

U.S. Securities and Exchange Commission

FY 2010 E-Government Act Report



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Information Resource Management Branch

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Section I: Innovation and Transparency

The SEC supports the goals of the E-Government Act of 2002 by using technology to enhance the access to and delivery of Government information and services to citizens, businesses and other Federal agencies. The following are examples of these initiatives.

I-A. Investor Response Information System

The Office of Investor Education and Advocacy (OIEA) responds to tens of thousands of questions, comments and complaints from individual investors on securities-related issues every year. The contacts are received via telephone, e-mail, Web-form submissions, and US mail. Case files were previously tracked in a legacy system with limitations on uploading attachments and reporting. The system's up-time and speed were also intermittent.

To address these issues, the SEC implemented a cloud-based CRM system named the Investor Response Information System (IRIS). Since the implementation of the system, the SEC has realized improvements in system reliability, efficiency and accuracy. Paper files are scanned into the system and worked electronically. All investor contact channels (e-mail, Web-form, US mail, fax, and phone) are brought into a single queue to be assigned and worked electronically. All documentation can now be attached to case files, allowing staff members to build a complete chronology of events.

In this new paperless environment, OIEA is better equipped to handle investor contacts more efficiently. The new system provides greater transparency into the case history of files and an enhanced ability to analyze investor trends. This analysis is useful for assisting investors as well as informing other SEC offices and divisions of investor concerns and perspectives.

I-B. Investor.gov Initiative

In another initiative, the SEC continues to update and improve its Web-based information. Investor.gov is a micro site devoted exclusively to investor education, providing investors with in-depth information and "top tips" on how to invest wisely, plan for the future, and avoid investment scams. By visiting Investor.gov, investors can access information in a user-friendly format that is specifically tailored to their needs. The site includes sections specifically for those just getting started investing, for those saving for a child's education, and for those planning for retirement. It also has a detailed "Seniors Care Package" section for senior citizens and caretakers. Currently, there are approximately 30,000 Web hits a month on Investor.gov. In

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2011, the SEC plans on redesigning and modernizing the Web site and including the Web site address on all materials and publications.

[Investor.gov](#) also offers a section in Spanish, targeting the millions of Spanish-speaking investors in the United States. The "En Español" section presents information about what to do if an investor feels that he or she has been a fraud victim, as well as a Spanish-language podcast explaining the history and functions of the SEC.

[Investor.gov](#) provides an extensive collection of investor education materials, tools, calculators, checklists, as well as valuable investor alerts.

[Investor.gov](#) is the latest in a series of social media initiatives undertaken by the SEC. On the home page of the SEC's public Web site, www.sec.gov, visitors can sign up to receive information and instant e-mail alerts on more than 80 topics of interest to investors as well as other market participants. The agency also reaches investors online through other social media channels such as Twitter and YouTube:

- Investor Information - www.twitter.com/SEC_Investor_Ed
- News Releases and Alerts - www.twitter.com/SEC_News
- Careers at the SEC - www.twitter.com/SEC_Jobs
- You Tube channel - www.YouTube.com/SECViews

I-C. Electronic Data Gathering, Analysis, and Retrieval (EDGAR) System

The SEC's cornerstone E-government initiative, which has been active since 1995, is EDGAR. Each year, the EDGAR system accepts, processes and disseminates to the public more than 700,000 documents from companies and individuals. These filings include the annual reports of more than 10,000 reporting companies and over 15,000 Investment management companies. The EDGAR program has made eight tools for accessing and searching SEC filing data available through [DATA.GOV](#).

The SEC is also working on the "Next-Generation EDGAR System" (<http://www.sec.gov/edgar/searchedgar/webusers.htm>), which is a new interface for investors who use EDGAR data on the agency's Web site. This system highlights data that was sent to the SEC through EDGAR as part of the XBRL Interactive Data Initiative and Voluntary filer program that started in 2005. (Note: XBRL is a version of XML used for financial reporting.)

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I-D. Tips, Complaints and Referrals (TCR) Transitional Repository

The SEC receives tens of thousands of TCRs per year from investors and the general public, as well as from those the SEC regulates, including broker-dealers, investment advisers, and public companies. The agency kicked off a Commission-wide initiative in 2009, seeking to establish a centralized process to better identify valuable leads for potential enforcement action and areas of high risk for compliance examinations. The SEC conducted a comprehensive review of its processes for receiving, recording, tracking, and taking action on TCRs. As a result of the business process analysis effort the SEC determined that there is a requirement to have a system to support the intake and resolution of SEC TCRs. In order to ensure that a large majority of the TCRs received were available in a central, staff-accessible form, the SEC deployed a transitional repository in January 2010. This repository collects a large number of TCRs and allows staff to review, assign and research the TCRs. The transitional repository has become an invaluable tool for the SEC staff.

In May 2010, the SEC initiated a contract to provide a more comprehensive TCR system to implement flexible workflow, content management, and status tracking capabilities to support the intake and resolution process for TCRs. The TCR intake and resolution solution is scheduled for delivery in December 2010. Additionally, an automated TCR triage solution will be integrated in a future release of the TCR intake and resolution system. The TCR intake and resolution solution currently being implemented will provide a user interface on the SEC's public Web site that will allow the public to submit tips and complaints. This interface is being designed dynamically to adapt to the user depending on the knowledge the user has of the securities industry and its terminology.

Section II: Compliance with Goals and Provisions of the Act

II-A. Information Resources Management (IRM) strategic plan and EA plan

Pursuant to OMB Memorandum M-06-02, "Improving Public Access to and Dissemination of Government Information and Using the Federal Enterprise Architecture Data Reference Model," the SEC's Strategic Plan is accessible from the SEC's Web site—

<http://www.sec.gov/about/secstratplan1015f.pdf>.

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II-B. E-Gov initiative information dissemination

In addition to the Web sites previously mentioned, the SEC also distributes information via the tools available at the following link:

<http://www.data.gov/catalog/tools/category/0/agency/115/filter//sort//page/1/count/25>.

The following tools link to data stored at the SEC site:

- U.S. GAAP RSS Feed of XBRL Financials - This is an update of the 200 most recent interactive data documents submitted under the "Interactive Data to Improve Financial Reporting" rule (Release No. 33-9002) using U.S. GAAP as the base taxonomy. The information is refreshed every 10 minutes.
- Search the SEC Web Site for the Latest EDGAR Filings - This listing contains the most recent filings for the current official filing date (including filings made after the 5:30 p.m. deadline on the previous filing day). Filings may be made Monday through Friday (except U.S. Federal holidays).
- Full-Text Search of EDGAR Filing Data on WWW.SEC.GOV - This page allows users to search EDGAR filings during the last 4 years using a full-text search tool.
- Boolean and Advanced Searching for EDGAR Data on WWW.SEC.GOV - This search allows users to enter complex Boolean queries to access all but the most recent day's EDGAR filings on www.sec.gov. Filings are from 1994 to present.
- Key Mutual Fund Disclosures - This search retrieves mutual fund prospectuses (also known as "485 filings").
- Mutual Fund Proxy Voting Records - This search retrieves annual reports of proxy voting records (also known as N-PX filings) for mutual funds and other registered investment management companies.
- Search for Mutual Fund Filings - This search retrieves filings made with the SEC from mutual funds.
- Variable Insurance Products - This search retrieves information on variable insurance products that have been filed with the SEC and reside on www.sec.gov.

II-C. Performance measures and strategic goals

The SEC developed a strategic plan for the period of FY 2010 to FY 2015, which is accessible from the SEC's Web site via the following link:

<http://www.sec.gov/about/secstratplan1015f.pdf>. The plan details strategic goals and the

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underlying performance measures that will support the accomplishment of those goals. The performance measures are tracked on a monthly basis.

II-D. Freedom of Information Act (FOIA)

In response to the requirements of Executive Order 13392, "Improving Agency Disclosure of Information," the SEC appointed a chief FOIA officer, established a FOIA Public Service Center, and designated FOIA public liaisons.

- The SEC's primary FOIA Web site is located at <http://www.sec.gov/foia.shtml>. Links to all of the agency's FOIA information can be found there. A link to this important information is also conveniently located on the home page of the www.sec.gov site.
- The public can quickly find information regarding how to make a FOIA request at <http://www.sec.gov/foia/howfo2.htm>.
- Frequently requested FOIA documents can be found at <http://www.sec.gov/foia/foiadocs.htm>.

II-E. Federally funded R&D activities

The SEC does not fund Federal research and development activities.

II-F. Formal agency agreements with external entities to improve access to and dissemination of Government information to the public

In addition to the SEC's public Web site (www.sec.gov), the agency continues to substantially enhance the public and private sector's access to and use of EDGAR data using multiple external sources, entities and commercial search engines. The SEC's privatization of the EDGAR Public Dissemination Service (PDS) data feed continues to facilitate the world-wide availability of EDGAR data to the public from numerous subscribers. These subscribers use a paid, real-time feed from the SEC to provide value-added data and services to their clients. Many of these subscribers also have subscribers of their own, resulting in a chain reaction of data dissemination throughout the world to both large and small data warehouses and value-added facilities. The following link provides additional information on the SEC's privatized PDS feed - <http://www.sec.gov/info/edgar/ednews/dissemin.htm>.

II-G. NARA-approved records schedules and NARA Bulletin 2006-02 implementation status

Pursuant to the requirements of Section 207(e) of the E-Government Act of 2002, "Public Access to Electronic Information," the SEC continues to manage records consistent with the

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requirements of OMB Circular A-130 and guidance from the National Archives and Records Administration (NARA).

During FY 2010, the SEC archivist continued to lead the agency's effort to comply with the detailed requirements of NARA Bulletin 2006-02, "NARA Guidance for Implementing Section 207(e) of the E-Government Act of 2002." The SEC's records management plan and approach focus on electronic records management.

Specifically, the SEC's records management program staff are systematically revising the agency's records schedule and conducting a comprehensive inventory of all records, regardless of media, to ensure that the SEC continues to effectively identify and transfer all electronic records requiring permanent retention to NARA.

The SEC is currently gathering requirements that will result in the implementation of an agency-wide electronic records system.

II-H. Implementation of electronic signatures for secure electronic transactions

The SEC has the technology in place to implement digital signatures. The agency's Division of Trading and Markets and Office of Information Technology (OIT) are working together on the policy implications of offering digital signature capability. OIT will further improve and include SEC-wide standards for digital signatures with the proposed rewritten Broker-Dealers Risk Assessment (BDRA) system.

II-I. Enhancement of public participation in regulation development and issuance

In July 2010, the agency made it easier for the public to provide comments to new rules that will be required under the [Dodd-Frank Wall Street Reform and Consumer Protection Act](#). The new online process goes well beyond what is legally required and will provide expanded opportunity for public comment, as well as greater transparency and accountability. For more information, go to <http://www.sec.gov/spotlight/regreformcomments.shtml>.

In May 2010, the SEC and the Commodity Futures Trading Commission (CFTC) announced the formation of a joint committee that will develop recommendations on emerging and ongoing issues relating to both agencies. The establishment of the [Joint CFTC-SEC Advisory Committee on Emerging Regulatory Issues](#) was one of the 20 recommendations included in the agencies'

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harmonization report issued last year. The new Web page on the SEC's public site provides information on upcoming meetings, joint reports and committee news.

II-J. Linking Performance Goals to Users of SEC Information and Services

To accomplish the SEC's mission of protecting investors, maintaining fair, honest, and efficient markets, and facilitating capital formation, the SEC provides a wide variety of electronic information to members of the public. The SEC and its current Strategic Plan support these goals. Beginning in the 1980s, the SEC's EDGAR system made corporate and financial information available to investors, the financial community, and other interested parties in a matter of seconds after the information was filed. In the mid 1990s, the agency decided to proactively disseminate useful and timely information to the public through its SEC Web site, providing robust searches. The SEC continues to improve its Web site and is working to make this information even more useful to investors through the use of emergent technologies, such as interactive data.

The SEC has launched [Investor.gov](http://investor.gov), an investor-focused Web site, to help the public invest wisely and avoid fraud. In addition, the SEC's Office of Investor Education and Advocacy provides a variety of services and tools to address the problems and questions for investors via its "Investor Information" page on the SEC's public Web site (<http://www.sec.gov/investor.shtml>). This section of the Web site was upgraded to include document search capability, an enhanced section for senior citizens and information for Spanish-speaking investors.

Investors also have the ability to check the backgrounds of investment advisory firms through the SEC's Investment Adviser Public Disclosure (IAPD) system (http://www.adviserinfo.sec.gov/IAPD/Content/lapdMain/iapd_SiteMap.aspx). The public may search for an investment adviser firm on this Web site and view that firm's Form ADV. Investment advisers file Form ADV to register with the SEC and/or with state governments. Form ADV contains information about each investment adviser and its business operations. Form ADV also contains disclosure about certain disciplinary events involving the adviser and its key personnel.

In addition, the SEC is taking other steps to ensure that information is widely disseminated to investors and the public. For example:

- [Interactive Financial Report Viewer](#) - The SEC is providing free investor tools via the SEC's public Web site to make XBRL tagged data documents accessible and readable by all

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investors. By using the XBRL viewer, investors can view companies' financials filed in EDGAR using XBRL, including access to the underlying metadata. Beginning in early 2011, investors will also be able to view mutual fund companies' risk/return summary disclosures using XBRL. The software tools are available to the public free of charge. The SEC has also made the source code and binary distribution freely available at <http://www.sec.gov/spotlight/xbrl/renderingenginelicense.htm> to encourage further software development and customization beyond the agency's current feature set. The SEC is also further encouraging the development of XBRL user (i.e., investor) analytics tools by requiring that all credit ratings agencies report certain credit ratings in interactive format (XBRL).

- Really Simple Syndication (RSS) Feeds - The SEC's public Web site contains several RSS feeds that allow the public to obtain information about the SEC as soon as it is posted, such as proposed rules, news digests, press releases, speeches and public statements. The RSS feeds, made available to the public through aggregators, allow individuals to subscribe to the specific RSS feeds of interest to them.
- Open Government Web Page - The SEC's public site has a new Web page (<http://www.sec.gov/open>) that serves as a portal to the agency's activities related to the Open Government Directive. From this site, users may query and view SEC contract spending data reported through USASpending.gov. The query displays data regarding contracts awarded by the SEC from fiscal year 2000 to the present and includes:
 - All new procurement actions over \$3,000, blanket purchase agreements, and indefinite-delivery indefinite-quantity contracts;
 - All modifications on a reportable contract, including modifications that result in the total contract value exceeding the micro-purchase threshold; and
 - All task or delivery orders against any previously reported order, at any dollar value, including administrative or "zero dollar" modifications.

In addition, to facilitate extensive engagement, the Web site gives the public an avenue to convey their ideas, suggestions, and opinions regarding contract data to the SEC via a dedicated e-mail address.

The SEC recognizes that OMB is pursuing Government Purchase Card (GPC) activity for display on USASpending.gov. The SEC will readdress this process when GPC data becomes available beyond the aggregate views currently displayed today.

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II-K. Error reduction through use of electronic submissions

The initiative that underscores the SEC's commitment to the fundamental goals of the E-Government Act is the *Interactive Data Search* initiative, also known as the "Next-Generation EDGAR System" (<http://www.sec.gov/edgar/searchedgar/webusers.htm>).

The SEC has undertaken a voluntary filer program and an XBRL initiative. Starting with fiscal periods ending on or after June 15, 2009, the Commission's rules require the largest U.S. and non-U.S. large accelerated filers (i.e., those with \$5 billion worldwide public float) who use U.S. GAAP to file their quarterly or annual financial statements in XBRL, in addition to the traditional HTML/ASCII filing. The requirement will be phased in for all public companies that file certain periodic reports with the SEC over a 3-year phase-in period.

The Commission has also issued rules that will require interactive data reporting by NRSRO ratings organizations and mutual fund companies starting in 2011 for their risk/return information. In addition to the risk/return rule requirements for mutual fund companies, the SEC has also initiated a voluntary filing program to obtain statements of investments from mutual fund companies.

Regulators and the SEC benefit from the ability to process information far more comprehensively, quickly, and accurately. It will automate much of what had been a manual process of review by regulatory staff. Outliers and exceptions will quickly become apparent as will trends and repetitive problems. The agency expects that its internal disclosure reviews for regulatory and enforcement purposes also will become more efficient and effective over time. To this point, the SEC has recently procured analytical tools that will leverage the XBRL data being submitted under the new mandates. These tools are in the very early stages of development.

Additional information on how the SEC is transforming internal operations and enhancing the access to and delivery of financial reporting and disclosure information and services to the public is available via the following links:

- XBRL.sec.gov
- 21st Century Disclosure Initiative
(<http://www.sec.gov/spotlight/disclosureinitiative/faq.shtml>)
- www.sec.gov

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II-L. Section 508 compliance

The SEC has supported Section 508 compliance by–

- Providing a link titled “Accessibility” on the home page of www.sec.gov that links to the SEC’s Disability Program Office (http://www.sec.gov/eeoinfo/sec_access.htm).
- Posting a greater percentage of accessible PDF documents to www.sec.gov.
- Providing training information, accessibility tools, checklists and information on the best practices of other Federal agencies to SEC staff.
- Conducting quality control tests for all new desktop applications using a combination of assistive technology and manual testing procedures.

The SEC is committed to providing agency information and services to all citizens, including those without access to the Internet. Members of the public can obtain copies of filings by visiting the SEC Public Reference Room (located in the agency’s Washington, D.C. headquarters) in person, or by submitting a request in writing via postal mail, fax, or e-mail to the Office of Investor Education and Advocacy. The SEC is also equipped with a TTY machine to receive inquiries from the hearing impaired. In addition, the SEC provides information to the disabled by interactive Web podcasts and RSS Feeds available via the following hyperlinks so that information about these important SEC initiatives is available in different formats:

- Interactive Data Podcasts - <http://www.sec.gov/spotlight/xbrl/idatapodcasts.shtml>
- SEC Webcasts (Other Than Open Meetings) - <http://www.sec.gov/news/otherwebcasts.shtml>

II-M. Cost savings and cost avoidance achieved through implementation of IT programs

The SEC has an established capital planning and investment control (CPIC) process that requires all IT investments to follow a defined select, control and evaluate model as prescribed by the Clinger-Cohen Act and OMB Circular A-130. The business focus of new IT projects has been to improve business processes, analytical capabilities and disclosure of public information in support of the agency’s mission.

Section 1 of this report previously identified one example of cost and time savings achieved by the SEC, the Investor Response Information System implemented by the agency’s Office of Investor Education and Advocacy. Since its roll-out, the SEC has realized improvements in system reliability, efficiency and accuracy.

In this new paperless environment, OIEA is better equipped to handle investor contacts more efficiently. The new system provides greater transparency into the case history of files and an

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enhanced ability to analyze investor trends. This analysis is useful for assisting investors as well as informing other SEC offices and divisions of investor concerns and perspectives.

A long-standing goal of the SEC has been to promote the development of third-party software tools that allow filings to be sent to the SEC through EDGAR. The SEC provides technical specifications for software vendors to build tools that assist filers in complying with SEC regulations. Many third-party tools are used by registrants today to file with the SEC.

The interactive data initiative is intended, in part, to stimulate software development for the viewing, dissemination and analysis of tagged data. The SEC has released several free software prototypes and the related source code via its public Web site (www.sec.gov). This has been done to encourage the marketplace to create additional software with even more extensive features. Additionally, the SEC has released the XBRL validation errors generated by EDGAR to promote software development with the twin goals of improving the comprehensiveness and accuracy of the data submitted to the SEC and ensuring data software developers have consistent rules. By not competing with the private market and private software developers, the SEC hopes to transfer development costs to the commercial sector and reduce its overall investment costs.