

Those who sit on corporate boards have responsibilities. I urge board members to check the quality of their company's financial statements, to ask tough questions about accounting methods, to demand that audit firms are not beholden to the CEO, and to make sure the compensation for senior executives squares with reality and common sense. And I challenge compensation committees to put an end to all company loans to corporate officers.

Shareholders also need to make their voices heard. They should demand an attentive and active board of directors. They should demand truly independent directors. They should demand that compensation committees reward long-term success, not failure. Shareholders should demand accountability not just in bad times but especially in boom times, when accountability frequently breaks down. Shareholders are a company's most important constituency, and they should act like it.

The 1990s was a decade of tremendous economic growth. As we're now learning, it was also a decade when the promise of rapid profits allowed the seeds of scandal to spring up. A lot of money was made, but too often standards were tossed aside. Yet the American system of enterprise has not failed us. Some dishonest individuals have failed our system. Now comes the urgent work of enforcement and reform, driven by a new ethic of responsibility.

We will show that markets can be both dynamic and honest, that lasting wealth and prosperity are built on a foundation of integrity. By reasserting the best values of our country, we will reclaim the promise of our economy.

Leaders in this room help give the free enterprise system an ethical compass, and the Nation respects you for that. We need that influence now more than ever. I want to thank you for helping to restore the people's trust in American business. I want to thank you for your love of the country. And I want to thank you for giving me the chance to come and address you today.

May God bless you all.

NOTE: The President spoke at 11:20 a.m. in the Regent Ballroom at the Regent Wall Street Hotel. In his remarks, he referred to William Rudin,

chairman, Association for a Better New York; Mayor Michael Bloomberg of New York City; and Edward Cardinal Egan, Roman Catholic Archdiocese of New York. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Executive Order 13271— Establishment of the Corporate Fraud Task Force

July 9, 2002

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to strengthen the efforts of the Department of Justice and Federal, State, and local agencies to investigate and prosecute significant financial crimes, recover the proceeds of such crimes, and ensure just and effective punishment of those who perpetrate financial crimes, it is hereby ordered as follows:

Section 1. Establishment. The Attorney General shall immediately establish within the Department of Justice a Corporate Fraud Task Force (Task Force). Without regard to any other provision of this order, the Task Force shall be subject to the authority of the Attorney General under applicable law.

Sec. 2. Membership and Operation. Subject to section 4 of this order, the Task Force shall have the following members:

- (a) the Deputy Attorney General, who shall serve as Chair;
- (b) the Assistant Attorney General (Criminal Division);
- (c) the Assistant Attorney General (Tax Division);
- (d) the Director of the Federal Bureau of Investigation;
- (e) the United States Attorney for the Southern District of New York;
- (f) the United States Attorney for the Eastern District of New York;
- (g) the United States Attorney for the Northern District of Illinois;
- (h) the United States Attorney for the Eastern District of Pennsylvania;
- (i) the United States Attorney for the Central District of California;
- (j) the United States Attorney for the Northern District of California;

(k) the United States Attorney for the Southern District of Texas; and

(l) such other officers or employees of the Department of Justice as the Attorney General may from time to time designate.

The Deputy Attorney General shall convene and direct the work of the Task Force in fulfilling all its functions under this order. The Deputy Attorney General may permit, when he deems it appropriate, the designee of a member of the Task Force, including those designated under section 4 of this order, to participate in lieu of the member. The Deputy Attorney General shall convene the first meeting of the Task Force within 10 days of the date of this order and shall thereafter convene the Task Force at such times as he deems appropriate.

Sec. 3. Functions. Consistent with the constitutional authority of the President, the authorities assigned to the Attorney General by law, and other applicable law, the Task Force shall:

(a) provide direction for the investigation and prosecution of cases of securities fraud, accounting fraud, mail and wire fraud, money laundering, tax fraud based on such predicate offenses, and other related financial crimes committed by commercial entities and directors, officers, professional advisers, and employees thereof (hereinafter “financial crimes”), when such cases are determined by the Deputy Attorney General, for purposes of this order, to be significant;

(b) provide recommendations to the Attorney General for allocation and reallocation of resources of the Department of Justice for investigation and prosecution of significant financial crimes, recovery of proceeds from such crimes to the extent permitted by law, and other matters determined by the Task Force from time to time to be of the highest priority in the investigation and prosecution of such crimes; and

(c) make recommendations to the President, through the Attorney General, from time to time for:

(i) action to enhance cooperation among departments, agencies, and entities of the Federal Government in the investigation and prosecution of significant financial crimes;

(ii) action to enhance cooperation among Federal, State, and local authorities responsible for the investigation and prosecution of significant financial crimes;

(iii) changes in rules, regulations, or policy to improve the effective investigation and prosecution of significant financial crimes; and

(iv) recommendations to the Congress regarding such measures as the President may judge necessary and expedient relating to significant financial crimes, or the investigation or prosecution thereof.

Sec. 4. Additional Participation for Specified Functions. In the Task Force’s performance of the functions set forth in subsection 3(c) of this order, and to the extent permitted by law, the following officers of the executive branch shall be members of the Task Force in addition to such other officers of the Federal Government as the Deputy Attorney General deems appropriate:

(a) the Secretary of the Treasury;

(b) the Chairman of the Securities and Exchange Commission;

(c) the Chairman of the Commodities Futures Trading Commission;

(d) the Chairman of the Federal Energy Regulatory Commission; and

(e) the Chairman of the Federal Communications Commission.

Sec. 5. Internal Management Purpose. This order is intended to improve the internal management of the Federal Government. This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or equity or otherwise against the United States, its departments, agencies, entities, instrumentalities, officers, or employees, or any other person.

Sec. 6. Termination. The Task Force shall terminate when directed by the President or, with the approval of the President, by the Attorney General.

George W. Bush

The White House,
July 9, 2002.

[Filed with the Office of the Federal Register,
11:15 a.m., July 10, 2002]

NOTE: This Executive order was published in the *Federal Register* on July 11.

Remarks on Presenting the Presidential Medal of Freedom

July 9, 2002

The President. Please be seated. Thank you all very much. Good afternoon, and welcome to the White House. Laura and I are honored to welcome our recipients and family members and friends to the people's house.

As we honor today's Presidential Medal of Freedom winners, I want to acknowledge the presence of our great Secretary of State, Colin Powell, and his wife, Alma. Secretary Powell has won the Presidential Medal of Freedom twice—once with distinction. I'm not sure what happened the other time. [Laughter]

The Presidential Medal of Freedom is the highest civil honor our Nation can bestow, and we award it today to 12 outstanding individuals. The men and women we honor span the spectrum of achievement. Some are fighters; others are healers; all have left an enduring legacy of hope and courage and achievement.

Hank Aaron overcame poverty and racism to become one of the most accomplished baseball players of all time. "When I was in a ballpark," he said, "I felt like I was surrounded by angels, and I had God's hand on my shoulder." By steadily pursuing his calling in the face of unreasoning hatred, Hank Aaron has proven himself a great human being, as well as a great athlete.

Bill Cosby is a gifted comedian who has used the power of laughter to heal wounds and to build bridges. "I don't think you can bring the races together by joking about the differences between them," he said. "I'd rather talk about the similarities, about what's universal in their experiences." By focusing on our common humanity, Bill Cosby is helping to create a truly united America.

Placido Domingo has performed in more roles than any other tenor in the history of opera. His boundless admiration for the composers of the great operatic music makes him push himself to the limit. "They spend years

creating operas," Placido has said, "lots of suffering and lots of sweating." Well, by suffering and sweating himself, Placido Domingo is making sure that the great music of the past will continue to delight opera lovers the world over.

The week after September the 11th, Peter Drucker sent a letter to his friends and associates urging them "not to abandon daily life and civil society. That's exactly what the terrorist wants," he said. Peter Drucker has devoted his life to strengthening civil society. His determination to help our nonprofit and faith-based institutions carry out their desperately needed missions more effectively has made him one of the greatest management experts of our time.

Katharine Graham was a forceful, courageous, and deeply principled newspaper publisher. She described herself as someone who suffered from a sense of inferiority but who was forced to become a leader after her husband's death. "What I essentially did," she wrote, "was to put one foot in front of the other, shut my eyes, and step off the edge." Under her brilliant guidance, the Washington Post has become one of America's most powerful newspapers. Katharine Graham will always be remembered for her determined pursuit of journalistic excellence.

D.A. Henderson is a great general in mankind's war against disease. From 1966 to 1977 he led the World Health Organization's global smallpox eradication campaign. Today, he is helping protect America from the threat of bioterrorism. "We need to plan, not panic," says this master medical planner. Our Nation is fortunate to be able to draw on D.A. Henderson's great store of wisdom and experience as we work to lift the dark threat of terrorism from the nation and our world.

Irving Kristol is a wide-ranging thinker whose writings have helped transform America's political landscape. As young men, he and his fellow student radicals in City College's "alcove number one," devoted themselves to solving the ultimate problems of the human race. Today, Irving Kristol is still grappling with ultimate problems, and in thinking them through, he has vastly enlarged the conservative vision.

Shortly after he arrived on South Africa's Robben Island to begin serving his prison