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MEMORANDUM

TO: Reporters and Editors  
FR: Jill Kozeny, 202/224-1308  
for U.S. Sen. Chuck Grassley of Iowa  
RE: New IG for the SEC  
DA: Wednesday, Dec. 5, 2007

Sen. Chuck Grassley issued the comment below about the selection of a new Inspector General for the Securities and Exchange Commission.

Sen. Grassley's Comment:

“The Securities and Exchange Commission desperately needs a more independent and effective Office of the Inspector General. Mr. Kotz has a big challenge ahead of him to restore confidence in his new office. I look forward to working with him and hope he can bring a renewed sense of integrity and professionalism to the office.”

Background Information:

The previous Inspector General for the SEC left his position last summer on the same day that Sen. Grassley and Sen. Arlen Specter released their report on the mishandling of an insider-trading probe involving Pequot Capital Management, Inc. The Grassley-Specter report detailed the Inspector General's failure to investigate credible allegations by former SEC attorney Gary Aguirre that his supervisors pulled punches in the investigation because of one witness' political clout.

According to the SEC, David Kotz is currently serving as the Inspector General at the Peace Corps where he leads an office of 20 IG employees in audit, investigative and evaluation functions in Washington, DC, 11 regional offices, and nearly 70 countries around the world. Prior to his position as Inspector General, Mr. Kotz served as the Associate General Counsel for the Peace Corps. Mr. Kotz has held legal positions at USAID and was also an Associate Attorney at Pepper Hamilton. Mr. Kotz earned a J.D. from Cornell Law School and a Bachelor's degree in Government and Politics from the University of Maryland.