

SEC spokesman John Nester said,

The SEC's Inspector General, after a thorough re-examination of evidence from the 2004-05 hiring and firing of an SEC attorney, has confirmed the major findings of two previous investigations into the matter.

Most of the information in this report has already been released during the course of last year's Senate staff investigation and is widely available in the media and on the Web. Last year, the minority staff of the Senate Finance Committee published a 707-page report on the matter, available at:

<http://www.finance.senate.gov/sitepages/leg/LEG%202007/36960.pdf>

In this re-investigative report, the SEC Inspector General cited evidence that the Division of Enforcement "had a legitimate basis for terminating" the attorney, but at the same time concurred with several of the Finance Committee minority staff criticisms of the performance of the attorney's supervisors, including their failure to give him timely feedback on his performance.

Of greater significance, the IG's report concluded that the Pequot matter at issue was "aggressively pursued" and that "the investigation did not find that Enforcement cases are generally affected by political decisions or the prominence of defendants."

The IG report made two recommendations for ways the Division should clarify certain investigative policies, which the Division is pursuing. The Division has also adopted a range of recommendations stemming from the earlier Congressional report.

The agency's administrative review process will now determine appropriate personnel actions. All employees of the federal government have the right to due process in addressing complaints against them, and the SEC will not comment on any specific individuals or personnel actions until that process has been completed.

As a law enforcement agency, the SEC values the work of such internal investigations, which help ensure the integrity of the agency's work to protect investors and prosecute the guilty. The high standards of the Enforcement Division, and the commitment of the thousands of dedicated men and women of the SEC to tough and honest law enforcement, are strengthened through this process.