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November 6, 2001

By Hand
Honorable Diana E. Murphy
Chair
United States Sentencing Commission
One Columbus Circle, N.E.
Suite 2 –500
South Lobby
Washington, D.C. 20002-8002

Re: Organizational Guidelines – Ad Hoc Advisory Group

Dear Judge Murphy:

On behalf of the General Electric Company, I write in response to the Commission's request for comment on the proposal to form an "ad hoc advisory group" to consider whether any changes are warranted in the organizational sentencing guidelines.

Over the last ten years, the definition of an "effective program to prevent and detect" violations of law, incorporated into the organizational guidelines, has been an excellent framework to guide organizations in the development of comprehensive compliance programs. The elements are detailed enough to ensure that corporations adopt comprehensive multi – faceted programs and are sufficiently flexible to permit organizations to adapt their processes to different regulatory requirements in the many different countries in which global enterprises typically do business.

We think the current definition has worked well, and there is no need for extensive modification. Indeed, organizations have already invested considerable resources in the existing structure, and we would urge against making major changes in the definition of an effective compliance program without compelling reasons.

November 6, 2001

Page 2

A number of ideas have been submitted to the Commission to modify some elements of the definition of an effective compliance program. We believe it is premature to express a view on particular ideas until they are developed and presented in greater detail. We would be glad, however, to assist any review which is undertaken, and to participate in an advisory group in that connection.

GE has had extensive experience with the implementation of ethics and compliance programs in a wide variety of industries, ranging from financial services (such as insurance, consumer finance, commercial finance, banking) to manufacturing (including products such as power systems, medical systems, lighting products, appliances, and locomotives). We conduct business with government customers – GE was one of the founding members of the Defense Industry Initiative – as well as customers in the private sector. More than 300,000 employees work in over 100 countries around the world.

To offer the Commission a glimpse at how one large company has managed the process of introducing compliance and ethics programs around the world, I am enclosing a copy of our core policy guide *Integrity: The Spirit and the Letter of Our Commitment*, which we publish in 25 languages, as well as an 18-minute video, which introduces our worldwide employees to GE's approach to what we call Integrity.

Thank you for this opportunity to express our views.

Very truly yours

A handwritten signature in black ink, reading "E. Scott Gilbert". The signature is written in a cursive style with a long, horizontal flourish extending to the right.

Enclosure