



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

OFFICE OF
INSPECTOR GENERAL

October 27, 2005

Kevin O'Brien
President
Sovereign Advisors
4901 E. Sunrise Drive
Suite 711
Tucson, AZ 85718

Dear Mr. O'Brien:

We have reviewed your October 11, 2005 letter, along with other letters and materials you provided to us, concerning your representation of creditors holding defaulted bonds of the Government for the People's Republic of China. In that letter, and in a complaint filed with the Securities and Exchange Commission (Commission), you allege that three major credit rating agencies acted fraudulently in continuing to maintain an investment-grade credit rating for this debt.

In your October 11 letter to me, you request that the Office of Inspector General (OIG) conduct a formal investigation to determine whether the Commission's Division of Market Regulation's response to your complaint presents a failure to enforce the federal securities laws. That response stated, among other things, that the Commission has no authority to require the credit rating agencies to revise a debt rating classification.

The investigative role of the OIG is limited to investigating allegations of misconduct by Commission staff and contractors. The OIG does not act as an appellate body. As a consequence, there does not appear to be any role for the OIG in this matter.

Sincerely,

Walter Stachnik
Inspector General