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April 23, 2007

**VIA OVERNIGHT MAIL; CERTIFIED.**  
**RETURN RECEIPT REQUESTED**

U.S. Department of Labor – OSHA  
Atlanta Regional Office – Whistleblowers Program  
61 Forsyth Street SW – Room #6T50  
Atlanta, GA 30303

**Re: Sarbanes-Oxley Whistleblower Retaliation Complaint:  
Adriana Koeck vs. General Electric et al.**

To Administrator of Program:

**I. INTRODUCTION AND SUMMARY**

This is a whistleblower retaliation complaint submitted pursuant to the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”), specifically 18 U.S.C. § 1514A, on behalf of Adriana Koeck. This complaint is submitted against General Electric (“GE”); General Electric’s Consumer and Industrial (“C&I”) subsidiary in Louisville, Kentucky, where Ms. Koeck was employed; Raymond Burse, C&I’s Vice President and General Counsel; and Earl Jones, C&I Senior Compliance Counsel.

The allegations are, in summary, that Ms. Koeck was terminated for advising her superiors about ongoing tax fraud and other frauds, as shown in detail below.

## II. SUMMARY OF RELEVANT FACTS<sup>1</sup>

### A. ADRIANA KOECK'S BACKGROUND

Adriana Koeck was employed as Commercial Law Counsel for the Americas, Lead Counsel for Latin America, and Legal Coordinator for GE Multilin (Canada) at the GE Consumer and Industrial headquarters in Louisville, Kentucky, until January 26, 2007.<sup>2</sup> She brought outstanding qualifications and experience to this position.

First, she is multilingual and multicultural. Though born in the United States, she has lived for extended periods in Latin America and is fluent in both Spanish and Portuguese, as well as French and English.

Second, her legal education and experience were an excellent match for her responsibilities at C&I. After graduating *magna cum laude* from Arizona State University, Ms. Koeck obtained a J.D. from Notre Dame, where she focused on international trade, commercial transactions, tax, and environmental law. She was a Notre Dame Scholar and completed the Concannon Programme in International Law in the Notre Dame London Law Center. Subsequently, she obtained a dual LL.M. in Taxation and International & Comparative Law from Georgetown University Law Center. In her law firm and in-house counsel employment before GE, she represented major corporate clients in international, commercial, banking, tax, and environmental matters, as well as in investigation of white collar crime, in a number of Latin American countries (including among others Brazil, Chile, Argentina, Peru, Ecuador, Venezuela, Costa Rica, Panama, Guatemala, El Salvador, and Mexico, as well as Puerto Rico).

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<sup>1</sup>All documents that substantiate facts alleged in this summary are in the possession of General Electric and/or General Electric Consumer and Industrial. Ms. Koeck anticipates that GE will assert attorney-client communication privilege in attempting to prevent investigators from obtaining most of the relevant documents. However, the privilege does not apply, since the documents reveal corporate counsel's complicity with others in corporate management in attempting to evade the disclosure obligations imposed by the Sarbanes-Oxley Act, *i.e.* in commission of both fraud and crime. A number of the documents also evidence corporate use of counsel to engage in ongoing violation of Brazilian tax laws and other fraud.

<sup>2</sup>Ms. Koeck is also known as Maria Adriana Koeck-Fuenzalida.

**B. MS. KOECK'S RESPONSIBILITIES AT GE C&I**

At GE C&I, Ms. Koeck reported to Raymond Burse, the C&I General Counsel. Days after she assumed her position in early January 2006, one of Ms. Koeck's direct reports, the attorney covering Brazil, Chile, and Argentina for C&I, transferred to GE Healthcare; Ms. Koeck was required also to assume his duties for half a year, until Mr. Burse hired a replacement. Mr. Burse also assigned her to provide all general business law support for other departments within C&I, and to be the lead attorney regarding all C&I product counterfeiting<sup>3</sup> matters in Latin America.

At an early meeting, Mr. Burse told Ms. Koeck that C&I's South American business was hiding issues and legal problems from him, discussing in particular Jose Castrese, the General Manager of GEVISA (a GE Brazilian joint venture), and Alejandro Vela, C&I's Latin America CFO, among others. Mr. Burse also told Ms. Koeck that he believed that GE C&I attorneys were also hiding matters from him to protect the Latin America business team, and directed her to be his "eyes and ears" and keep him informed of all issues in C&I's Latin America operations that, as General Counsel, he should know about.

**C. MS. KOECK UNCOVERS TAX FRAUD AND OTHER IRREGULAR BUSINESS PRACTICES THAT EXPOSED GE TO MULTIMILLION-DOLLAR FINANCIAL LIABILITY AND POSSIBLE CRIMINAL PROSECUTION**

Ms. Koeck soon discovered that GE C&I operations in Latin America were engaged in a variety of irregular practices. But when she tried to address the problems, both Mr. Burse and Mr. Jones interfered with her efforts, took certain matters away from her, repeatedly became enraged with her when she insisted that failing to address the problems would harm GE, and eventually had her terminated.

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<sup>3</sup>As relevant here, "counterfeiting" does not mean production of fake money. Instead, it refers to outside parties' production of non-genuine products, such as pharmaceuticals and others. As relevant to GE C&I, counterfeiting can apply to such products as residential circuit breakers; the counterfeits may pose danger of fires and other harm to consumers. Where a manufacturer fails to protect its supply chain and/or tolerates the distribution of counterfeit products by the manufacturers' authorized distributors, the manufacturer may be held liable for resulting harm done to consumers and suffer substantial reputational damage.

Two of the most significant problems were in Brazil: (1) a value-added tax fraud scheme,<sup>4</sup> and (2) an independent contractor subterfuge that exposed GE to substantial liability under Brazilian employment law, and appeared designed to facilitate payment of bribes to make sales.

### **1. Value Added Tax Fraud Scheme in Brazil**

Within weeks after the start of Ms. Koeck's employment with C&I, the general manager of GE Lighting in Rio de Janeiro advised her that he suspected that the lead commercial sales manager in his plant was involved in a scheme with GE customers to evade payment of Brazil's value added tax ("VAT") on GE lighting products that were produced in Brazil and shipped to other parts of the country. The scheme entailed the use of fraudulent shipping invoices that falsely represented that GE products, such as lamps, were being shipped to duty-free or lower VAT-rate areas of Brazil, when in fact the products were being shipped to or picked up in higher-tax areas. The general manager provided Ms. Koeck with a PowerPoint presentation on the issue, which had been presented to senior C&I management in 2005 and identified addressing the VAT problem as one of the top priorities for 2006. Ms. Koeck immediately took the issue to Mr. Burse. He said that the statute of limitation would run on a significant portion of the activity in early 2007, and that C&I's tax department had already looked into the matter. Ms. Koeck responded that there was no statute of limitation on such fraud, and that the matter should be investigated further. Mr. Burse responded that she should leave the matter alone and focus only on collections.

But the issue kept surfacing as Ms. Koeck worked on other matters. Another instance arose in late February 2006. Ms. Koeck was asked to provide assistance collecting amounts owed to GE from certain Brazilian customers. One of the customers owed some \$10 million in receivables. As Ms. Koeck worked on collecting from this customer, she found that C&I had been relying on "comfort letters" prepared internally by GE's tax unit in Brazil in an effort to provide GE with a shield in case Brazilian tax

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<sup>4</sup>There were also VAT irregularities in Chile. Earl Jones had reined in the investigation of an ombudsman complaint regarding such irregularities, reassigning it from C&I's Latin America legal team to the Latin America CFO to handle the matter (instead of to the Corporate Audit Staff). Mr. Jones then closed the matter because the CFO deemed the conduct a one-time mistake. In fact, the matter involved an ongoing course of conduct by senior GE management who instructed employees to delete e-mails and other evidence.

authorities took action against GE for the unpaid taxes. She was concerned that in reliance on such letters, GE failed to set aside adequate reserves regarding this matter. Explaining to the business that such letters were known to be unreliable because they had been found unenforceable in Brazilian courts, Ms. Koeck advised that they therefore were used only with very reputable organizations, and even then only in very controlled circumstances. She was advised in return that the customer in question in fact had severe preexisting tax problems with the Brazilian government. When she advised Mr. Burse of this situation, his only response was to comment that he would be interested in seeing how Adrian Peace (C&I's President and CEO for Latin America) could "dance around" the issue.

Ms. Koeck then advised Mr. Peace, Alejandro Vela (C&I's CFO for Latin America), and several others that such "comfort letters" were an unreliable and dangerous device, and expressed concern that senior management might nevertheless rely on them and as a result fail to set aside appropriate reserves. The CFO responded with some heat that Ms. Koeck should leave the accounting to him.

Ms. Koeck continued to work on the collection matter. Mr. Burse told her not to do any more until "the business" asked for her help with it. She responded that the matter was a priority for the business, but he instructed her not to schedule meetings about the matter until Mr. Vela and/or others asked her in writing for such meetings, and he otherwise interfered with her work on this matter.

In March 2006, Ms. Koeck was advised by a Brazilian source that C&I's representatives in Rio were blackmailing the company for additional commissions to keep silent about the VAT situation. If GE did not pay the additional amounts demanded, the representatives said that they would report GE to the Brazilian government. Ms. Koeck took the matter to Mr. Burse. He instructed her to have the business pay the commissions, but only if the representatives were first "gagged" with a confidentiality agreement that bound them not to disclose the VAT fraud to the government. One outcome was that additional GE representatives began blackmailing GE about the same practice.

Over time, Ms. Koeck learned that C&I's Brazilian lighting company operations had incurred potential liability for tens of million dollars in value added taxes ("VAT") imposed by Brazilian law, which had been evaded through the use of the fraudulent shipping invoices. She was eventually advised that a Brazilian law firm (where a law

school classmate of Mr. Burse was a name partner) had produced two opinion letters for C&I on the issue in 2005, but that the opinion letters were sealed, to be opened only on orders of Mr. Burse.<sup>5</sup> Further, she was told that either Mr. Burse or Mr. Jones was to be notified immediately about anyone who inquired about the opinions. Based on her concern about the use of “comfort letters” in C&I’s Brazilian operations, Ms. Koeck was not reassured that GE’s interests were adequately protected. Only days before she was terminated, a “draft” version of a new opinion letter on the VAT scheme was issued that confirmed Ms. Koeck’s concern that even if GE could establish that it had not been the entity that actually falsified the invoices, once it knew about the fraud and failed to take corrective action, GE itself was likely to be found liable for the taxes. Furthermore, unless the taxes were paid before Brazilian prosecutors became involved, GE ran a risk of being found guilty of tax fraud under Brazilian law. The new “draft” opinion letter recommended that GE cover the tax liability to avoid criminal prosecution.

But this new letter applied to only two of approximately nine instances of VAT fraud that Ms. Koeck had been advised existed.<sup>6</sup> Considering all the instances, GE’s exposure may run into at least several tens of millions of dollars, and is growing over time. Had C&I either timely paid the taxes or set aside a proper reserve to cover them, it would have depressed financial information reflected in the company’s books.

Furthermore, Ms. Koeck found out that shortly after she first raised the Brazilian VAT matter to Mr. Burse, the GE Sales Manager in Rio was terminated. There were rumors that he was paid off to keep silent. Later, Ms. Koeck also learned of rumors that the Sales Manager had told the Corporate investigators and other GE employees in Brazil that he was being scapegoated, while “everyone” in Brazil was aware that participation in the VAT scheme was an ongoing GE business practice there. The attorney for Brazil confirmed this account to Ms. Koeck.

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<sup>5</sup>Shortly before she was terminated, she was told that her source had been “mistaken” about the opinion letters – that they were not sealed. Whatever the case, Ms. Koeck was not able to review the letters until December 2006, by which time Mr. Burse had already set the process in motion to have her terminated.

<sup>6</sup>In fact, the new opinion letter on the VAT evasion scheme applied to the two instances that Ms. Koeck had advised executives about in closest detail, arising from her two collection assignments.

In pursuing this matter (or, more accurately after Mr. Burse told her that “tax” was handling it, not ignoring it when it kept intruding on her job responsibilities), Ms. Koeck was faithfully fulfilling her obligations to her employer as in-house counsel and attempting to help her employer and its leadership discharge their statutory obligations under Sarbanes-Oxley and other laws. But both Mr. Jones (the Senior Compliance Counsel) and Mr. Burse (C&I General Counsel, and her direct superior) repeatedly upbraided her for doing so. In the fall of 2006, Mr. Burse began pursuing steps to terminate Ms. Koeck. The termination finally occurred at the end of January 2007.

## 2. Brazilian Bribery Scheme

In March 2006, Ms. Koeck was sent a Brazilian newspaper article that alleged that GE and GEVISA (a GE Brazilian joint venture) were among a number of major corporations involved in a “bribing club.” Allegedly, the corporate participants met regularly to agree on which of them would be awarded which orders from the public sector throughout Brazil, as well as the amounts that the corporations would pay as bribes. Reports indicated that some \$20 million in bribes had been paid to more than 150 Brazilian politicians. Ms. Koeck immediately took the matter up with Mr. Burse. He told her that he was aware of the matter, that GE Corporate was handling it, and that she should focus on other things. She received further reports about the matter,<sup>7</sup> and relayed them to Mr. Burse. He told her to stay out.

In April 2006, an ombudsman complaint was referred to C&I Legal about the situation. It was alleged that GEVISA’s commercial sales team had left GEVISA, then began working for it again, but this time formally as employees of a new company. The new company initially was GVA; after an internal split there, most of the sales team formed yet another new company, GVC. They continued to use GEVISA business cards and company cars and GEVISA-supplied office furniture and computers, but were paid significantly more than when they had formally been employed by GEVISA – possibly to provide them with extra funds for purposes of bribing officials. Ms. Koeck discussed the new information, including agreements between GEVISA and GVC, with Mr. Burse, and advised him that Foreign Corrupt Practices Act liability was potentially at stake, reminding him about the allegations about the “bribing club.” He told her to refer the

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<sup>7</sup>Within days of Ms. Koeck’s receipt of the article, GE Corporate Counsel sent an e-mail to Ms. Koeck and several others within GE implicitly cautioning that it might be accurate that GE agents were caught up in the bribing.

matter to C&I's labor and employment attorney and Earl Jones, the Senior Compliance Counsel. Mr. Jones asked Ms. Koeck to help translate the documents that were involved.

In July 2006, Ms. Koeck sent Mr. Burse, Mr. Jones, and others two memos outlining the information that had been developed. She expressed concern about potential liability if it was found that the arrangement really amounted to a subterfuge aimed at concealing employment status, as well as allegations that the higher compensation was intended to enable the sales team to pay bribes to facilitate sales.

In late September 2006, Ms. Koeck advised Mr. Burse and Latin America President/CEO Adrian Peace that outside counsel in Brazil (whom the C&I labor and employment attorney had hired to analyze the situation) stated that the situation created significant exposure for GE, since GEVISA risked being held to be the GVC employees' employer as a matter of law. Ms. Koeck further advised Mr. Burse and Mr. Peace that some of the partners from the former company, GVA, had already prevailed on such a claim, and the potential liability for GVC was likely to be substantially higher. Ms. Koeck suggested to Mr. Burse that it was appropriate to look more closely into the bribery allegations; but he deflected the suggestion.

**D. RETALIATION, PROGRESSING TO MS. KOECK'S  
TERMINATION IN JANUARY 2007**

As 2006 progressed and Ms. Koeck kept running into issues that Mr. Burse wanted her to ignore, he became increasingly belligerent, frequently yelling at her. He also interfered with her ability to carry out her anti-counterfeiting assignment. She nevertheless managed to put together a team that developed an anti-counterfeiting pilot project, involving investigation and coordinated raids on sites in Panama where major quantities of counterfeit products were seized, which GE has adopted for implementation worldwide. However, by failing to provide necessary authorizations, Mr. Burse managed indirectly to delay the raids until just after he fired Ms. Koeck, denying her credit within GE for her role in the successful venture.

**1. Raymond Burse's Interference with the Anti-Counterfeiting Project**

Product counterfeiting is a major problem in parts of Latin America, as it is in other parts of the world. It has serious implications for GE, including C&I, because

manufacturers that fail to police adequately against counterfeits of their products are potentially liable when the counterfeits produce injury. In GE's business, an obvious possible example is fire caused by a faulty counterfeit, such as a residential circuit breaker.

Mr. Burse directed Ms. Koeck to work on anti-counterfeiting efforts in Latin America. After giving her this instruction, however, he failed to give her support or specific approvals that would permit her to continue with the task effectively. She initiated and pulled together a team (including members from GE Corporate and Government Relations) to create a "Lean Six Sigma"<sup>8</sup> Anti-Counterfeiting Program, but Mr. Burse did not allow her to officially present it.<sup>9</sup> Moreover, he repeatedly failed to authorize payment to the investigator hired for the pilot C&I anti-counterfeiting program in Panama, and also delayed in authorizing hiring of outside counsel there for this project. Significant planning had already gone into raids originally scheduled for fall 2006. Mr. Burse's actions slowed progress on the program by several months. Ultimately, the raids were delayed until the end of January 2007.

In late September 2006, Ms. Koeck had been scheduled to attend an anti-counterfeiting seminar in Washington, D.C., which was to be attended by top U.S. government officials. She had organized meetings there with GE employees and outside counsel from Panama, as well as with others. Latin American President/CEO Adrian Peace had approved the trip, so C&I Legal would not have to pay for it. When Ms. Koeck advised Mr. Burse about the seminar and the other meetings, he said she could not go, and apparently prevailed on Mr. Peace to change his mind. She then tried to persuade Earl Jones to attend, but he declined. Ms. Koeck later heard that during the seminar, the chairman of NBC (a GE subsidiary) commented that it was obvious that the manufacturing part of GE either did not know about or was not interested in how to combat counterfeiting, because otherwise it would have had a representative at the seminar.

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<sup>8</sup>Lean Six Sigma is the name of a business improvement methodology designed to combine elements of two other business improvement approaches – Lean Manufacturing and Six Sigma – in an effort to produce better quality, faster.

<sup>9</sup>Subsequently, the plan was adopted by GE Corporate to be used in all the GE businesses.

In November 2006, Ms. Koeck asked Earl Jones, the Senior Compliance Counsel, if he knew why Mr. Burse seemed so resistant to a matter that was of such high concern to GE Corporate. Mr. Jones replied that Mr. Burse did not want to draw attention to C&I; that if C&I went ahead with the anti-counterfeiting program, all GE businesses would be scrutinizing how well C&I did; and that he agreed with Mr. Burse that it was better for C&I to “remain off the radar screen.” However, the Panama project was already underway with participation by GE Corporate and Government Relations personnel.

Mr. Burse’s obstructionism became such a problem that in late January 2007 (only days before she was terminated), Ms. Koeck was receiving communications from various personnel involved in the project complaining that there was a risk that the counterfeiters would move the goods and foil the planned raids. After her last day at C&I, Ms. Koeck returned home to a request from the C&I President/CEO for Latin America, Adrian Peace, asking for her help in Panama the following week. She responded with her regrets, advising him that her employment had been terminated. Several days later, he again e-mailed her, expressing concern that the raids had been delayed. Soon after, however, the planned raids were conducted, and GE seized large amounts of counterfeited goods. While GE was very pleased with the results and is continuing with the anti-counterfeiting Lean Six Sigma Program that Ms. Koeck initiated and helped bring to fruition, Mr. Burse’s actions prevented her from receiving acknowledgment for her role in the effort.

**2. Surprise Bad Performance Evaluation; HR Tells Ms. Koeck That Burse Wants Her Out; Ombudsman Complaint and Interviews; Termination at End of January 2007**

In early October 2006, Mr. Burse surprised Ms. Koeck, at the end of a meeting about her direct reports, by orally giving her an early, very unfavorable performance review. He told her that she was weak on legal issues, did not understand basic commercial terms, provided inadequate analysis, and lacked focus. Ms. Koeck was caught by surprise because, although Mr. Burse’s conduct toward Ms. Koeck (as well as others) had often been belligerent, he had told her in April 2006 that her performance was “outstanding.” Moreover, only the month before, the General Counsel of GE Corporate – Latin America had called Ms. Koeck, telling her that she was one of the top five attorneys for Latin America, and asked her to send him her resume for promotion to an executive-band position within his region.

Ms. Koeck was advised by others that Mr. Burse was positioning her to be the one let go in a reduction in force; and she was urged to talk with the Diversity and HR units. She did so in late October. Within days after she talked with HR, Mr. Burse told her she had failed to produce, took away her direct reports, threatened to reduce her salary, told her he could give her a “pink slip,” and advised her that he was doing her a favor by keeping her on for her “outstanding language skills.” In early November 2006, on a conference call with numerous other participants, he blasted her for “bad-mouthing all of us to the business” about the lack of support for the anti-product-counterfeiting plan that she had helped to get underway, and yelled at her for “shooting your mouth off” “while we are all working.”

In mid-November 2006, Jeff Barnes of HR advised Ms. Koeck that Mr. Burse would not let her stay “with this company” and also wanted her not to go to another GE business. When she said she did want to stay with GE, Mr. Barnes referred Ms. Koeck to another HR staff member to discuss the possibilities of moving elsewhere within GE.<sup>10</sup> The HR employee told Ms. Koeck that Mr. Burse acknowledged that she had performed the work in her Scope of Work (contrary to what he had told her to her face a couple weeks earlier), but he “just want[ed] [her] to leave”; this employee advised her to “think of [her] kids,” and offered her three months’ pay if she would sign a release. She did not sign, and kept working. She was told to keep attending the meetings of Mr. Burse’s direct reports, but then he pulled her out of a meeting and told her she was not welcome – only to insist that she attend one of the meetings two weeks later, without notice, to make a presentation about a C&I project that she had been responsible for.

At the end of November 2006, Ms. Koeck submitted a complaint to GE Corporate’s ombudsman, stating that she believed she was being retaliated against because she had reported illegal activity by GE personnel, in particular the VAT fraud situation in Brazil. She described Mr. Burse’s refusal to let her pursue the matter; described a conference call in which Earl Jones had threatened her job and that of a colleague who had been assisting her regarding the VAT matter; and asked that GE investigate the situation.

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<sup>10</sup>Ms. Koeck remained interested in GE Healthcare, which had actively recruited her before Mr. Burse offered her the C&I position. She was also interested in the Corporate Latin America position that she had been called about a month earlier, as well as in a GE Corporate Latin America anti-counterfeiting attorney position, planned to open up in spring 2007, that she had been alerted about by GE Corporate IP.

At the beginning of December, Mark Nordstrom, GE's Senior Counsel for labor and employment law, called Ms. Koeck to advise her that he would be investigating her complaint, and scheduled a meeting with her in Louisville. She asked to have her attorney present, but Mr. Nordstrom refused. Both Mr. Nordstrom and Jeff Eglash (GE Corporate's Senior Labor and Employment Counsel in charge of investigations) met with her for more than an hour and a half, after which she experienced chest pains and was found (at GE's medical clinic) to be experiencing a sinus arrhythmia. As a result, the continuation of the interview was temporarily postponed. She was placed on medical leave, but also was summoned to Connecticut to continue her interview.

The second interview (relocated to New York City) lasted from 8:30 a.m. to 3:30 p.m. Mr. Eglash told Ms. Koeck that her claim would be found to be without merit if GE had a legal opinion stating that it had no obligation to disclose the VAT fraud situation to the Brazilian government. Ms. Koeck explained that this was incorrect, for several reasons. First, it had been her experience that legal opinions issued by law firms in Brazil often did not receive the same scrutiny within the law firm as they do in the U.S. Second, as she told Mr. Eglash, the opinion can only be as good as the facts presented, and the facts presented to the Brazilian law firm at the time did not accurately reflect the degree of GE involvement. Third, under Brazilian law, the duty to disclose arises when fraud is discovered. As Ms. Koeck told Mr. Eglash, GE Corporate did already know about the ongoing nature of the fraudulent business practice, because by this time she had found out about the 2005 Corporate Audit Staff investigation. Fourth, as she explained, her ombudsman complaint focused on the actions of Mr. Burse and Mr. Jones.

By letter dated January 18, 2007, Mark Nordstrom advised Ms. Koeck that GE had rejected her claim of retaliation, stating "you have not shown that you raised any new compliance issues, nor have you shown that you experienced any materially adverse changes to your employment that resulted from efforts to report out on such matters." On January 24, 2007, Ms. Koeck was called at home by C&I HR and told to return to work the next day to begin transitioning her work to other attorneys. She still had not been advised whether she would be able to move to a different GE unit. On January 25, 2007, meeting with an HR representative, she was handed a letter dated January 24, 2007, that provided notice that she was being terminated, effective January 26. Also on January 25, she was given a letter dated November 29, 2006, purporting to give notice of her termination. Reviewing the letter, Ms. Koeck pointed out that it was obviously backdated; she was advised that Mr. Burse had instructed the HR person to hand it to her at the January 25 meeting.

After the meeting with HR, Ms. Koeck learned about the new “draft” legal opinion from outside counsel in Brazil, which stated that GE risked criminal as well as monetary liability and recommended that GE pay the taxes before the problem was leaked to Brazilian authorities.

It appears that the retaliation has continued into Ms. Koeck’s job search since her departure from C&I. In a number of job interviews and other contacts since the end of January, Ms. Koeck was met with great enthusiasm and discussion of plans for the kind of work she could do for the potential employer. However, communications ceased or became noncommittal once the potential employer followed up with GE, despite the excellent references that Ms. Koeck provides from other former employers and colleagues.

**III. THIS COMPLAINT STATES A CLAIM FOR VIOLATION OF THE SARBANES-OXLEY ACT’S PROHIBITION AGAINST RETALIATING AGAINST EMPLOYEES WHO PROVIDE INFORMATION ABOUT ALLEGED SECURITIES FRAUD AND RELATED WRONGDOING**

As outlined above, Ms. Koeck has alleged a claim for violation of the Sarbanes-Oxley Act’s whistleblower protection provision, 28 U.S.C. § 1514A:

- (1) Ms. Koeck alleges that she engaged in a course of protected conduct by providing information on various forms of corporate misconduct, all exposing GE to significant liability and some potentially exposing GE employees to criminal liability, to her immediate superior, Raymond Burse, GE C&I’s General Counsel, as well as to others (including primarily Earl Jones, the C&I Senior Compliance Counsel) who had not only the authority but also the responsibility to “investigate . . . and terminate misconduct”;
- (2) Mr. Burse, Mr. Jones, and other high officials actually knew that Ms. Koeck had engaged in such protected activity, because she repeatedly informed them about the information she uncovered and her concerns about GE’s exposure, and by virtue of their positions such knowledge is also imputed to GE C&I and the parent company;
- (3) Ms. Koeck suffered an unfavorable personnel action: on January 25, 2007, she was informed that she was terminated, effective January 26, 2007; and

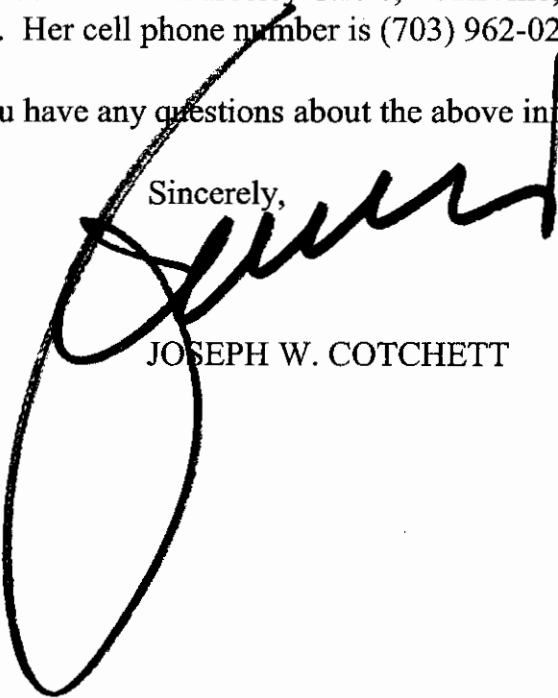
- (4) The circumstances as summarized above, including both the overall timing of events and the increasingly negative and hostile conduct of Mr. Burse and Mr. Jones toward Ms. Koeck as she kept bringing forward information and suggestions that were not to their liking, give rise to a reasonable inference that Ms. Koeck's engaging in such protected activity was a contributing factor in her termination.

We emphasize that this letter presents only a summary of the facts. Other persons were involved, and an investigation will uncover details of the allegations summarized above. An investigation will also disclose an abundance of documentation at GE to support Ms. Koeck's allegations, including e-mails, other correspondence, PowerPoint presentations, and still other forms of documentation.

Ms. Koeck currently resides at 1802 Bardsley Circle, Louisville, KY 40222; she is relocating to Washington, D.C. Her cell phone number is (703) 962-0288.

Please let us know if you have any questions about the above information.

Sincerely,



JOSEPH W. COTCHETT

cc: Edward D. Chapin  
Laura Schlichtmann  
Adriana Koeck