

MEMORANDUM

TO: Reporters and Editors
FR: Jill Kozeny, 202/224-1308
for U.S. Senator Chuck Grassley of Iowa
RE: reports and letters from SEC Chief Administrative Law Judge
regarding Inspector General reports 483 and 431
DA: Fri., November 7, 2008

Senator Chuck Grassley issued the comment below about the decision made today by an administrative law judge for the Securities and Exchange Commission to effectively disregard recommendations made last month by the Inspector General for the commission for disciplinary action against senior enforcement officials for their actions in firing SEC lawyer Gary Aguirre and failing to prosecute a case against Bear Stearns for mispricing collateralized debt obligations. Senator Grassley had asked the Inspector General to investigate both cases in response to complaints brought to him about the way the SEC handled both matters.

“It looks like the lawyers for the wrongdoers wrote the decisions. It’s hard to believe that after everything that’s happened over the last two years, the Securities and Exchange Commission is refusing to hold anyone accountable for the misconduct exposed by two independent inquiries.”