summer. He wants it to be a summer of productivity.

Q Ari, do you have any response to the letter from the Worldcom CEO stating that he was "surprised and outraged" at the accounting irregularities? Is there any White House response to that?

MR. FLEISCHER: The response is just what the President indicated today at his lunch. The President

believes that corporate leaders have a responsibility to be aboveboard and transparent, and that if there are any violations that took place they will be fully prosecuted. So these issues involving Worldcom are going to be in the hands of the investigatory agencies, properly so, that's where they belong.

Q Are you confirming, Ari, that he did receive and see that letter, though?

MR. FLEISCHER: The President has not seen it. The letter just arrived, and the President has not seen it. He was away from the White House at the event, as you know.

Campbell.

Q Ari, in the past, July 4th has been a kind of target date for terrorists planning attacks. Does the White House have any information about an increase in threats surrounding this coming July 4th, or are there any plans to put the country on heightened alert, given the --

MR. FLEISCHER: Campbell, we remain a nation that is at war with terrorists who want to bring harm to America. And there's nothing immediate, a hard specific that I can point to, other than to say there is still a generalized sense of awareness and level of awareness in the country that there are terrorists who want to hit us. The President's message to America is, have a wonderful, happy holiday, enjoy July 4th season, enjoy the break and the vacation; but we are a nation at war and people need to remember that.

I think all you need to do is look here in Washington, D.C., an event that has historically been a wide-open event where people can come and go as they please on the Mall to gather and, now, for the first time since September 11th, there will be different procedures to guarantee people's -- to help guarantee people's safety on the Mall. It's a reflection of a nation that's dealing with a country that has every meaningful expectation and right to celebrate while being cautious.

Q So nothing specific, though, relating to this 4th of July?

MR. FLEISCHER: There's always a general level of awareness. Any time Americans gather in large numbers,

there is a sense of awareness that terrorists who seek to do harm to our country look at events that have large numbers. That's the general level of awareness I think we've all recognized before at sporting events and other things of that nature.

Ed, Sarah, and then we'll come to you, Les, and we'll come back up. Ed.

Q Ari, given that Congresswoman Connie Morella votes perhaps more often than any other House Republican against the President's agenda, why did the President attend a fundraiser for her? Does it reflect some concern that she's in danger of losing her seat?

MR. FLEISCHER: One, I'm not sure about the premise of your question. It is very well possible there is some other Republicans who vote even more against the President. But I think it just shows that --

Q Who? (Laughter.)

MR. FLEISCHER: -- the Republican Party is a --

Q Name one.

MR. FLEISCHER: That's your question, Les. You're done. (Laughter.) Thank you, Les.

Ed. I think it's just further evidence that the Republican Party is a big tent and that the President is going to work hard to reelect people who broadly support the Republican agenda, the compassionate conservative agenda that the President has talked about, and who focus on education, particularly an important issue for all Republicans. And that's what you're seeing. The President will continue to work hard to support people who support him.

Sarah.

Q Thank you, Ari. Defense Secretary Rumsfeld says the war against terrorism is worldwide, and includes Hamas, Hezbollah, and Islamic Jihad. How is the President going to combat those organizations and stop them from conducting suicide attacks?

MR. FLEISCHER: Well, the war on terrorism, as the President has said, is a war on many fronts. And those fronts include the financial war, the diplomatic war, the

Yugoslavia that the importance of prosecuting people for human rights violations is they conducted a war against their own people and the tribunal has been set up successfully so to bring these former leaders -- would-be leaders to justice. And that has worked and worked well on the basis it's been established.

The administration does have a very deep-seated concern about the international criminal court as a separate entity, because that court will have jurisdiction over people who are not even members signed up to be under its jurisdiction. That would pose unacceptable risk to American peacekeepers throughout the world, and that's why the President does not support the international criminal court while, of course, the United States does support and will continue to support the creation of tribunals or judicial entities to bring war criminals to justice, as we've proved in the case of Serbia and Milosevic and others.

Q Ari, given the current firestorm over corporate fraud and corporate responsibility, has either the President or the Vice President gone back to make sure that the accounting practices at Halliburton didn't violate any rules and didn't try to bend the rules? As you know, the SEC is looking into Halliburton -- including the period in which the Vice President was employed at Halliburton. Have they gone back to double check to make sure nothing was wrong?

MR. FLEISCHER: Anything like that, I would refer you to Halliburton. Halliburton can address those questions about any of their records.

Q But has the White House tried to make sure -- has anybody from the White House said, we want to make sure that nothing happened? -

MR. FLEISCHER: Not to my knowledge. Not to my knowledge.

Thank you.

Q Do you have the week in advance, Ari?

MR. FLEISCHER: I did that this morning. Yes, the week ahead was done this morning. We'll get you a copy of it.

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