

Congress of the United States

Washington, DC 20515

October 29, 2002

The Honorable John Ashcroft
Attorney General
Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Dear Attorney General Ashcroft:

We are writing as a follow up to the Government Reform Committee's October 10, 2002 hearing regarding Credit Lyonnais' alleged involvement in the acquisition of the Executive Life Insurance Company. At that hearing, two witnesses who were directly impacted by the demise of Executive Life testified along with representatives from the California Department of Insurance and the former Insurance Commissioner for the State of New York. Chairman Burton had also invited the Department of Justice (DoJ) to testify. We were disappointed that this invitation was declined.

As indicated at the hearing, we fully expect to hear from the DoJ on this matter either at another public hearing or in a meeting with other interested Members. Therefore, we are writing to request a meeting with you and your staff for the week of November 12th, when we will return to Washington. As you know, Chairman Burton, Ranking Member Waxman, and other Committee Members have indicated their support for additional hearings on this issue in the coming weeks. We believe it would be useful for us to meet more informally prior to those hearings.

One of the key issues we would like to discuss with you is the DoJ's process for determining whether or not to move forward with the reported recommendation of career federal prosecutors in Los Angeles to bring a criminal indictment against Credit Lyonnais. This case has apparently been pending before the DoJ for nearly two years. We would like to know if this is a reasonable amount of time to take – especially considering the approaching statute of limitations deadlines. After hearing the testimony of witnesses, we are even more concerned about this delay. We now have a greater sense of the severe hardships many of the 330,000 policyholders have endured since Executive Life was taken over by Credit Lyonnais and others.

According to published news reports, the history of Credit Lyonnais' dealings with Executive Life raises serious issues and concerns. After the State of California was forced to auction the assets of Executive Life, Credit Lyonnais took over the insurance company's bond portfolio – notwithstanding existing federal law barring a bank from owning interests in an insurance company and California state law prohibiting a foreign government from holding an interest in a California insurance company. California and other states took action to protect many of these policyholders, but the damage still remains.

Given this history, it is essential that we meet with you and your staff to discuss how we can work to ensure these policyholders are made whole to the best of our abilities.

Please contact Jim Kaplan with Mr. Ose's office at (202) 225-5716 if you have any additional questions or to schedule a meeting on this important issue. We look forward to your prompt response.

Sincerely,



DOUG OSE
Member of Congress



HENRY A. WAXMAN
Member of Congress