

For Immediate Release

Tuesday, June 16, 2009

Grassley seeks information about SEC oversight of personal trades of enforcement officials

WASHINGTON --- Senator Chuck Grassley has asked the Chairman of the Securities and Exchange Commission to respond to his request for information about what steps the SEC is taking to address the issues raised in a recent Inspector General report about the personal securities transactions of three SEC enforcement officials.

Grassley said he's twice asked for information that the SEC has apparently released in response to requests made through the Freedom of Information Act.

"The contents of the Inspector General report about the activities of SEC attorneys deserve congressional scrutiny. The public needs to know that the SEC is doing something to deter misconduct and that this sort of thing isn't more widespread," he said.

The text of Grassley's letter to Chairman Mary L. Schapiro is below.

June 15, 2009

The Honorable Mary L. Schapiro  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Dear Chairman Schapiro:

As you know, pursuant to my request and authorization by the Commission, the Inspector General provided me a copy of his March 3, 2009 Report of Investigation (Report), regarding the violation of rules governing employee securities transactions. I wrote to you about that Report on May 14, 2009 requesting information and a briefing on the steps the SEC is taking to deal with the issues raised. While I have seen some encouraging public statements on the issue, I have received no reply and no briefing from the Securities and Exchange Commission (SEC).

Moreover, on May 17, 2009 the *Washington Post* reported information that had been redacted in the version of the Report I received, citing a copy of the Report it obtained from the SEC through the Freedom of Information Act (FOIA). For example, the *Washington Post* article identified Citigroup and United Health Group as stocks traded by SEC enforcement lawyers. However, those names did not appear in the Report sent to me. During the week of May 18<sup>th</sup>, my staff requested a copy of the Report provided under FOIA to the *Washington Post*, as well as a copy of a second Report referenced by the *Washington Post*. However, the SEC has not yet responded to either of those requests.

Accordingly, as my staff has previously requested, will you please provide copies of what was provided to the *Washington Post*? Additionally, please identify any and all other recipients of the Reports pursuant to FOIA. Lastly, please explain why the SEC's responses to media requests pursuant to FOIA should be more complete and informative than responses to Members of Congress.

Sincerely,

A handwritten signature in blue ink that reads "Chuck Grassley". The signature is written in a cursive style and is centered on the page.

Charles E. Grassley  
United States Senator  
Ranking Member of the Committee on Finance