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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

KEITH B. ASHDOWN, STAFF DIRECTOR
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March 24, 2015

The Honorable Mary Jo White
Chairwoman
Securities and Exchange Commission
100 F Street, N.E.
Room 10700
Washington, D.C. 20549

Dear Chair White:

We are writing to inquire about the capacity of the Securities and Exchange Commission to collect money secured through criminal prosecutions and civil enforcement actions. These funds are used to compensate victims of wrongdoing and to deter future unlawful activity. They also provide significant benefits to the U.S. Treasury. Yet according to recent reports, substantial amounts owed to the government as a result of the SEC's litigation efforts remain outstanding.

According to recent reports, the SEC is struggling to collect money payments obtained against defendants. For example, one report noted that, between 2010 and 2013, the SEC collected only 42% of penalties owed.¹ Overall, the government has failed to collect hundreds of billions of dollars.²

To assist the Subcommittee, please provide the following information:

1. The SEC's policies and procedures for collecting settlements and judgments;
2. A detailed estimate of the following:
 - a. Total settlements and judgments entered into by the SEC in each of the past 10 fiscal years (FY2004-2014);
 - b. Share of the settlements and judgments described in 2.a that the SEC has collected;
 - c. Share of the settlements and judgments described in 2.a that the SEC collected within the first two years after the settlement or judgment was entered;

¹ See Michael Rothfeld and Brad Reagan, *Prosecutors Are Still Chasing Billions In Uncollected Debts*, Wall St. Journal (Sept. 17, 2014), <http://www.wsj.com/articles/prosecutors-are-still-chasing-97-billion-in-uncollected-debts-1410984264>.

² See *id.*

3. A list of the 20 largest outstanding settlement or judgment debts, by dollar amount, owed to the SEC. For purposes of this request, please consider debts tied to settlements agreed to and judgments rendered since January 1, 2004 and please include both settlements and judgments arising out of criminal and civil matters;
4. The remaining balance of each judgment or settlement;
5. The office and official or officials responsible for agreeing to each settlement or obtaining each judgment;
6. The office and official or officials responsible for collecting each settlement or judgment;
7. A description of the SEC's efforts to collect each settlement or judgment;
8. The name of the defendant or defendants with whom the SEC entered into each settlement or against whom each judgment applies and the charges the SEC asserted against each such defendant.

The jurisdiction of the Permanent Subcommittee on Investigations is established by Section 12(e) of S. Res. 73 (114th Cong.), which empowers the Subcommittee to investigate, among other things, "the efficiency and economy of operations of all branches of the Government."

The Subcommittee requests that the SEC provide responsive materials as soon as possible, but in any event, by no later than April 20, 2015. Please send any official correspondence to Kelsey_Stroud@hsgac.senate.gov. Please contact Phil Alito (Senator Portman) at 202.224.3721 or Jackson Eaton (Senator McCaskill) at 202.224.9872 if you have any questions about this request.

Sincerely,



Rob Portman
Chairman
Permanent Subcommittee on Investigations



Claire McCaskill
Ranking Member
Permanent Subcommittee on Investigations