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PAMELA E. ROBINSON, CLERK
U.S. DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS
PEORIA DIVISION

DANIEL J. SCHLICKSUP,)
)
Plaintiff,)
)
v.)
)
CATERPILLAR, INC., DAVID B. BURRITT, ALICE)
BARBOUR, ROBIN D. BERAN, JAMES B. BUDA,)
DOUGLAS R. OBERHELMAN, and EDWARD J.)
RAPP,)
)
Defendants.)

Case No.: 09- 1208

COMPLAINT

Plaintiff, DANIEL J. SCHLICKSUP, by his undersigned attorneys, complains against Defendants, CATERPILLAR INC., DAVID B. BURRITT, ALICE BARBOUR, ROBIN D. BERAN, JAMES B. BUDA, DOUGLAS R. OBERHELMAN, and EDWARD J. RAPP, as follows:

1. Since 1999, Plaintiff has raised issues, to Defendants and others with supervisory authority over Plaintiff, which Plaintiff reasonably believed constituted violations of Sections 1341, 1343, and 1348 of title 18 of the United State Code, as well as rules or regulations of the Securities and Exchange Commission, and other provisions of Federal Law related to fraud against shareholders. Specifically, Plaintiff discussed said issues in his administrative filing with OSHA, attached hereto as Exhibit 1, as well as in the memo dated May 1, 2008 which is referenced in Exhibit 1. Among the issues identified in the May 1 memo was a so-called "Swiss Structure" designed to shift at least \$5.6 billion of profits to alleged offshore companies in order to claim avoidance of over \$2,000,000,000 of U.S. federal income tax, as well as a "Bermuda Structure" designed to return these monies to the United States via alleged offshore companies without paying any U.S. tax on the funds as they were used within or came back into the United States. As part of this tax dodge, Defendants Caterpillar and others filed the corporate income tax return attached hereto as Exhibit 2, claiming a federal income tax due and owing for the entire year of 2003 of only \$4,667.00. Defendant Caterpillar's annual report for 2003 (on page 38, attached hereto as Exhibit 3) showed profit of approximately \$1.5 billion. The U.S. income tax in 2003 would have been approximately \$160 million more than \$4,667 had it not been for the Swiss Structure.

2. Since 1999, Defendants have retaliated against Plaintiff for raising these issues and, most recently, they have threatened to fire Plaintiff, in violation of the Corporate and Criminal Fraud Accountability Act of 2002 (the “Sarbanes-Oxley Act of 2002” or the “Act”), as codified at 18 U.S.C §1514A.

3. Plaintiff believes that the ongoing retaliation and the threat to fire him are part of a cover-up of at least \$2,000,000,000 of taxes otherwise due and owing and also a related overstatement of earnings in violation of federal securities laws.

4. Defendant, Caterpillar, Inc., is a publicly traded company whose stock is traded on the New York Stock Exchange. At all relevant times, the non-corporate defendants were employed by and working on behalf of Defendant, Caterpillar, Inc.

5. Plaintiff has been an employee of Caterpillar Inc. from October 1992 through the date of this complaint. On Tuesday, August 26, 2008, Plaintiff was an employee of Caterpillar Inc.

6. On or about Tuesday, August 26, 2008, at the behest and on behalf of Defendants, between 11:00 to 11:30 A.M., Ms. Barbour (Human Resource Manager for Chief Financial Officer) and a Caterpillar Inc. Vice President met with Plaintiff. Plaintiff was told that he had to take a lateral transfer “outside of the Chief Financial Officer’s Division” or he would be terminated.

7. Plaintiff requested a meeting with Mr. Rapp and Mr. Oberhelman (Executive Officers – Group Presidents) to discuss these issues. Instead, on May 14, 2008, Ms. Barbour (Human Resources Manager for the CFO) informed Plaintiff by email that Mr. Rapp and Mr. Oberhelman referred his complaints about the performance review back to her even though she was involved with the secret rewriting of the performance review, she never approached Plaintiff from a neutrality point of view to get his side of the story, and she was not following Company Policy nor her own written instructions that comments in performance reviews must be supported by facts. In addition Mr. Rapp and Mr. Oberhelman gave Ms. Barbour, who reports to the CFO, the May 1, 2008 complaint that is primarily about the Chief Financial Officer and some of his reports.

8. Also, on May 20, 2008, the Office of Business Practices (OBP) informed Plaintiff by email that Mr. Rapp and Mr. Oberhelman referred Plaintiff's complaint, largely about the OBP, back to the OBP to resolve. The email went on to state that the OBP will review Plaintiff's materials, which the OBP had already done, and take appropriate action. Finally, the email stated that Plaintiff would not be notified of any progress or conclusions regarding these issues. The OBP told Plaintiff the Office of the General Counsel would help.

9. On or about August 12, 2008, Mr. Rapp (Executive Officer – Group President) and Mr. Buda (Vice President, General Counsel & Secretary) had a discussion about what they should do with Plaintiff, and that they had to move him out of the Chief Financial Officer's Division – out of finance.

10. On August 26, 2008, Plaintiff was asked by a Vice President (VP) to attend an impromptu meeting about an "opportunity". When Plaintiff arrived at the VPs office, Ms. Barbour (Human Resource Manager for CFO) was there, which was very unusual. Shortly into the meeting Ms. Barbour interrupted the discussion and told Plaintiff the following:

- i. Caterpillar was terminating his current position in the Finance Division effective September 1, 2008,
- ii. his current job duties were being reassigned,
- iii. Caterpillar had the right to reassign him to a lateral position,
- iv. Caterpillar was offering him a lateral move to the Information Technology ("IT", i.e. computers) Division,
- v. taking the lateral move was not an option,
- vi. there were no alternatives,
- vii. if he did not take the lateral move, Caterpillar had the right to terminate his employment,
- viii. so it was take this job or else, and
- ix. he shouldn't worry about the stigma associated with this move (i.e. hurried, unannounced, and to a job he knew nothing about which had been worked on for years with no success) because "they" would write a real nice announcement.

- x. The Vice President later told Plaintiff that Ms. Barbour got her marching orders from the Human Resources Department and the Office of the General Counsel.
- xi. The Vice President later told Plaintiff he had to transfer outside of Mr. Burritt's (CFO) Division - Finance.
- xii. Plaintiff took the lateral move based on the threat of being terminated.

11. This is merely the most recent event in an ongoing and continuous series of threats, harassment, intimidation and discrimination, of Plaintiff by Caterpillar Inc. and participating officers, employees, contractors, subcontractors and agents in violation of the Act.

12. Plaintiff engaged in a protected activity or conduct within the meaning of the Act.

13. The Defendants knew or suspected actually and constructively that Plaintiff engaged in the protected activity.

14. Plaintiff suffered an unfavorable personnel action within the meaning of the Act, in violation of 18 U.S.C §1514A(a).

15. Protected activity was a contributing factor in the unfavorable action.

WHEREFORE, Plaintiff, DANIEL J. SCHLICKSUP respectfully prays for an injunction against future discrimination by Caterpillar and the other Defendants, barring them from future discrimination against Plaintiff, and such other, further relief as the Court deems just or appropriate.

Respectfully submitted,

DANIEL J. SCHLICKSUP

By His Attorneys:

/s/David Dorris
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6181202

COMPLAINT

filed on November 21, 2008, with the

Occupational Safety and Health Administration

Peoria Area Office
2918 W. Willows Knolls Road
Peoria, Illinois 61614
(309) 589-7033
(309) 589-7326 FAX

pursuant to the

Sarbanes-Oxley Act of 2002 Corporate and Criminal Fraud Accountability Act (CCFA) Public Law 107-204, July 30, 2002 18 USC Section 1514A

1. Complainant

- a. Daniel Joseph Schlicksup
- b. 5625 West Club Road
Dunlap, Illinois 61525
- c. 309-231-8181

RECEIVED
U.S. DEPARTMENT OF LABOR
OCCUPATIONAL SAFETY & HEALTH ADMINISTRATION

NOV 21 2008

REGION V
PEORIA AREA OFFICE

2. Alleged Violators of the CCFA

- a. Company
 - i. Caterpillar Inc.
 - ii. 100 N.E. Adams Street
 - iii. Peoria, Illinois 61629
- b. Named Persons
 - i. David B. Burritt
 1. Vice President - Chief Financial Officer
 2. Caterpillar Inc.
 3. 100 N.E. Adams Street
 4. Peoria, Illinois 61629 - 5390

EXHIBIT

tabbles

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- 5
- ii. Alice Barbour
 - 1. Human Resource Manager for Chief Financial Officer
 - 2. Caterpillar Inc.
 - 3. 100 N.E. Adams Street
 - 4. Peoria, Illinois 61629 - 5280

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- iii. Robin D. Beran
 - 1. Assistant Treasurer
 - 2. Caterpillar Inc.
 - 3. 100 N.E. Adams Street
 - 4. Peoria, Illinois 61629 - 4295

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- iv. James B. Buda
 - 1. Vice President, General Counsel & Secretary
 - 2. Caterpillar Inc.
 - 3. 100 N.E. Adams Street
 - 4. Peoria, Illinois 61629-7310

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- v. Douglas R. Oberhelman
 - 1. Executive Office - Group President
 - 2. Caterpillar Inc.
 - 3. 100 N.E. Adams Street
 - 4. Peoria, Illinois 61629 - 7230

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- vi. Edward J. Rapp
 - 1. Executive Office - Group President
 - 2. Caterpillar Inc.
 - 3. 100 N.E. Adams Street
 - 4. Peoria, Illinois 61629 - 7240

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- vii. Sidney C. Banwart
 - 1. Vice President, Chief Human Resources Officer
 - 2. Caterpillar Inc.
 - 3. 100 N.E. Adams Street
 - 4. Peoria, Illinois 61629 - 4190

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- viii. Stephen H. Wunning
 - 1. Executive Office - Group President
 - 2. Caterpillar Inc.
 - 3. 100 N.E. Adams Street
 - 4. Peoria, Illinois 61629 - 7220
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ix. Other persons who are employees, officers, directors, contractors, subcontractors, or agents of Caterpillar Inc. (for example: members of the Caterpillar Human Resources Division or Legal Services Division, or partners or employees of the public auditing firm) who participated in or contributed to the unfavorable personnel actions, either actually or constructively, directly or indirectly, who could not possibly be known to the Complainant at the time of filing this Complaint, but who will become known as part of the processes initiated by this Complaint.

3. Jurisdiction

- a. Caterpillar Inc. is a publicly traded company whose stock is traded on the New York Stock exchange (NYSE: CAT).
- b. Complainant has been an employee of Caterpillar Inc. from October 1992 through the date of this complaint. On Tuesday, August 26, 2008, Complainant was an employee of Caterpillar Inc.
- c. On or about Tuesday, August 26, 2008, between 11:00 to 11:30 A.M., Ms. Barbour (Human Resource Manager for Chief Financial Officer) and a Caterpillar Inc. Vice President met with Complainant. Complainant was told that he had to take a lateral transfer "outside of the Chief Financial Officer's Division" or he would be terminated. Specifically, Ms. Barbour told Complainant the following.¹
- i. "This job transfer is not an option."
 - ii. "There are no alternatives."
 - iii. "The Company is terminating your current position."
 - iv. "The Company has the right to reassign you to a lateral position."
 - v. "If you do not take the lateral transfer, the Company has the right to terminate your employment with the Company."
 - vi. "So it's take this transfer or else."
 - vii. "This will be effective on September 1, 2008." (4 business days later).
 - viii. "Don't worry about the stigma, we will write a real nice announcement."

¹ Corroborating documentation available upon request

4. Background and Context

5 a. Below is a summary of the chronology of events that lead to the meeting on or about
Tuesday, August 26, 2008, during which the Complainant was told he had to take a
lateral transfer or be terminated. This chronology of events is important to
understand the motives of Caterpillar Inc. and its officers, employees, contractors,
subcontractors, and agents who participated in these events. Also, this is the
10 information which Complainant provided that led to the unfavorable personnel
action. In addition, this chronology provides insight into the causal connection
between the Complainant providing this information to Executive Officers of
Caterpillar Inc. and the transfer under threat of termination that occurred shortly
thereafter on the date stated above.

15 b. Complainant first raised a concern about what appeared to be a fraudulent payment
of funds to PriceWaterhouseCoopers (PwC) in 1999-2000, by a Caterpillar employee
who was formerly an employee of PwC. The same employee was rehired by PwC
shortly after arranging the unauthorized payments made to PwC from Caterpillar
accounts.

20 More specifically, a former PwC employee worked for Cat and reported to
Complainant. The employee asked Complainant to authorize payment of a \$1
million invoice submitted by PwC. Complainant told the employee not to pay the
invoice because it was not clear that payment was appropriate under the
25 circumstances.

The employee pretended to follow instructions. In reality, the employee followed up
with PwC who issued a credit memo for the \$1 million invoice and then issued two
smaller invoices for \$500,000 each. The employee was then able to get the invoices
30 paid by the accounting department without the Complainant's authorization.

35 Complainant inadvertently discovered this and informed Mr. Burritt (currently
CFO)² and Mr. Beran (Assistant Treasurer). No substantive action was taken. Mr.
Burritt (CFO) is a former PwC employee. Mr. Beran is a former PwC Partner. The
PwC Audit Partner at the time is a close personal friend of Mr. Burritt. The
employee involved is a close personal friend of Mr. Beran.

40 The employee then left Caterpillar and was rehired by the PwC office to which the
money was paid. Since 2000, this employee has been working as a PwC consultant
on matters for Mr. Beran.

² At that time, Mr. Burritt was not Chief Financial Officer.

5 The employee always maintained he never did anything he "wasn't supposed to do".
Complainant never understood why the employee would say this given the clear
evidence of and the employee's admission to what happened. Then on July 8, 2007,
Complainant was in a meeting with one of Mr. Beran's senior direct reports who told
Complainant that Mr. Beran was "behind" this whole event. It appears that Mr.
Burrirt was involved also as he did not engage the appropriate groups within
Caterpillar to investigate this event. In addition, Mr. Burrirt was very upset when
Complainant raised this issue with him in the discussions about the proper
10 characterization of PwC fees to the Board of Directors and in the Proxy Statement
(discussed below), and payments to PwC based on unsupported invoices (discussed
below).

15 After reporting this incident to Mr. Burrirt and Mr. Beran, Complainant was forced
to move out of their work areas. Mr. Beran told Complainant that the only job for
him was with a subsidiary in Nashville, and that Mr. Beran had already confirmed
this with Succession Planning and others - there would be no other job for
Complainant at Caterpillar. Dave Burrirt was aware of all this.

20 Complainant filed a complaint with Caterpillar's internal Office of Business
Practices (OBP) and Caterpillar's Office of the General Counsel on August 8, 2007,
just after learning that Mr. Beran was "behind" this event. The complaint included
all the documentation necessary to investigate this issue (invoices, journal entries,
contemporaneous narratives, etc.). The OBP kept asking Complainant questions
25 about Mr. Burrirt's and Mr. Beran's motives, and how the OBP could investigate
something that happened 8 years earlier? Caterpillar's legal department told
Complainant they would not investigate this issue due to the passage of time - even
though they were given all the evidence, all the people involved still were employed
by Caterpillar or PwC, and this involved potential serious issues of fraud, PwC's
independence as statutory auditor, and retaliation.

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- 35 c. In 2004, Complainant raised an issue to his supervisor that the reports made to the
Executive Office about a subsidiary's profitability were not consistent with internal
documentation. Complainant was subsequently transferred out of the subsidiary and
denied a lateral-move pay increase at the direction of Mr. Wunning (Executive
Officer - Group President). Mr. Wunning was integrally involved with establishing
the subsidiary and remains responsible for its business to date.
- 40 d. In 2005, Complainant raised the issue discussed directly above, but in a broader
context, to Mr. Burrirt (then CFO) documenting the inconsistency of reports made to
the Executive Office, to the Board of Directors, and in communications to
shareholders when compared to internal documentation and the findings of third-

party consulting reports. Mr. Burritt told the Complainant that, if Complainant pursued this issue, neither the Executive Office (consisting of the CEO and 6 Group Presidents) nor the Board of Directors would do anything, and Complainant would be “toast”.

Mr. Burritt told Complainant about a past, significant financial statement issue that was brought to the Executive Office, PriceWaterhouseCoopers, and the then Board of Directors for which nothing was done. This was an example and a warning that Complainant should not continue to pursue these issues. Mr. Burritt said this issue was “quietly taken care of” just recently.

When Complainant persisted, Mr. Burritt began to raise concerns about the Complainant’s “approach” and told Complainant in a sharp voicemail to stop sending emails about this issue.

This issue was also raised to the Office of Business Practices³ and the Office of the General Counsel. There was no reasonable response or explanation. Complainant was told there was no avenue for appeal. This subsidiary is a service business and is still talked about publicly and to analysts⁴ as a business that will help Caterpillar Inc. maintain earnings during a downturn in its machinery business. The reality at the time was that the “external logistics” services business had losses or very little profit which was masked by combining these numbers with the profitable Caterpillar machine and engine replacement parts business which has always been in existence and had little, if anything, to do with the operating results of the external logistics service business.

- e. In 2005, Complainant was given an Ernst & Young (E&Y) invoice for a significant sum of money that had been signed as “okay to pay” by Mr. Beran (Assistant Treasurer). The invoice had no supporting detail. The practice in Mr. Beran’s department was that his direct reports could requisition consultants to do work for them and also approve payment to the consultant for the work, and often with little or no supporting documentation. This was primarily true for E&Y. PwC invoices had some, but still very little detail to support the amount of payments that were being made.

³ During the time period of these events the Office of Business Practices reported to Dave Burritt (Chief Financial Officer). Complainant was informed by an Officer of Caterpillar Inc. that the Executive Office, in particular Mr. Wunning, was made aware of this conflict-of-interest and did nothing about it.

⁴ For example, the January/February 2008 analysts call.

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Complainant offered to follow-up with E&Y to get the supporting documentation.⁵ On November 22, 2005, Complainant called E&Y and asked if they would provide the detail⁶ for this and other invoices. They assured Complainant they would. Subsequently, E&Y left a voice mail indicating that they had already given Caterpillar the detail, but maybe not with the invoices. Complainant inquired within Caterpillar, but no one had any documentation. In January 2006, E&Y (a public accounting firm) left a voice mail indicating they could not get the records to support the invoices because it was not their practice to record this information. Complainant asked for written confirmation of their statement and did not receive any. Complainant believes Caterpillar paid E&Y more than \$10 Million in 2005. Complainant believed that there was no credibility to the statements by E&Y, as a professional services firm, that it does not keep records to support its invoices. There were also PriceWaterhouseCoopers invoices for large amounts with similar documentation issues.

Complainant brought this to the attention of Mr. Burritt (CFO) 6 different times from December 20, 2005 through March 7, 2006. Mr. Burritt left Complainant a voice mail in January 2006 stating the following in response to Complainant's request to ask E&Y for the detail to support their invoices. Mr. Burritt said: he didn't want us to be alarmist; he thought Complainant could start a coalition to see if other companies ask for supporting detail before paying invoices; he didn't want us to approach this in an unmeasured way; he didn't want us to be belligerent; and he didn't want us to be unique from other companies.

Subsequently, it appears Mr. Beran paid the invoices without any supporting detail and with the acquiescence of Mr. Burritt. A direct report to Mr. Beran told Complainant that they and other direct reports were being asked in 2006 to validate and sign 2005 E&Y invoices that they had not previously approved. Complainant informed Mr. Burritt of this.

Complainant raised this issue to the Office of Business Practices (OBP). The OBP stated the facts were not sufficient for them to investigate because Complainant did not specifically state what applicable law and Company Policy appears to have been violated.

- f. In 2006, Complainant raised an issue to Mr. Burritt (CFO) and Mr. Beran (Assistant Treasurer) about the improper reporting of PriceWaterhouseCoopers (PwC) audit fees to the Audit Committee of the Board of Directors and in the Proxy Statement,

⁵ Typically, the E&Y invoices stated "progress billing for Project X", but it was not the practice to follow-up and reconcile to supporting detail.

⁶ Complainant asked for the date of work, name of person doing the work, description of work, and number of hours.

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contrary to Sarbanes-Oxley requirements. In October 2005, Complainant was asked by Mr. Bowers (PwC Partner) to include about \$2M of "audit" fees in a "non-audit" category in the December 2005 report to the Audit Committee. There was significant pressure from the Audit Committee at this time that PwC "Audit" fees were too high, particularly from External Director John Dillon. Apparently, PwC did not include these services in the amount of "Audit Fees" which had been pre-approved by the Audit Committee at the start of 2005.

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Complainant asked Mr. Bowers what activities generated the statements. Mr. Bowers told Complainant the fees were for audit services for the financial. Mr. Bowers agreed that the only role of PwC personnel was as the auditor of the financial statements. Mr. Bowers agreed that "but-for the fact that PwC was Caterpillar's auditor, these fees would not have been incurred".

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Complainant told Mr. Bowers to include these fees in the "Audit" category and explain the overage to the Audit Committee. Complainant told Mr. Bowers that it was much better to explain an overage to the Audit Committee than to be found later to have misled them, particularly since the level of "Audit" fees was a concern for the Audit Committee. Nevertheless, it appears these "Audit" fees were reported to the Audit Committee in December of 2005 as "non-audit" fees. Complainant believed this to be incorrect since based on the facts and internal documentation these were simply "Audit" fees.

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Complainant confronted PwC and the Internal Audit Department. As a result, Complainant was intimidated by Sharad Jain (the PwC Audit Partner) and Michelle Hubbel (Senior Audit Manager) in two different meetings. Complainant continued to maintain that there was no factual basis for including these fees in the "non-audit" category. Complainant sent an email and documentation to Mr. Burritt (CFO).

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Mr. Burritt asked the Complainant to come to his office under false pretenses and told the Complainant that he could not believe the Complainant had documented this issue and sent it to him by email, and that now he would have to do something about it. Mr. Burritt also told Complainant that Complainant should be aware that Mr. Burritt had talked with other Officers and the Succession Planning Department, and that many people, including all of the CFO's direct reports, were now having trouble working with Complainant because of his "approach". Complainant did not work with or interact with Mr. Burritt's direct reports, except for Mr. Beran who was Complainant's supervisor.

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In response, Mr. Burritt and Mr. Jain sought advice from the PwC National Office which issued a memorandum based on the facts provided by Mr. Jain. However, it appeared important relevant facts were not provided to the National Office that would directly impact the advice requested. For instance, there are PwC invoices

with the hand written notes of Mr. Beran (Assistant Treasurer) on them stating, "This is financial audit." Complainant brought this issue to the Office of Business Practices and the Office of the General Counsel. There was no reasonable response or explanation regarding either the intimidation or the incomplete information reported to PwC's National Office. Complainant was told there was no avenue for appeal.

- g. In May 2007, Complainant sold shares in Caterpillar Inc. on a Friday morning. Late that day Complainant discovered that he had inadvertently sold too many shares and may not be able to meet his stock ownership requirements to receive future stock options just a few months later in the year. On the following Monday, Complainant called the Caterpillar Broker back and explained what happened.

Complainant asked the Broker to buy back one-third the number of shares that he had sold the previous Friday. The Broker told Complainant that the Broker could instead treat the sale from the previous Friday as though it was for only two-thirds of the actual number of shares sold. The Caterpillar Broker implied this had been done for others. The Complainant said no.

Complainant received advice from the Office of the General Counsel (OGC) to go along with the Broker's advice and pretend Complainant had only sold two-thirds the number of shares that were actually sold on the previous Friday. Complainant told the Broker to purchase the one-third of the shares to be dated on that Monday. Complainant's supervisor, Mr. Beran (Assistant Treasurer), tried to convince Complainant that it would have been ok to follow the advice from the OGC. Complainant stated clearly that what the OGC had suggested was misleading at best, and thought it to be fraudulent – akin to back dating stock options.

- h. In 2007, Complainant became aware that Mr. Burritt (CFO) was having an outside, third party tape record meetings involving the Complainant and many others - without their consent. Mr. Burritt was having the third party write books about Mr. Burritt's activities and those of his Division. Complainant raised the issue to the Office of the General Counsel (OGC) which indicated they would not or could not do anything unless the Complainant reported the issue to the Office of Business Practices. The OGC strongly encouraged the Complainant to do so.

Complainant reported the taping incident while his 5 colleagues did not. At the time, the salary grades of Complainant and his colleagues were being reviewed. As a result of the study, three colleagues were promoted, two remained at the same level, and the Complainant was downgraded. Complainant raised this issue to the Office

of Business Practices (OBP) and the OGC. He was told the study followed Company Policy.

5 An investigation was performed by an outside law firm. At the time, Complainant asked the OGC what to do about the other issues described in "this Complaint" that needed to be reported and addressed. The Complainant was told to inform the Outside Counsel who was investigating the tape recording incident. The Outside Counsel did not take the information from the Complainant because their time allotted for an interview had been used up regarding the eavesdropping incident.

10 Complainant followed up with the OGC who said to forward the information to the OGC who would forward it to the Outside Counsel. After hearing nothing back, Complainant met with the General Counsel and one of his direct reports to discuss the other issues. The General Counsel told the Complainant, "You are trying to claim a pattern of retaliation". The General Counsel told the Complainant that he would not address any of these issues unless they were first reported to the OBP. The General Counsel did this even though he knew at the time that the OBP would have a conflict-of-interest regarding all the financial statement issues and claims of retaliation against the CFO, because the OBP reported to the CFO. In response, Complainant filed the following complaint with the OBP.

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- i. Complainant filed a complaint with the OBP and OGC on August 8, 2007, regarding an asset that was put on the books and profit recorded in the 1970's with no basis for doing so. Increases and decreases were made to this asset over more than two decades. This is the issue Mr. Burritt used as an example and a warning to Complainant about which neither the Executive Office nor the Board of Directors would do anything if Complainant continued to raise other issues.⁷ At that time, Mr. Burritt indicated to Complainant they "quietly" amortized this asset balance off the books around 2003-4 time frame.

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Complainant was told by the OBP that this would not be investigated. The OBP said they talked with the (now) Chief Accounting Officer. However, this person was not working at Caterpillar when this issue originated and would have a conflict-of-interest if they knew about the subsequent years' amortization of a non-legitimate asset. The OBP said this issue was just a difference of opinion and the then Board thought Mr. Hagen, who reported it, was wrong. The OBP said this issue was amortized off the books before Sarbanes-Oxley was effective and there is nothing we would do now anyway as the unsubstantiated assets were already amortized back into expense. Complainant asked why they did not talk to Mr. Hagen who still works at

⁷ See 4.d. above, Paragraph 2.

Caterpillar and is intimately familiar with this issue. Complainant received no response. Complainant asked if the "current" Board knew of this issue. Complainant received no response.

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- i. In December 2007, Complainant told the Office of Business Practices that Mr. Burritt (CFO) and Robin Beran (Assistant Treasurer and Complainant's supervisor) would retaliate again during Complainant's next performance review in February 2008. In their first meeting about the performance review, Mr. Beran told Complainant that the Complainant's filing complaints had made his (Mr. Beran's) and Mr. Burritt's lives difficult. Mr. Beran asked Complainant if there were not better alternatives such as working through Mr. Beran and Mr. Burritt. Mr. Beran said Complainant's "approach" was problematic, which is exactly what Mr. Burritt told Complainant when the threats and intimidation began more than 18 months earlier. Mr. Beran said that people were having trouble working with Complainant, but wouldn't say why. Mr. Beran said that this had to be reflected in the performance review.
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The current performance review contained negative statements about Complainant with no facts to support the allegations. Nor was there any interim notice to Complainant that there were any allegations or concerns. Complainant had worked for Mr. Beran and Mr. Burritt (CFO) for many years with excellent ratings and all positive comments in the past.⁸ It is only after reporting various issues to Mr. Beran and Mr. Burritt and filing Complaints about them that such allegations appeared.

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Complainant requested supporting facts from Mr. Beran on February 26, 2008. Mr. Beran told Complainant that he had requested and received supporting facts at least once, but never did articulate any. Mr. Beran and Complainant worked through 2 drafts of the review from February 25th to March 6th. Then, Complainant did not hear back from Mr. Beran for 35 days.

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On April 11, 2008 Mr. Beran presented Complainant with a newly, rewritten performance review document. Mr. Beran could not answer questions about some of the wording because he said, "Those are not my words". Complainant again asked Mr. Beran for facts to substantiate the negative statements, but Mr. Beran did not have any.

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Complainant was invited to a meeting on April 17, 2008 with Mr. Beran and Ms. Barbour (Human Resource Manager for Chief Financial Officer). Complainant was told to either sign the new performance review or they would sign it and submit it without his signature. Complainant felt pressured to sign it on the spot, but did not.

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⁸ This is clearly documented in Complainant's personnel history folder.

Mr. Beran and Ms. Barbour told Complainant that they and Legal jointly authored the new document.

5 In the new document Complainant's proficiency ratings for competencies were significantly reduced from what Mr. Beran had previously agreed to 35 days earlier. It appears that if Complainant had not persisted in requesting facts to substantiate the negative statements Mr. Beran put in the performance review, Legal and Human Resources would not have become involved and the competency proficiency ratings would not have been reduced. These new ratings were significantly lower than the 10 prior two years ratings from Mr. Beran and even lower still than the 5 years Complainant reported directly to Mr. Burritt.

15 Mr. Beran indicated that Complainant received a good overall rating (PL2) and should be happy. Complainant told Mr. Beran that no rating can justify unsubstantiated negative statements that appear to echo prior comments of Mr. Burritt (CFO) that were threatening, intimidating and retaliatory, and in response to Complainant raising legal and ethical issues.

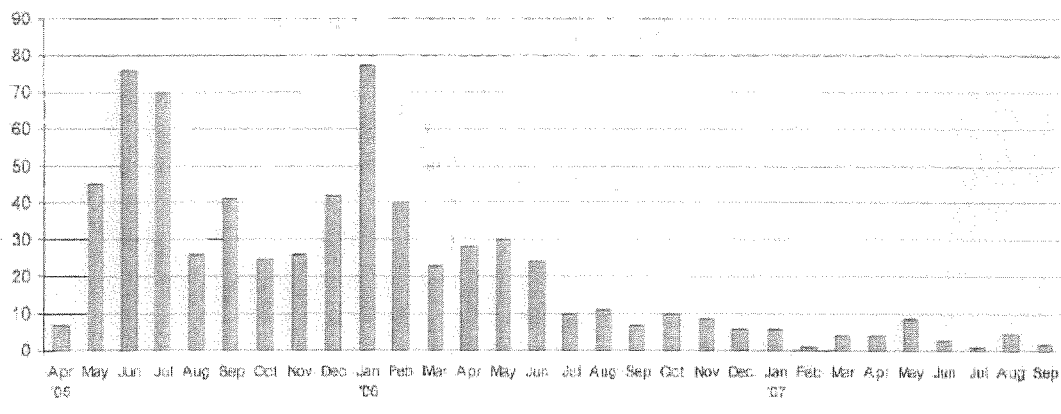
20 Complainant asked for a few days to review the new document and to suggest some alternative language in a half dozen sentences. He believed this was fair since Mr. Beran, Human Resources and Legal took 35 days to draft the document. Mr. Beran and Ms. Barbour said, "No, Complainant could not do this". The only reason given was that the review was late and "they" track late paper.

25 On April 18, 2008 Mr. Beran and Ms. Barbour signed and submitted the performance review. They told Complainant to file any comments with Human Resources within 30 days. They never answered simple questions such as why the negative statements were included in the performance review without the specifics required by the Performance Review Instructions that were issued by Ms. Barbour. 30 Neither Mr. Beran nor Ms. Barbour would articulate an appeal process. Instead, they told Complainant that Legal and Corporate Human Resources had "already" been involved.

- 35 j. During all the events stated above, Complainant continually asked those involved to inform him if they thought any conduct on his part was harassing, based on personal opinion, or trivial. At no time to-date has anyone ever questioned the conduct of the Complainant or his good faith. In fact, the Complainant was told/coached/warned by the OBP that it would be "best for him personally" to, in essence, drop all this and 40 accept the inaction.

- k. Complainant and Mr. Burritt (CFO) corresponded on average 2 times every day (see graph below) until Complainant persisted in raising these issues to Mr. Burritt. Then the communication stopped.

E-mails To & From Dave Burritt
By Month



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- l. As of May 2008, Complainant believed these events were all part of ongoing threats, intimidation, and harassment by Mr. Burritt (the CFO), among others, in retaliation for, among other things, reporting events that appear to have involved improper reporting to the Executive Office, improper reporting to the Board of Directors, improper reporting to the shareholders, violations of Sarbanes-Oxley and other laws, fiduciary duty concerns, and fraud.

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- m. As a result, Complainant emailed a complaint to Mr. Rapp and Mr. Oberhelman (Executive Officers – Group Presidents.) on May 1, 2008.⁹ The complaint provided significant information regarding the events summarized above, and provided them significant supporting evidence. The information provided included allegations of improper and illegal conduct, broad fear among employees about raising these sorts of issues, cultural pressure to look-the-other-way, important information not reaching the Executive Office and the Board of Directors in order to properly manage risk on behalf of shareholders, wasting corporate assets, improper investigations, and independence issues related to PriceWaterhouseCoopers.

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⁹ See Attachment 1, May 1, 2008 email to Mr. Rapp and Mr. Oberhelman

5 In addition, Complainant alleged the Caterpillar Inc. Ethics and Compliance Program to be incomplete, subjective, unclear and cumbersome, the practical effects of which are to discourage individuals from coming forward, to protect those who act improperly, and to disenfranchise those who do the right thing. Complainant also told them that both the Office of Business Practices (OBP) and the Office of the General Counsel (OGC) told Complainant there is no Caterpillar process for appealing issues you believe in good faith were not handled correctly. The OBP and the OGC did not question Complainant's good faith.

10 Complainant also informed Mr. Rapp and Mr. Oberhelman that there were other events that needed to be reported. To-date there has not been any attempt to inquire about these events for purposes of investigating them. Instead, Complainant has only been told indirectly "they" are interested in understanding what these events are.

15 n. Complainant requested a meeting with Mr. Rapp and Mr. Oberhelman (Executive Officers – Group Presidents) to discuss these issues. Instead, on May 14, 2008, Ms. Barbour (Human Resources Manager for the CFO) informed Complainant by email¹⁰ that Mr. Rapp and Mr. Oberhelman referred his complaints about the performance review back to her even though she was involved with the secret rewriting of the performance review, she never approached Complainant from a neutrality point of view to get his side of the story, and she was not following Company Policy nor her own written instructions that comments in performance reviews must be supported by facts. In addition Mr. Rapp and Mr. Oberhelman gave Ms. Barbour, who reports to the CFO, the May 1, 2008 complaint that is primarily about the Chief Financial Officer and some of his reports.

20 Also, on May 20, 2008, the Office of Business Practices (OBP) informed Complainant by email¹¹ that Mr. Rapp and Mr. Oberhelman referred the Complainant's complaint, largely about the OBP, back to the OBP to resolve. The email went on to state that the OBP will review Complainant's materials, which the OBP had already done, and take appropriate action. Finally, the email stated that Complainant would not be notified of any progress or conclusions regarding these issues. The OBP told the Complainant the Office of the General Counsel would help.

30 A new Board of Directors policy was implemented as a result of the eavesdropping incident discussed above that requires any complaints filed against an officer of the company to be forwarded right away to the Chief Executive Officer (CEO) and the Chairman of the Audit Committee of the Board of Directors. Complainant asked the

40 ¹⁰ See Attachment 4, May 14, 2008 email from Ms. Barbour

¹¹ See Attachment 5, May 20, 2008 email from Ms. Snowden

OBP if the complaint sent to Mr. Rapp and Mr. Oberhelman¹² was forwarded as required. Complainant was told that only a summary was sent to the Chairman of the Audit Committee of the Board of Directors, and was not told if anything was sent to the CEO.

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- o. On or about August 12, 2008, Mr. Rapp (Executive Officer – Group President) and Mr. Buda (Vice President, General Counsel & Secretary) had a discussion about what they should do with the Complainant, and that they had to move him out of the Chief Financial Officer’s Division – out of finance.

 - p. On August 26, 2008, Complainant was asked by a Vice President (VP) to attend an impromptu meeting about an “opportunity”. When Complainant arrived at the VPs office, Ms. Barbour (Human Resource Manager for CFO) was there, which was very unusual. Shortly into the meeting Ms. Barbour interrupted the discussion and told the Complainant the following:¹³
 - i. Caterpillar was terminating his current position in the Finance Division effective September 1, 2008,
 - ii. his current job duties were being reassigned,
 - iii. Caterpillar had the right to reassign him to a lateral position,
 - iv. Caterpillar was offering him a lateral move to the Information Technology (“IT”, i.e. computers) Division,
 - v. taking the lateral move was not an option,
 - vi. there were no alternatives,
 - vii. if he did not take the lateral move, Caterpillar had the right to terminate his employment,
 - viii. so it was take this job or else, and
 - ix. he shouldn’t worry about the stigma associated with this move (i.e. hurried, unannounced, and to a job he knew nothing about which had been worked on

¹² See Attachment 1, May 1, 2008 email to Mr. Rapp and Mr. Oberhelman

¹³ Corroborating documentation available upon request

for years with no success) because “they” would write a real nice announcement.

- x. The Vice President later told Complainant that Ms. Barbour got her marching orders from the Human Resources Department and the Office of the General Counsel.¹⁴
- xi. The Vice President later told Complainant he had to transfer outside of Mr. Burritt’s (CFO) Division - Finance.
- xii. Complainant took the lateral move based on the threat of being terminated.
- q. This is merely the most recent event in an ongoing and continuous series of threats, harassment, intimidation and discrimination, of Complainant by Caterpillar Inc. and participating officers, employees, contractors, subcontractors and agents.

5. Prima Facie Case

a. Did Employee Engaged in a Protected Activity or Conduct?

i. Did employee “provide information to, cause information to be provided to, or otherwise assist in an investigation”?

- 1. On May 1, 2008, at 7:35 P.M., Complainant sent an email¹⁵ complaint to Mr. Rapp and Mr. Oberhelman providing them with information. Receipt of this email and memorandum was confirmed by the email system by return receipt at 8:00 P.M. on May 1st for Mr. Rapp¹⁶ and at 7:14 A.M on May 2nd for Mr. Oberhelman.¹⁷
- 2. On or about May 2, 2008, Complainant sent 137 pages of supporting documentation through inter-company mail to Mr. Rapp and Mr. Oberhelman. There receipt of the paper copy was acknowledged in an email from the Office of Business Practices.¹⁸

ii. Did employee provide the information “to a person who has supervisory authority over the employee or such other person working for the employer who has the authority to investigate, discover, or terminate misconduct”?

¹⁴ Corroborating documentation available upon request

¹⁵ See Attachment 1, May 1, 2008 email to Mr. Rapp and Mr. Oberhelman

¹⁶ See Attachment 2, Mr. Rapp return receipt for May 1, 2008 email

¹⁷ See Attachment 3, Mr. Oberhelman return receipt for May 1, 2008 email

¹⁸ See Attachment 5, May 20, 2008 email from Ms. Snowden

1. Mr. Rapp and Mr. Oberhelman are both members of the Executive Office as Group Presidents of Caterpillar Inc.¹⁹

2. On May 1, 2008, the Complainant reported to Mr. Beran (Assistant Treasurer), who reported to Mr. Burritt (CFO), who reported to Mr. Rapp (Executive Officer – Group President). Prior to 2007, Mr. Burritt reported as Chief Financial Officer to Mr. Oberhelman (Executive Officer – Group President).

iii. Was the information “regarding any conduct the employee reasonably believed constitutes a violation of section 1341, 1343, 1344, or 1348, any rule or regulation of the Securities and Exchanged Commission, or any provision of Federal law relating to fraud against shareholders”?

1. In general, the information provided to Mr. Rapp and Mr. Oberhelman was with regard to the following.

- improper reporting to the executive office,
- improper reporting to the board,
- improper reporting to shareholders,
- violations of Sarbanes-Oxley,
- fiduciary duty concerns,
- fraud, and
- violations of other laws and regulations relating to fraud against shareholders.

2. Specifically, see the foregoing discussion.

b. Did the Employer or Named Persons Know or Suspect, Actually or Constructively, that the Employee Engaged in the Protected Activity?

i. On May 1, 2008, at 7:35 P.M., Complainant sent an email²⁰ complaint to Mr. Rapp and Mr. Oberhelman providing them with information. Receipt of this email and memorandum was confirmed by the email system by return receipt at 8:00 P.M. on May 1st for Mr. Rapp²¹ and at 7:14 A.M on May 2nd for Mr. Oberhelman²².

¹⁹ See Attachment 6, page listing company officers from Caterpillar Inc. internet website

²⁰ See Attachment 1, May 1, 2008 email to Mr. Rapp and Mr. Oberhelman

²¹ See Attachment 2, Mr. Rapp return receipt for May 1, 2008 email

²² See Attachment 3, Mr. Oberhelman return receipt for May 1, 2008 email

c. Did the Employee Suffer an Unfavorable Personnel Action?

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- i. On August 26, 2008, Complainant was threatened with termination by Ms. Barbour (Human Resource Manager for CFO) if he did not accept a lateral transfer. The transfer had to be “out of the Chief Financial Officers Division”. Complainant was told by an Officer that Ms. Barbour had her “marching orders” from “Legal” and “HR”.
- 10
- ii. This threat to discharge Complainant is only the most recent event in an ongoing and continuous series of threats, harassment, intimidation, transfers, black listing, character assassination, a sudden drop in evaluation scores, a sudden change in language used in performance reviews, and discrimination against Complainant.
- 15

d. Are the Circumstances Sufficient to Raise the Inference that the Protected Activity was a Contributing Factor in the Unfavorable Action?

- 20
- i. The chronology of events leading up to this Complaint, as described in this Complaint, demonstrate a pattern of unfavorable personnel actions on the part of Caterpillar Inc. and participating officers, employees, contractors, subcontractors and/or agents. Mr. Buda (Vice President, General Counsel & Secretary) recognized this when meeting with Complainant on or about August 15, 2007 and he stated, “You are trying to claim a pattern of retaliation”, but he told Complainant he could not or would not address these issues and Complainant must go to the Office of Business Practices which Mr. Buda knew reported to the CFO.
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- ii. The timing of the threat to discharge and transfer, and the proximity in time to Complainant providing the information to Mr. Rapp and Mr. Oberhelman demonstrate the threat to discharge and transfer are in response to Complainant “providing the information” and merely the latest in a series of unfavorable personnel actions.
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- iii. Throughout this ongoing series of events and in the complaint to Mr. Rapp and Mr. Oberhelman dated May 1, 2008, Complainant continually asked those involved to inform him if they thought any conduct on his part was harassing, based on personal opinion, or trivial. At no time to-date has anyone ever questioned the conduct of the Complainant or his good faith.

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- iv. The complaint to Mr. Rapp and Mr. Oberhelman dated May 1, 2008, raised serious issues of potential fraud, violations of federal law, questions of fiduciary duties to the Company and shareholders, the integrity and substance of the Caterpillar Ethics & Compliance Program, a culture of looking the other way and fear of retaliation, significant concerns about the Office of Business Practices (OBP) and the Office of the General Counsel, the significant conflict-of-interest presented by the OBP reporting to the CFO, etc., yet Complainant did not even receive an acknowledgement of his complaint and request for a meeting. Instead, he was informed indirectly by the people who had conflicts-of-interest and were the focus of his complaint, that Mr. Rapp and Mr. Oberhelman referred Complainant back to them.
 - v. The conversation in August 2008 between Mr. Rapp and Mr. Buda as to what are they going to do with the Complainant shortly after Complainant provided the information to the Mr. Rapp and Mr. Oberhelman.
 - vi. The transfer was done outside Caterpillar normal process in the following ways.
 1. It is very unusual that someone from Human Resources is present when a Vice President is legitimately “offering you a position”, and even more so to have that be the Human Resources Manager for a different Vice President than the one “offering” you the position. Ms. Barbour is Human Resource Manager for Chief Financial Officer. The Chief Information Officer was making the “offer”.
 2. Typically an employee’s supervisor would be the first person to tell the employee about a legitimate possible “opportunity”. The Complainant’s supervisor (Mr. Beran – Assistant Treasurer) never mentioned anything about this “opportunity” to Complainant. It was only after the Complainant was in the process of physically moving that Mr. Beran indicated anything, and he indicated he knew the “transfer” was being discussed.
 3. It is typical in Mr. Beran’s Department for legitimate personnel moves that an “official” announcement is made by the supervisor (in this case Mr. Beran) and a luncheon is arranged for the person leaving the Department. Since Mr. Beran made no mention to Complainant of even making an announcement, and in fact did not, prior to Complainant physically moving, Complainant is the one who had to make his own announcement to the Department the day before he left. There was no luncheon.

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4. There would have been no “official” announcement at all if the Complainant had not drafted it himself. Complainant’s new supervisor agreed with announcement as drafted by the Complainant,²³ but Mr. Beran reduced the portion of the announcement thanking the Complainant for his contributions to Mr. Beran’s Department.²⁴
 5. Typically an announcement for someone at the level of the Complainant is sent from the office the Chief Executive Officer before they actually move. That was the case when Complainant moved into Mr. Beran’s Department,²⁵ but not for his “transfer” out of the Department.²⁶
 6. There was an unusual amount of discussion surrounding the announcement. This was confirmed by Complainant new supervisor in an email²⁷ and in a discussion with an Officer. If this was a normal situation, the announcement would simply be sent to the assistant to the CEO who would publish it.
 7. Corporate policy is that a performance review must be completed before someone can be legitimately transferred within the Human Resources computer system.²⁸ To-date, Complainant has not received his final performance review from Mr. Beran, yet the transfer was processed within the HR computer system.

vii. Complainant’s Personnel Record is outstanding in all respects.

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1. Caterpillar’s performance appraisal system is a 1 to 5 scale with 1 being the best score. Plaintiff has been at Caterpillar for 16 years.
 - Complainant worked in Mr. Beran’s Department for 5 years and received a “2” or “Notable” performance rating each year.
 - Complainant worked directly for Mr. Burritt for 5 years and received a “1” or “Distinguished” performance rating each year.

²³ See Attachment 10, email dated September 9, 2008

²⁴ Compare the 3rd Paragraph of Attachment 10 with the 3rd Paragraph of Attachment 8

²⁵ See Attachment 7, email dated February 21, 2005 (forwarding email from Debbie Schrader, Assistant to the CEO)

²⁶ See Attachment 8, email dated September 23, 2008

²⁷ See Attachment 11, email dated September 11, 2008

²⁸ See Attachment 9, webpage from Caterpillar Human Resources intranet site

- When reporting to other Departments or supervisor's Complainant received:
 - a "1" or "Distinguished" performance rating for 3 years, and
 - a "3A" or "Valued" performance rating for 3 years.
- Plaintiff received a stock grant in 2002 based on outstanding performance.

(The above items are documented in Complainant's personnel history folder.)

2. Employee Opinion Surveys and Leadership Assessments

- All very good and in most cases exceptional²⁹

6. Request for Damages

a. Affirmative Relief

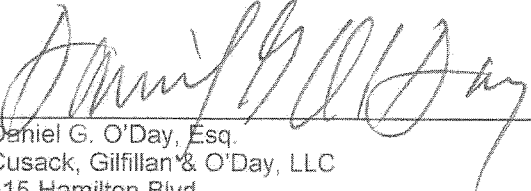
- i. An injunction against future discrimination by Caterpillar Inc. and participating officers, employees, contractors, subcontractors and agents barring them from future discrimination against Complainant.
- ii. An official letter of apology posted on the Company's internal website.
- iii. An order requiring the Audit Committee of the Caterpillar Inc. Board of Directors to oversee the establishment of a substantive Ethics & Compliance Program as required by Sarbanes-Oxley and in which the Ethics and Compliance Office does not report to the Chief Financial Officer.

b. Special damages

- i. Compensation for Emotional Distress
- ii. Compensation for Loss of Professional Reputation
- iii. Front pay for lost opportunity for future promotions
- iv. Attorneys fees and costs

²⁹ Documentation is available upon request

Filed on behalf of Complainant, Daniel Joseph Schlicksup, by his attorneys, pursuant to 29 CFR 1980.103(a)(A-12).

5
By  Date November 21, 2008
10 Daniel G. O'Day, Esq.
Cusack, Gilfillan & O'Day, LLC
415 Hamilton Blvd.
Peoria, Illinois 61602
(309) 6375282
(309) 637-5788 (Fax)
Doday@cfgolaw.com
15

Attachments

- 20 A-1. May 1, 2008 email to Mr. Rapp and Mr. Oberhelman
A-2. Mr. Rapp return receipt for May 1, 2008 email
A-3. Mr. Oberhelman return receipt for May 1, 2008 email
A-4. May 14, 2008 email from Ms. Barbour
A-5. May 20, 2008 email from Ms. Snowden
25 A-6. page listing company officers from Caterpillar Inc. internet website
A-7. email dated February 21, 2005 (forwarding email from Debbie Schrader, Assistant to the CEO)
A-8. email dated September 23, 2008
A-9. webpage from Caterpillar Human Resources intranet site
A-10. email dated September 9, 2008
A-11. email dated September 11, 2008
30 A-12. 29 CFR §§ 1980.102-104 (OSHA rules/regulations).

Daniel
Schlicksup/OE/Caterpillar
05/01/2008 07:35 PM

To: Douglas R. Oberhelman/OC/Caterpillar@Caterpillar, Edward
J. Ross/OE/Caterpillar@Caterpillar

cc:

bcc:

Subject: Ethics issues important to you, the Board and Cat
Shareholders

Caterpillar: Confidential Green

Retain Until: 05/01/2011

Dave Burritt told me that if I reported any ethical issues neither Doug nor the Board would do anything, and I would be "toast". I have observed conduct that appears contrary to Company Policy and in some cases applicable law. I reported several situations in accordance with Company Policy. All of these situations are known to one or more other high level Caterpillar employees who chose not to follow Company Policy, many for fear of certain retaliation. The fear of retaliation is real based on my experience.

As a result of reporting ethical issues, I have experienced threats, intimidation and retaliation, particularly from Dave Burritt. I am now an example to my colleagues, peers, and others that they made the correct choice when they chose to not report ethical issues and ignore Company Policy. I do not believe this is an isolated problem.

I have found no one within Caterpillar to-date who appears genuinely interested in encouraging employees to report ethical issues. The pressure to look the other way is overwhelming. The process for handling ethical complaints is incomplete, subjective, unclear and cumbersome, the practical effects of which are to discourage individuals from coming forward, to protect those who act improperly, and to disenfranchise those who follow Company Policy.

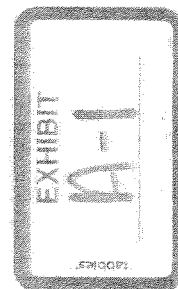
My experience with my chain-of-command is unbelievable. My experience with the OBP and Legal is extremely disappointing. The OBP and Legal told me there is no Caterpillar process for appealing issues you believe (in good faith) were not handled correctly.

I do not believe you or the Board can manage risks if you are not aware of them. Please take 20 minutes to read the attached memo before deciding your next steps. The memo speaks directly to Jim Owens' comments as he closed the 2008 Global Finance Managers' Meeting. I will forward a hardcopy of the memo and supporting documentation through company mail.

Sincerely,

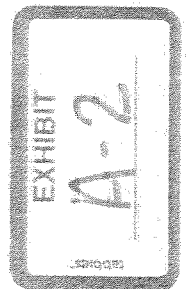
Dan

050108 memo to DRC & EJR.pdf



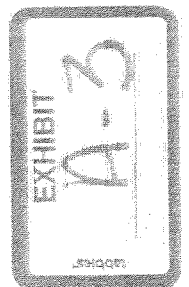
Return Receipt

Your message: Ethics issues imponant to you the Board and Cat Shareholders
was received by: Edward J Rapp/OE/Caterpillar
at: 05/01/2008 08:00:18 PM



Return Receipt

Your message: Ethics issues important to you, the Board and Cat Shareholders
was received by: Douglas R. Oberhelman/OC/Caterpillar
at: 05/02/2008 07:14:40 AM



Follow-up on Dan Schlicksup's 3/1/2007 - 2/29/2008 PDF

File Edit View Create Actions Help



Address

Windows taskbar showing open applications: Welcome, Diane Schlicksup, Worksheet, Replication, Dan Schlicksup - Calendar, Follow-up on Dan Schlicksup's

Application menu: New Memo, Reply, Reply To All, Forward, Delete, Follow Up, Folder, Copy Into New, Chat, Show, Tools, Retention

Alice M. Barbour/BA/Caterpillar

05/14/2008 09:24 AM

Please respond to
Alice M. Barbour

Caterpillar, Confidential Green

Return Receipt: 1/14/08

Dear

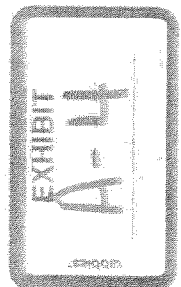
Clayton Barmelmeier and Ed Papp have referred to me your email of 4/11/08 and I am pleased that I be your point of contact on issues regarding your PDF or any other Caterpillar related matters.

In my May 9 email to you I requested that you advise me of any changes to your Caterpillar PC File system to confirm whether you intend your May 1 memo to be your comments to your PDF. Please let me know if you have any questions or need further information from me by May 10.

Alice M. Barbour
Human Resources Manager
Global Finance & Strategic Support Division
Wk/Ph: 309-55-8409 Cell Ph: 309-55-4298
Email: Barbour_Alice_M@cat.com

This message and any material contained in any attachment is intended only for the individual(s) named above and may contain information that is privileged or confidential. If you are not the intended recipient, you are hereby notified that any review, copying, distribution, dissemination or use of any information contained in this message is strictly prohibited. If you have received this e-mail in error, please notify the sender listed above immediately.

Windows taskbar: Start, 2 Intern..., Follow-u..., Search Res..., 5:49 PM



Nancy L.
Snowden/OA/Caterpillar
05/20/2008 01:30 PM

To: Daniel Schlicksup/OE/Caterpillar@Caterpillar
cc
bcc

Subject: May 1 memo

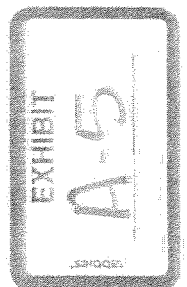
Caterpillar Confidential Green

Retain Until: 05-20-2011

Dan,

Ed Rapp and Doug Oberhelman turned over your May 1, 2008 memo and its attachments to me. In accordance with the processes of the Office of Business Practices, we will review the materials, and take appropriate steps based on that review. We will follow our standard practices and procedures, including those around confidentiality and privacy. As you know, in accordance with those practices and procedures, we will not notify you of progress or conclusions around the issues raised.

Nancy L. Snowden
Director of the Office
of Business Practices
Ph:309-675-5613
Fax:309-494-4818



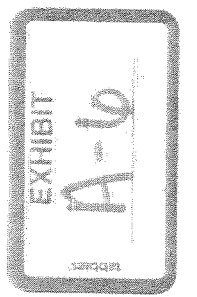
- Corporate Overview
- Sustainable Development
- Culture
- Code of Conduct
- News & Events
- Investor Information
 - Event Calendar
 - IR Presentations/Webcasts
 - Quarterly Results
 - Monthly Dealer Statistics
 - Annual Report
 - Taking Caterpillar to Market
 - Caterpillar and Oil & Gas
 - Caterpillar Production System
 - To Our Stakeholders
 - Financial Highlights
 - Caterpillar At A Glance
 - Financial Information
 - Board of Directors 2007
 - Committee Membership & Officers**
 - Supplemental Stockholder Information
 - Credits & Trademarks
 - Annual Report Archives
 - SEC Filings
 - Stock Performance & Shareholder Services
 - Analyst Coverage
 - Email Alerts
 - Watermark Released

COMMITTEE MEMBERSHIP & OFFICERS

COMMITTEE MEMBERSHIP as of December 31, 2007

AUDIT COMMITTEE Eugene V. Fife, Chair John R. Blain John T. O'Brien David R. Goodie	COMPENSATION COMMITTEE William A. Gibson, Chair Darin M. Dickinson Edward S. Berg Jr.	GOVERNANCE COMMITTEE W. Frank Blount, Chair Art E. Fische Peter R. Wagoner	PUBLIC POLICY COMMITTEE George D. Powell, Chair James H. Hulse Ronald E. Smith
CHAIRMAN AND GROUP EXECUTIVE OFFICER James W. Owens	CONSEIL D'ADMINISTRATION Daniel B. Boren Global Business & Strategic Support	CHIEF FINANCIAL OFFICER Robert J. Goss Martin G. Peterson, Director	CHIEF FINANCIAL OFFICER James E. Smith
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Project highlights and performance data that support our enterprise sustainable development efforts.
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Iris
 Fortan-Struelens/00/Caterpill
 ar
 02/21/2005 02:53 PM

To: D7 Bus Svs - Morton, D7 Bus Svs R-O-W
 cc
 bcc
 Subject: Fw: General Mailing - Personnel Announcement

Caterpillar: Confidential Green

History: This message has been forwarded

FYI,

Iris



Debbie L.
 Schrader/7B/Caterpillar
 02/21/2005 02:06 PM

To: Elaine R. Atchley, Sarah Barnes, Patricia L. Benko, Linda K...
 Subject: General Mailing - Personnel Announcement

Caterpillar: Confidential Green

Retain Until: 03/23/2005

Retention Category: G90 - General
 Matters/Administration

Effective March 1, D.J. (Dan) Schlicksup will become Tax Strategy Manager for Corporate Tax Services. In this new role, Dan's primary function will be to provide leadership to our Global Tax Strategy, including benchmarking our performance and processes versus world-class and developing metrics to measure our progress. In addition, Dan will help provide leadership to Global Tax Communications, Personnel and Succession Planning.

Dan's educational background and work experience brings additional diversity to the Corporate Tax team. Dan has a very strong educational background with a Law degree and a Masters in Taxation coupled with a CPA. His previous experience working at Price Waterhouse in the tax department and at Cat as a Tax Manager in Peoria, Accounting & Tax Strategy Manager in Gosselies, and Director of European Tax Services in Geneva will serve him well in this new role.

Dan gained vital process improvement and systems knowledge from the installation of PeopleSoft globally and is currently on special assignment leading a cross-organizational supply chain cost reduction initiative in the Logistics Division. We would like to take this opportunity to thank Dan for his contributions to Cat Logistics over the past 16 months.

Please join us in congratulating Dan on his new and challenging assignment.

Robin Beran
 Director
 Corporate Tax

Bob Sweikert
 Business Services Manager
 Logistics Division



----- Forwarded by Gauthier Cachbach/UG/Caterpillar on 09/23/2008 01:44 PM -----

Kathy A.
Mans/OB/Caterpillar
Sent by: Debra K
Stringer/OB/Caterpillar
09/23/2008 01:35 PM

To: Z8 TAX DEPARTMENT BLDG AB-PEORIA, Z8 TAX
CHINA-SINGAPORE GROUP, Z8 TAX EUROPE
GROUP, Z8 TAX NASHVILLE GROUP
cc
Subject: Personnel Announcement
ct

Caterpillar Confidential Green

Retain Until: 10/23/2008

We are pleased to announce that effective October 1, Dan Schlicksup will join Systems+Processes Division (S+PD) as Global Capacity Planning Manager. Dan's primary function will be to provide leadership to develop an S+PD global strategy for providing computing power to the enterprise.

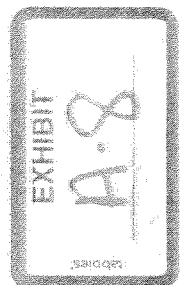
Dan's educational background and work experience bring diversity to his new assignment. His strong educational background consists of a Bachelor's degree in Finance, Law degree, Master's degree in Taxation, and a CPA. His previous experience at Arthur Andersen and PriceWaterhouseCoopers, and at Caterpillar as Global Tax Strategy Manager in Peoria, Accounting & Tax Strategy Manager in Gosselies, Director of European Tax Services in Geneva, and Global Manager of the PeopleSoft and Cat@Work implementations for the Human Services Division will serve him well in this new role.

Global Tax & Trade thanks Dan for his contributions to Global Finance Transformation, his advocacy on tax matters in Mach 1, and his management of the Tax Council agenda.

Please join us in congratulating Dan on this new and challenging assignment.

Robin Beran
Director of Global Tax & Trade
Global Finance & Strategic Support Division

Paulette Jackson
IT Director
Systems and Processes Division



- o % or \$ amount of increase
- (Approvers are automatically assigned based on business unit rules and organization structure. If you need to deviate request a change at this time.)

Promotion with Increase/Lateral Move/Department Transfer

Step 1:

Call in the PCF, expecting to be asked for the following information

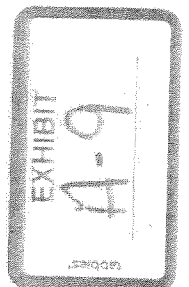
- Name of employee
 - o Employee's PeopleSoft ID (can be located in CLUES or Cat @work > Leader's Desktop > Manage Staff Changes > Employee Information)
- Effective date of the change
- Overall rating from the employee's Performance Summary
(Any applicable salary adjustment will be processed based on business unit rules and compensation guidelines)
- Job opening ID from Talent Acquisition module of PeopleSoft
- New Supervisor's Name
- New Supervisor's PeopleSoft ID (can be located in CLUES)
- Will this employee supervise others?
- If yes, what PeopleSoft Department should be assigned to her/him (if replacing another supervisor)?
- Is the employee a supervisor in her/his current role?
- If yes, to who will her/his current direct reports report to on the effective date of the job change?
- New Job Code
- New SG
- Initiate computer account management change by calling the Global IT Help Desk at (309)494-4357.

(Approvers are automatically assigned based on business unit rules and organization structure. If you need to deviate, request a change at this time.)

Step 2:

Sending Supervisor completes employee's Performance Summary

- Supervisors can submit Performance Summaries in two simple steps:
 1. Supervisors can scan and e-mail Performance Summaries to their Lotus Notes e-mail account using the HP All-in-One (printer, copier, scan, fax) office equipment installed in most U.S. locations as part of Global Purchasing's common office equipment project. Instructions on how to use this feature of the HP All-in-One office machines are available under the "Hewlett Packard Office Equipment" link in the "One IT Products & Services" section of the Systems+Processes Division website:
(<https://spcd.cat.com/cda/layout?m=134385&x=7>).
 2. From the Supervisor's Lotus Notes inbox, the Performance Summary should be forwarded to the Lotus Notes e-mail account - Fax-PS Reviews.
 3. If the above technology is not available to you, you can fax the review to: 309-636-2881





Daniel
Schlicksup/0E/Caterpillar
09/09/2008 11:40 AM

To: Paulette Jackson/0A/Caterpillar@Caterpillar
cc:
bcc:

Subject: Draft - took announcement from 2005 and changed a couple things

Caterpillar: Confidential Green

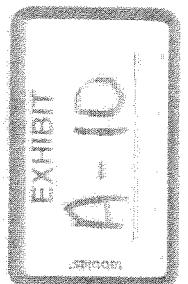
Retain Until: 09/0-#201

Effective September 30, Dan Schlicksup will join Systems and Processes Division (S&PD) as Global Capacity Manager. Dan's primary function will be to provide leadership to develop an S&PD global strategy for providing computing power to the enterprise. He will transition as quickly as practical to begin working on this important initiative.

Dan's educational background and work experience brings diversity to this important assignment. Dan has a very strong educational background with a bachelors degree in Finance, a Law degree, a Masters in Taxation and a CPA. His previous experience at Arthur Andersen, PriceWaterhouseCoopers, as Global Tax Strategy Manager in Peoria, Accounting & Tax Strategy Manager in Gosselies, Director of European Tax Services in Geneva, Global Manager of the PeopleSoft and Cat@Work implementations for the Human Services Division, and leading a supply chain cost reduction initiative in the Logistics Division will serve him well in this new role.

We would like to thank Dan for his many contributions to Global Tax & Trade including his leadership which has placed Tax in a very good position vis-a-vis the Mach 1 program and the Hackett glide path to World-Class Tax. He has also brought novel approaches to tax risk management and understanding the financial aspects of the tax practice within Caterpillar.

Please join us in congratulating Dan on this new and challenging assignment.




Paulette
Jackson/OA/Caterpillar
09/11/2008 10:01 AM

To: Daniel Schlicksup/OE/Caterpillar@Caterpillar
cc
bcc
Subject: Announcement

Caterpillar: Confidential Green

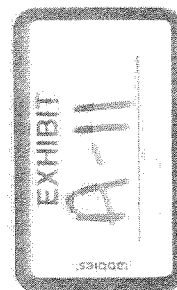
Retain Until: 09/11/2011

History:  This message has been replied to

Dan,

Timing on the publication of the announcement is still being discussed. John wanted me to wait on that until he returns next week. However, I am going ahead and telling my team and my peers today. So I think it is ok to let your staff know as well. See you on Tuesday. Office should be ready.

P. Jackson



Company representative means any officer, employee, contractor, subcontractor, or agent of a company.

Complainant means the employee who filed a complaint under the Act or on whose behalf a complaint was filed.

Employee means an individual presently or formerly working for a company or company representative, an individual applying to work for a company or company representative, or an individual whose employment could be affected by a company or company representative.

Named person means the employer and/or the company or company representative named in the complaint who is alleged to have violated the Act.

OSHA means the Occupational Safety and Health Administration of the United States Department of Labor.

Person means one or more individuals, partnerships, associations, corporations, business trusts, legal representatives or any group of persons.

Secretary means the Secretary of Labor or persons to whom authority under the Act has been delegated.

§ 1980.102 Obligations and prohibited acts.

(a) No company or company representative may discharge, demote, suspend, threaten, harass or in any other manner discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because the employee, or any person acting pursuant to the employee's request, has engaged in any of the activities specified in paragraphs (b)(1) and (2) of this section.

(b) An employee is protected against discrimination (as described in paragraph (a) of this section) by a company or company representative for any lawful act:

(1) To provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the employee reasonably believes constitutes a violation of 18 U.S.C. 1341, 1343, 1344, or 1348, any rule or regulation of the Securities and Exchange Commission, or any provision of Federal law relating to fraud against shareholders, when the infor-

mation or assistance is provided to or the investigation is conducted by—

(i) A Federal regulatory or law enforcement agency;

(ii) Any Member of Congress or any committee of Congress; or

(iii) A person with supervisory authority over the employee (or such other person working for the employer who has the authority to investigate, discover, or terminate misconduct); or

(2) To file, cause to be filed, testify, participate in, or otherwise assist in a proceeding filed or about to be filed (with any knowledge of the employer) relating to an alleged violation of 18 U.S.C. 1341, 1343, 1344, or 1348, any rule or regulation of the Securities and Exchange Commission, or any provision of Federal law relating to fraud against shareholders.

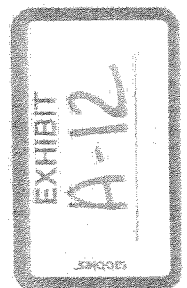
§ 1980.103 Filing of discrimination complaint.

(a) *Who may file.* An employee who believes that he or she has been discriminated against by a company or company representative in violation of the Act may file, or have filed by any person on the employee's behalf, a complaint alleging such discrimination.

(b) *Nature of filing.* No particular form of complaint is required, except that a complaint must be in writing and should include a full statement of the acts and omissions, with pertinent dates, which are believed to constitute the violations.

(c) *Place of filing.* The complaint should be filed with the OSHA Area Director responsible for enforcement activities in the geographical area where the employee resides or was employed, but may be filed with any OSHA officer or employee. Addresses and telephone numbers for these officials are set forth in local directories and at the following Internet address: <http://www.osha.gov>.

(d) *Time for filing.* Within 90 days after an alleged violation of the Act occurs (i.e., when the discriminatory decision has been both made and communicated to the complainant), an employee who believes that he or she has been discriminated against in violation of the Act may file, or have filed by any person on the employee's behalf, a



complaint alleging such discrimination. The date of the postmark, facsimile transmittal, or e-mail communication will be considered to be the date of filing; if the complaint is filed in person, by hand-delivery or other means, the complaint is filed upon receipt.

§ 1980.104 Investigation.

(a) Upon receipt of a complaint in the investigating office, the Assistant Secretary will notify the named person (or named persons) of the filing of the complaint, of the allegations contained in the complaint, and of the substance of the evidence supporting the complaint (redacted to protect the identity of any confidential informants). The Assistant Secretary also will notify the named person of its right under paragraphs (b) and (c) of this section and paragraph (e) of § 1980.110. A copy of the notice to the named person will also be provided to the Securities and Exchange Commission.

(b) A complaint of alleged violation shall be dismissed unless the complainant has made a *prima facie* showing that protected behavior or conduct was a contributing factor in the unfavorable personnel action alleged in the complaint.

(1) The complaint, supplemented as appropriate by interviews of the complainant, must allege the existence of facts and evidence to make a *prima facie* showing as follows:

(i) The employee engaged in a protected activity or conduct;

(ii) The named person knew or suspected, actually or constructively, that the employee engaged in the protected activity;

(iii) The employee suffered an unfavorable personnel action; and

(iv) The circumstances were sufficient to raise the inference that the protected activity was a contributing factor in the unfavorable action.

(2) For purposes of determining whether to investigate, the complainant will be considered to have met the required burden if the complaint on its face, supplemented as appropriate through interviews of the complainant, alleges the existence of facts and either direct or circumstantial evidence to meet the required showing, *i.e.* to give

rise to an inference that the named person knew or suspected that the employee engaged in protected activity and that the protected activity was a contributing factor in the unfavorable personnel action. Normally the burden is satisfied, for example, if the complaint shows that the adverse personnel action took place shortly after the protected activity, giving rise to the inference that it was a factor in the adverse action. If the required showing has not been made, the complainant will be so advised and the investigation will not commence.

(c) Notwithstanding a finding that a complainant has made a *prima facie* showing, as required by this section, an investigation of the complaint shall not be conducted if the named person, pursuant to the procedures provided in this paragraph, demonstrates by clear and convincing evidence that it would have taken the same unfavorable personnel action in the absence of the complainant's protected behavior or conduct. Within 20 days of receipt of the notice of the filing of the complaint, the named person may submit to the Assistant Secretary a written statement and any affidavits or documents substantiating its position. Within the same 20 days, the named person may request a meeting with the Assistant Secretary to present its position.

(d) If the named person fails to demonstrate by clear and convincing evidence that it would have taken the same unfavorable personnel action in the absence of the behavior protected by the Act, the Assistant Secretary will conduct an investigation. Investigations will be conducted in a manner that protects the confidentiality of any person who provides information on a confidential basis, other than the complainant, in accordance with part 70 of this title.

(e) Prior to the issuance of findings and a preliminary order as provided for in § 1980.105, if the Assistant Secretary has reasonable cause, on the basis of information gathered under the procedures of this part, to believe that the named person has violated the Act and that preliminary reinstatement is warranted, the Assistant Secretary will again contact the named person to give

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U.S. Corporation Income Tax Return

For calendar year 2003 or tax year beginning 2003, ending 2003, ending 2003

Form 1120 header section including tax year, employer identification number, and preparer information.

Main table with 34 rows and 4 columns: Description, Line number, Amount, and Code. Rows include 1-13 (Income), 14-23 (Deductions), 24-26 (Credits), 27-28 (Total), 29-31 (Taxable Income), 32-34 (Payments and Refund).

Sign Here section with signature line for Robin D. Beaton, date 1/25/04, and checkboxes for preparer status.

tabbles EXHIBIT 2 logo and page number.

CONDENSED CONSOLIDATED RESULTS OF OPERATIONS

YEARS ENDED DECEMBER 31	2003	2002
<i>[Dollars in millions except per share data]</i>		
SALES AND REVENUES		
SALES OF MACHINERY AND ENGINES	\$ 21,048	\$ 18,648
REVENUES OF FINANCIAL PRODUCTS	1,715	1,504
TOTAL SALES AND REVENUES	22,763	20,152
OPERATING COSTS		
COST OF GOODS SOLD	16,945	15,146
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,470	2,094
RESEARCH AND DEVELOPMENT EXPENSES	669	656
INTEREST EXPENSE OF FINANCIAL PRODUCTS	470	521
OTHER OPERATING EXPENSES	521	411
TOTAL OPERATING COSTS	21,075	18,828
OPERATING PROFIT	1,688	1,324
INTEREST EXPENSE EXCLUDING FINANCIAL PRODUCTS	246	279
OTHER INCOME (EXPENSE)	35	69
CONSOLIDATED PROFIT BEFORE TAXES	1,477	1,114
PROVISION FOR INCOME TAXES	398	312
PROFIT OF CONSOLIDATED COMPANIES	1,079	802
EQUITY IN PROFIT (LOSS) OF UNCONSOLIDATED AFFILIATED COMPANIES	20	(4)
PROFIT	\$ 1,099	\$ 798
PROFIT PER COMMON SHARE	\$ 3.18	\$ 2.32
PROFIT PER COMMON SHARE - DILUTED	\$ 3.13	\$ 2.30
CASH DIVIDENDS DECLARED PER COMMON SHARE	\$ 1.420	\$ 1.400