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Description of document: Securities and Exchange Commission (SEC) Employee

Newsletters:

SEC Employee News May/Jun 1995 May/Jun 1998

The Exchange Summer 2012 - Summer 2015

The Scoop April 2013 - Winter 2017

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U.S. Securities and Exchange Commission

Office of FOIA/PA Operations

100 F Street NE

Washington, DC 20549-2736 Send a fax to: (202) 772-9337

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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATION PLACE 100 F STREET, NE WASHINGTON, DC 20549-2465

Office of FOIA Services

June 11, 2019

Re: Freedom of Information Act (FOIA), 5 U.S.C. § 552 Request No. 17-03723-FOIA

This letter is our final response to your requests, dated August 20, 2017 and August 22, 2017, and received in this office on August 29, 2017, for a copy of the most recent three years of issues of the following SEC newsletters: SEC Employee News (17-03723-FOIA), The Exchange (17-03724-FOIA), and The Scoop (17-03726-FOIA). Reference is also made to our interim and/or e-mail communications dated September 28, 2017, September 29, 2017, January 24, 2018, and December 10, 2018. By letter dated September 29, 2017, we advised you that the three requests would be processed under FOIA request number 17-03723-FOIA, and request numbers 17-03724-FOIA and 17-03726-FOIA were closed and removed from our pending caseload.

The search for responsive records has resulted in the retrieval of 421 pages of records that are responsive to your request. Access is granted in part to 417 pages of records. However, access is denied to information and records (four pages in their entirety) under 5 U.S.C. 552(b)(4), (6), and/or (7)(E), for the following reasons.

- Portions of the records are being withheld under Exemption 4, since they contain confidential commercial or financial information, the release of which could cause substantial competitive harm to the submitter.
- Exemption 6 protects information that would constitute a clearly unwarranted invasion of personal privacy.
- Certain information is subject to Exemption 7(E), which affords protection to all law enforcement information that would disclose techniques and procedures for law

June 11, 2019 Page Two

enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law.

I am the deciding official with regard to this adverse determination. You have the right to appeal my decision to the SEC's General Counsel under 5 U.S.C. § 552(a)(6), 17 CFR § 200.80(f)(1). The appeal must be received within ninety (90) calendar days of the date of this adverse decision. Your appeal must be in writing, clearly marked "Freedom of Information Act Appeal," and should identify the requested records. The appeal may include facts and authorities you consider appropriate.

You may file your appeal by completing the online Appeal form located at <a href="https://www.sec.gov/forms/request appeal">https://www.sec.gov/forms/request appeal</a>, or mail your appeal to the Office of FOIA Services of the Securities and Exchange Commission located at Station Place, 100 F Street NE, Mail Stop 2465, Washington, D.C. 20549, or deliver it to Room 1120 at that address.

If you have any questions, please contact Felecia Taylor of my staff at taylorf@sec.gov or (202) 551-8349. You may also contact me at <a href="mailto:foiapa@sec.gov">foiapa@sec.gov</a> or (202) 551-7900. You may also contact the SEC's FOIA Public Service Center at <a href="mailto:foiapa@sec.gov">foiapa@sec.gov</a> or (202) 551-7900. For more information about the FOIA Public Service Center and other options available to you please see the attached addendum.

Sincerely,

Lizzette Katilius FOIA Branch Chief

Enclosures

#### ADDENDUM

For further assistance you can contact a SEC FOIA Public Liaison by calling (202) 551-7900 or visiting https://www.sec.gov/oso/help/foia-contact.html.

SEC FOIA Public Liaisons are supervisory staff within the Office of FOIA Services. They can assist FOIA requesters with general questions or concerns about the SEC's FOIA process or about the processing of their specific request.

In addition, you may also contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA dispute resolution services it offers. OGIS can be reached at 1-877-684-6448 or via e-mail at ogis@nara.gov. Information concerning services offered by OGIS can be found at their website at Archives.gov. Note that contacting the FOIA Public Liaison or OGIS does not stop the 90-day appeal clock and is not a substitute for filing an administrative appeal.

# SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

Vol. 19, No. 3

Washington, D.C.

May/June 1995



# Commission Trains Officials At Fifth International Institute

Representatives from nations ranging from Albania to Zimbabwe attended the Commission's Fifth International Institute for Securities Market Development from April 24 through May 5. This year's Institute had a record attendance of 96 senior securities regulatory officials representing 53 emerging securities market countries.

The Institute is the cornerstone of the Commission's technical assistance program for countries with emerging securities markets. The two-week program held annually in the spring at the Commission's Washington headquarters consists of an intensive series of lectures, panels and workshops focusing on the development, operation and regulation of securities markets. It is intended for senior government regulatory or stock exchange officials. There is no tuition charge for the program. Delegates' agencies or organizations are expected, however, to arrange and pay for all transportation and accommodation

expenses. In the past, the U.S. Agency for International Development and other international development organizations have assisted with these expenses.

This year's delegates were addressed by Chairman Arthur Levitt and Commissioners Richard Roberts and Steven Wallman. Commissioner Roberts delivered the welcoming remarks and introduced the Institute's keynote speaker, the Honorable Everett M. Ehrlich, Under Secretary for Economic Affairs of the Department of Commerce. Under Secretary Ehrlich's keynote speech, entitled "Securities Regulation and Growth in the Emerging Economies," was unanimously well received by an enthusiastic group of delegates. Marianne Smythe, former Director of the SEC's Division of Investment Management, also addressed the delegates on the Institute's opening day on

CONTINUED ON NEXT PAGE 3

## SEC Staffers Join 1995 Race For The Cure

Citywide Race Benefits Susan G. Komen Breast Cancer Foundation

More than 115 runners and walkers from the SEC joined the five-kilometer Race for the Cure in Washington, D.C. on Saturday morning, June 17. A number of SEC employees (including former Commissioner Mary Schapiro) have participated in this annual fundraising event before, but 1995 was the first year the SEC participated as an official federal agency team.

Karen MacRae Smith, Special Counsel, EEO, and Nancy Wolynetz, Selective Placement Coordinator, OAPM, were the SEC Team Captains. The SEC Disability Issues Advisory Committee sponsored the registration drive that substantially increased the number of SEC participants.

The festivities on the Washington Monument grounds before and after the 1995 Race for the Cure included remarks by sponsors Paula Zahn, Vice President Gore and other sponsoring dignitaries and celebrities.

When several hearing impaired members of DIAC registered for the race, the SEC Team Captains made arrangements for Gary C. Johnson, the SEC's sign language interpreter, who is employed by Sign Language Associates, to interpret during the event.

CONTINUED ON PAGE 3

#### in the next issue . . .

Commissioner Roberts Departs Photo Contest Results

## Michael H. Sutton Is Appointed SEC's New Chief Accountant

Michael H. Sutton was appointed as the SEC Chief Accountant and took office on June 1. He succeeds (D)(G)

office on June 1. He succeeds Walter Schuetze, who retired in March.

Before joining the Commission, Mr. Sutton, 54, served for five years as National Director, Accounting and Auditing Professional Practice, for Deloitte & Touche. His responsibilities included development of firm policy on technical and professional matters and related consultation.

Mr. Sutton joined Deloitte & Touche in 1963. Prior to

serving as National Director, he served in other professional practice roles at Deloitte and as a client service partner in the firm's Detroit and Atlanta offices. Chairman Levitt said: "I have been continuously reminded during my tenure

at the SEC of the importance of accounting in capital formation and SEC securities regulation. I look forward to working with Mike Sutton on these very important issues. His years of experience addressing accounting practices and financial reporting issues will help the Commission immensely in OUE pursuit of fair and

rigorous disclosure."

Mr. Sutton has been an active member of the Emerging Issues Task Force of the Financial Accounting Standards Board (FASB) and was a member of the FASB's Financial Accounting Standards Advisory Council. He was also Vice Chairman of the American Institute of Certified Public Accountants' Special Committee on Financial Reporting.

Mr. Sutton received an MS in accounting in 1963 and a BS in accounting in 1962, both from the University of Tennessee.

# Sutton Named Chief Accountant 2 Remembering Lerry Haynes 2 OIT's Mike Berief 4 Aleknavage, Newman Retire 4 DAPM News 6 EEO News 7 BDC Staff Get Involved 7 Photo Contest, Resummons Golf Classio Carpool Ade 8

# DEADLINE NEXT ISSUE July 24, 1995

# SEC EMPLOYEE NEWS

The SEC Employee News is published phenontiny by the Office of Public Affairs. Policy Evaluation and Research, U.S. Securities and Exchange Commission, 450 5th St., N.W., Westington, D.C., 20549. Readers are encouraged to submit articles for publication and should send material to:

Editor

SEC Employee News Room 7103

Letters to the Editor are welcome. They should address (saues) not personallities, and should be pubmitted with a name and telephone number.

Mery Teel, Editor Donald Kovener, Art Editor Office of Public Affairs, Policy Evaluation and Research

## Remembering Larry Haynes, SEC Comptroller

Lawrence "Larry" H. Haynes, Associate Executive Director, Office of the Comptroller, died  $^{\text{(b)(6)}}$  on

June 13. He was 52.

Larry worked for the Commission for 32 years and was its Comptroller for 17 years, including more than two years in the Senior Executive Service. Larry expertly managed the Commission's finances, implemented modern financial systems and developed a payroll system that served as a model for other federal agencies. In 1985, the Commission recognized his many years of financial ac-

complishments with its highest

honor, the Distinguished Service Award.

Jim McConnell, Executive Director, said, "Larry served the Commission with great dedication and was a trusted adviser to all his colleagues. The Commission and its staff extend their deepest sympathy to Mr. Haynes' family and friends."

Larry began his federal career with the Commission on Nov. 12, 1963. During his 32-year tenure, he progressed through the full range of financial posi tions from Voucher Examiner, to Budget and Accounting Assistant, to Financial Manager. He served in the U.S. Army

> from June 1960 until May 1963. He earned a degree in business administration from Southeastern University.

In private life, he was an (b)(6)

)(6) )(6)

The SEC staff will miss Larry, his friendship and warmth and his open-door policy. They all extend their sympathy to his family and friends.

# Fifth International Institute Draws Record Participants

CONTINUED FROM PAGE 1.

the importance of securities regulation in a market economy. Ms. Smythe's inspirational remarks provided additional fuel for a stimulating first day.

The two-week program featured a full schedule of lectures and small-group workshops, as well as ample time to discuss more specific areas of interest with SEC staff.

The Institute, which is organized by the Office of International Affairs, is built around presentations by senior staff in each of the SEC's four operating divisions - Corporation Finance, Market Regulation, Investment Management and Enforcement - as well as presentations by offices within the SEC that play significant policy-making roles in the agency's work. These are supplemented by presentations by leading U.S. securities industry representatives on topics ranging from securities underwriting to clearance and settlement systems to depositary receipt facilities. This year, approximately 60 outside speakers and 50 SEC speakers and workshop leaders participated in the program. others on the SEC staff made substantive contributions to the Institute manuals and workshop materials. The Office of Administrative and Personnel Management provided logistical support and other assistance in delivering the program.

Following the Institute, delegates had the option of spending up to five days as interns with self-regulatory organizations, stock exchanges, clearing organizations, investment banking firms or investment management organizations in cities that included New York, Chicago, Boston and San Francisco. This year, 75 of the delegates participated in such internships. The staff of the Office of International Affairs arranged the internships, tailoring each to suit the delegates' interests.

The delegates, who included first-time attendees from Brunei, Malta, South Africa, Uruguay, Vietnam, Zambia and Zimbabwe, hailed from all regions of the world. For example, there were approximately 29 delegates from 14 Asian countries, 25 delegates from 14 European countries, 17 delegates from 11

Latin American countries and the Caribbean, 15 delegates from Russia and 5 of the Newly Independent States, and 10 delegates from 8 African and Middle Eastern nations.

The inaugural Institute was held in 1991. Since then, the SEC has trained nearly 450 emerging securities market officials. Many of its graduates now occupy significant policy-making positions in their countries' governments. The Institute is the only program of its kind that brings together senior capital market officials from emerging market countries and leading capital market regulators and professionals from the United States. In addition to the International Institute for Securities Mar-

ket Development, the Office of International Affairs organizes a one-week Program on Securities Enforcement and Market Oversight in the fall for securities enforcement regulatory staff from both emerging and developed mar-The annual International Enforcement Program was introduced in 1994 in response to the many requests the Commission receives each year from foreign colleagues for intensive training in the SEC's enforcement and market oversight techniques. It focuses on practical techniques for conducting investigations, market surveillance and inspections of broker-dealers, mutual funds and investment advisers.

#### SEC Sends 115 To Race For The Cure

#### CONTINUED FROM PAGE 1

Many SEC runners turned in respectable times for the three-and-a-half mile course featuring a climb up and return down Capitol Hill. However, the unofficial SEC "best time" award goes to a walker. Lisa M. Mitrovitch (CF), who two days after the event. She finished the entire

after the event. She finished the enticourse in one hour, 20 minutes. (b)(6) (b)(6)

(b)(7)(C)

Next year Lisa is

The Susan G. Komen Breast Cancer Foundation is a national organization established in 1982 by Nancy Brinker after she lost her sister to breast cancer. Susan G. Komen was only 36 at the time she died.

Breast cancer is the leading killer of women ages 35 to 64. The Komen Foundation organizes local Race for the Cure events to raise money to fund research, education, screening and treatment. It also runs a national toll-free breast care helpline 1-800-IM AWARE (1-800-462-9273). Beneficiaries of the National Race include local university and community hospitals, national cancer research institutes and coalitions providing information about breast cancer detection and treatment and access to mammography.

# Aleknavage, CF Associate Chief Accountant, Retires

Joseph S. Aleknavage retired as Associate Chief Accountant of the Division of Corporation Finance on May 1. During his 25-year SEC career, Mr. Aleknavage was instrumental in the development of the Division's disclosure and accounting policies.

Mr. Aleknavage came to the Division in 1970 from the audit staff of the Washington office of Deloitte, Haskin & Sells. He was promoted to the Division's Office of the Chief Accountant in 1982 and served as Associate Chief Accountant for the past 10 years.

Robert Bayless, Chief Accountant of the Division, said: "Joe's explanation of the intricacies of the Commission's rules was sought by accountants and lawyers both inside and outside the Commission because he was known to be both knowledgeable and fair. But he may be most fondly remembered by many of us in the Division as a patient mentor who enlightened our professional and personal lives with his sincerity and humanity."

The Commission wishes Messrs. Aleknavage and Newman well in their new endeavors.

# Newman, ADO Assistant District Adm., Retires

Kenneth Newman retired as Assistant District Administrator of the Atlanta District Office (ADO) on May 31. On June 1, he began work as Director of Compliance at the brokerage firm, Bear Steams in Atlanta.

As Assistant District Administrator, Mr. Newman ran the ADO's broker-dealer and investment adviser regulatory programs for the past three years. He began his 22-year SEC career in 1974 as an examiner, advanced to senior securities examiner and then to Branch Chief before being named Assistant District Administrator in 1992.

Before joining the Commission, he had worked for the NASD, had been Chief Financial Officer of a brokerage firm and had served in the U.S. Air Force from 1959 to 1963.

"I enjoyed my years with the SEC, and I am glad the Commission gave me the opportunity to do something I truly enjoyed, and that was running the regulatory program," Mr. Newman said.

OF NEWS

# OIT's Mike Bartell: Technology To Serve The Commission

The efforts and initiatives of the Commission's Office of Information Technology affect the work of every SEC employee. From a wide range of central processing services to personal computers, network communications and support, OIT supplies vital resources and services to SEC Headquarters, the Operations Center and Annex and the 11 regional and district offices.

On April 17, the oversight of this complex system passed to Mike Bartell,

the new director of the Office of Information Technology. A 20-year government veteran, Bartell brings to the Commission a broad range of experience in information systems and a strong background in information technology management.

Bartell graduated from Mount St. Mary's College in 1974 with a BS in Business and Finance and a minor in

Sociology. His career with the federal government started soon after when he began work at the Department of Commerce's Bureau of Economic Analysis as a computer operator. His next assignment at Commerce was as an economist, but he soon found himself spending most of his time writing computer applications for other economists and eventually decided to move back into data processing. His remaining time with Commerce was spent as a programmer and systems analyst.

In 1981, Bartell moved on to the Department of the Treasury, Bureau of Government Financial Operations (now known as the Financial Management Service), where he headed a project to introduce microcomputer technology to the agency. This ground-breaking effort,

originally involving a pilot group of 15 Osborne microcomputers, included a thorough exploration of the ways that microcomputers could be used to help facilitate agency operations. Eventually, Bartell was reassigned to the Treasury Departmental Offices (oversight office for all Treasury bureaus including IRS, Customers, Secret Service, Bureau of Engraving and Printing), from which he founded a Treasury-wide microcomputer users' group and head

-ed other departmentwide initiatives to establish policies and promote standards for the use of office systems technologies throughout the Department of Treasury.

Bartell's most recent prior position was with the U.S. Senate, where he originally headed the Planning and Technology Review Office, and later formed the Office Systems Division. In those

roles, he led a modernization effort that moved the Senate from terminals and typewriters to widespread use of standardized personal computers and local area networks linked to each other with a modern communications network infrastructure. For the past three years, he served as the director of the Computer Center, the Senate's, central information technology facility, which handles all the training, help desk support, installation, maintenance, applications development and central processing services for the agency nationwide.

Recently, Bartell was interviewed about his views on the role of information technology in agencies in general and the nature of the technical challenges faced by the SEC in particular. The questions and his answers follow.

#### Interview With Michael Bartell

Q: What is your general philosophy regarding the role of information technology in a regulatory agency?

A: The members of a support organization such as an information technology department must understand that their purpose is to advance the program work of the agency. The technical initiatives and priorities must reflect and support the business goals and needs of the agency. The fact that technology has become such a vital mission-critical resource in our daily work has placed a tremendous challenge upon IT organizations throughout the government to deliver reliable and state-of-the-art solutions. Technology can be an enabler in any agency for so many things if it is introduced and applied appropriately. However, I believe too often technology is asked to solve broken or weak business processes. This situation can be avoided with up-front discussion and expectation management in terms of what technology can and cannot achieve.

I believe that a good information system, no matter what it may be, must be built upon a sound standards-based infrastructure, using mainstream technologies that are well-established and tested. Building upon industry standards will help ensure that the SEC has the maximum flexibility in taking advantage of new products and services available in the marketplace and also positions us well for meeting future needs as they evolve.

- Q. Now that you've had a little time to get an overview of the Commission's operations, what are your thoughts about the state of information technology here?
- A. I'm still assessing the goals and needs of the divisions and figuring out how OIT's resources and efforts dovetail with them. When I've established that, I'll have a better idea of how to meet the Commission's business goals. I have noticed, however, that OIT is involved in many different projects so there's a clear need for good project management so that all our resources are applied effectively and toward the proper priorities.

There's always room for improvement in the area of project management, and that will be an area of focus for me. Although I believe in aggressive project planning, I am also a realist and I know that there is no point trying to take on everything at once.

Certainly there's much to be done here in terms of modernizing the office automation tools and systems. OIT is already proceeding aggressively on this. I think our staff need better access to other agencies and data sources, and we're working on that as well. The key hurdle to clear in that direction is network security. The SEC needs to be able to communicate with other federal agencies and industry organizations quickly, easily and safely.

We also have a lengthy backlog of mission applications needs, and we're trying to move that along. Again, though, expectations must be managed. We have to establish priorities and focus our resources on the most critical areas first.

Q. What areas would you like to see improve or expanded?

A. Right up front, I want OIT to be seen as an effective and customer oriented support organization. We need to re-establish our commitment, attitude and organizational procedures in this area by demonstrating a customer focus and measure our success in terms of customer satisfaction.

I think that our communications network needs to be state-of-the-art--and it should be perceived as such by its users. This is critical because virtually everything we do and plan to do requires reliable and scalable communications facilities. The SEC is fortunate to have a very modern communications infrastructure, not only in Washington, but also in each of the regional and district offices. systems change, so will our network. I'd like to see us hooked up to the Internet as quickly as possible--with appropriate security measures taken. We also need to modernize the computer platforms we're using, so that services like remote access, PC-FAXing, electronic forms, full text searching, imaging facilities and CD ROM libraries are more accessible to staff from their desktops or virtual office. But of course,

staff resources and available funding are factors that have to be carefully considered before starting these initiatives.

Q: What new programs or initiatives do you envision for the Commission as it plans for the 21st century?

A: There will be many changes, improvements and new opportunities made possible in part by IT, as the SEC moves toward the 21st century (not all that far off, you know!). It won't happen overnight, but it will occur. My job will be to ensure we are prepared to take full advantage of all of the new solutions the market will most certainly have to offer us over the next several years. We will see a paradigm shift in the way that applications are deployed; more client server technology, workstation and workgroup processing, and information access and management over the network, including the Internet. We need to bring every resource we have to every SEC desktop, regardless of location.

Some of the projects we'll be working on (and have already begun) include the EDGAR recompetition and the fees processing system development. These are both critical mission systems that will need to be modernized and viable for many years to come. There are several other critical initiatives in the area of applications that we need to act upon as well, and we will. There also are numerous older legacy applications, which Commission staff rely upon every day to do their jobs, that must be modernized. Another area where there will be a great deal of activity in the next several years is applying more analytic technology in monitoring the enormous amount of available securities data so that the SEC can better perform its oversight and regulatory mandate.

Q: Is there anything else you'd like the Commission staff to know about you?

A: Well, I'd like to say that I'm happy and excited to be at the SEC. I'm quite impressed with the staff commitment I've seen throughout the Commission in my first few weeks here. Employees work very hard and understand the importance of the work they do. I feel fortunate to be a part of such an organization and look forward to working with, and supporting, each of you.

# ADMINISTRATIVE AND PERSONNEL MANAGEMENT

#### Did You Know? . . .

Open season for the Thrift Savings Plan (TSP) will continue until July 31, 1995. At this time, you may enroll, change your current contributions or redistribute your amounts in the C,G or F funds.

The Internal Revenue Service (IRS) has announced that the maximum amount allowable contribution to TSP in tax year 1995 is \$9,240.

When transferring from one government agency to another, your current health benefits and life insurance enrollments remain the same. This includes a cancellation or waiver of coverage.

Upon separation from a federal agency, an elected waiver or cancellation of coverage under Federal Employees' Group Life Insurance (FEGLI) remains in effect for up to 180 days. If you return to duty within the 180-day time frame, your coverage status will remain the same.

An election to reduce FEGLI coverage is allowable at any time.

The new options for FEGLI are:

- Irrevocable Assignment of Life Insurance. Allows you to irrevocably assign your life insurance to one or more persons. Once assigned, you will not be able to withdraw the assignment; however, the person(s) may choose to irrevocably assign the coverage back to you. The assignment applies to Basic coverage, Option A (Standard) and Option B (Additional). Option C (Family) coverage is not included.
- Viatical Assignment. Allows a terminally ill employee with a life expectancy of up to 24 months to assign insurance coverage to a private company in return for a percentage of the face value of the coverage. This dollar amount would be received while the employee's death, the assigned company will collect the insurance proceeds. This opportunity applies to Basic coverage, Option A and Option B.

Living Benefits Provision. Effective July 25, 1995, terminally ill employees may elect to receive a portion of the face value of their Basic insurance (not their optional insurance) while still living, if their life expectancy is nine months or less. This action is processed directly by OPEGLI.

For more detailed information regarding any of these topics, contact the Processing and Benefits Branch at (202) 942-4080.

## Federal Benefits For Veterans/Dependents

OAPM has a supply of the 1995 edition of the booklet, Federal Benefits for Veterans and Dependents. To receive a copy, please contact Nancy Wolynetz on (202) 942-4091 (voice) or (202) 942-4075 (TTY), or send her an E-Mail message.■

DAPM CONTINUED ON PAGE 8

## SEC Leave Transfer Program

The following amployees are approved leave recipients in need of donated annual leave:

Approved Recipients

\*Newly approved recipients

The Office of Administrative and Personnel Management (OAPM) will no longer publish this list in the SBC Employee News. Instead; to provide more current information, the names of employees who are approved leave recipients will be posted on a new Leave Transfer Electronic Bulletin Board. Employees who have questions about the program or who would like to donate to one or more of these recipients should contact Lon Sough in OAPM on (202) 942-4159. Donation and recipient forms are available from your administrative contact, the Publications Unit or the Employee Relations and Development Branch of OAPM. All completed forms should be sent to the attention of Lon Sough at Mail Stop 2-2A.

#### EEO NEWS

# **EEO Counselor Training**

The SEC's EEO Counselors met at headquarters in June for a conference conducted by the staff of the EEO Office. Emerson Davis, Acting Chief. Branch of Compliance, organized the two-day event. Of the 30 EEO Counselors, half are new volunteers and half are experienced collateral duty EEO staff. Many came from the SEC's regions. All were brought up to date on recent changes in policies and procedures and were given a chance to express their concerns and questions about the more difficult aspects of conducting EEO counseling as a collateral duty. addition, the new EEO Counselors had a valuable opportunity to learn from those who have several years of experience.

The basic goals of EEO Counseling informing applicants, employees and former employees of their right to challenge discriminatory employment practices or decisions; explaining the procedures for doing so; documenting compliance with those procedures; and finally, resolving disputes which may otherwise result in a formal investigation of alleged discrimination. The goal of the conference was to give EEO counselors the information they need to perform all the EEO counseling tasks competently and within the 30-day EEO counseling period. The most difficult task is conducting conflict resolution sessions. The counselor's focus is to find an approach that is most likely to produce an agreement or resolution of the dispute that will satisfy the participants. Counselors also attempt to aid the participants in improving their working relationship so that problems are less likely to recur. The EEO staff stressed the importance of neutrality and actively listening to the persons involved in the dispute. Tips were shared about how to remain calm when people involved in the counseling sessions are upst or angry. EEO counselors were instructed to keep strictly confidential the matters discussed in an effort to resolve the dispute and to promptly seek guidance from the EEO Office when difficult or novel issues are presented.

Since EEO Counselors must make employees aware of procedures and

benefits available to them in addition to EEO Counseling, the conference featured presentations by people from other SEC offices. The guest speakers included Catherine McCallum, Employee Assistance Counselor; Nancy Wolynetz, Selective Placement Coordinator who spoke about disability-related accommodation requests handled in OAPM; Mark Raisher, Employee Relations Specialist, who explained the

Employee Grievance procedure within OAPM; and Nelson Egbert, Deputy Inspector General, who explained the work of the Office of the Inspector General.

The EEO Director and Compliance Branch Chief commend EEO Counselors for their dedication, professionalism and enthusiasm for the goals of the EEO program. Questions about the EEO Counseling program should be addressed to Emerson Davis (202) 942-0040.

## **Boston District Office Gets Involved**

The Boston District Office-including Juan Marcel Marcelino, District Administrator: Emlee Hilliard Smith, Senior Counsel; Carlos Costa-Rodrigues, Staff Attorney; and Leighton Richardson, Securities Compliance Examinerrecently completed their yearlong participation in the Madison Park High School mentoring program. Under the auspices of the Greater Boston Federal **Executive Board Educational Partnership** Council, the program encourages federal employees to get involved in high school students' lives by becoming mentors.

Since last fall, the BDO staff has been actively involved in the multifaceted mentor program. The program strives to expose freshman students to a broad spectrum of career possibilities and to create a positive atmosphere and opportunities for meaningful dialogue on current events and life issues.

BDO staff mentors met with their students on a regular monthly basis for planned group activities ranging from communication games to presentations on filing taxes to visiting local museums. In addition to the program's planned activities, mentors arranged for outings with their students that included community plays, luncheons and visits to historical sites.

The students in the photo below spent the morning at the BDO learning about the work of the Commission and shadowing their mentors.

BDO staff mentors found the program experience to be both rewarding and enlightening. Noting that there are so many students who would benefit greatly from an adult taking the time to share their work and life experiences, the mentors strongly encourage other Commission staff to get involved with mentoring students.

#### OAPM CONTINUED

#### Farewell To SEC Retirees

The Commission bids fond farewell to our latest retirees:

EMPLOYEE	OFC	YRS C	ATF
CIII.CO.C.			
Margaret L. Conv	av FOL	1 7 /	pr 28
Beverly A. Plemir			Any 1
Joseph I. Aleknav			fay 1
Alice J. Holloway	MRC		đay 2
John T. Daly	CF	33 B	4ay 31
Henry F. Katuro,	Jr. NER	O 21 N	4ay 31 -
Kenneth E. Newm			1ay 31

# '95 SEC Photo Contest

DEADLINE --- JULY 15

PHOTO EXHIBIT AUGUST 14-25



Entries will not be accepted after July 21.

Hurry to enter the 1995 SEC Photo Contest. Winning photos will be displayed in the Headquarters main lobby and one photo from all other entrants will be exhibited in the lower lobby, 1C level.

For rules, entry forms and details about the contest, see the flyer distributed in early July or the last page of the March/April SEC Employee News, or call Mary Teel on (202) 942-0027.

. Join the fun and give us your best shot!

#### Headquarters Employees

Make A Note:

Transportation, Elder Care, Child Care and Support Information

Available through
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	CARPOOL	RIDERS/DRIVERS	
	8:30 am	9:00-5:30	Alan Morris 942-1980
	8:10 am	9:00-5:30	Maureen Dailman 942-1824
	YANPOO	L NEEDS RIDERS	
	5:30 am	7:30-4:00	Gordon Burns 202-622-8072
	6:15 am ACCEPTS SE	8:00-4:30 C MBTROCHECKS	Blanche Middleton 942-8970, X4430 HDQTRS ONLY
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# SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

Vol. 19, Nos. 4 & 5

Washington, D.C.

July through October 1995

# Levitt Announces Profile Prospectus

Profiles Will Give Investors Easy-To-Read Information On Mutual Funds

As of July 31, the investing public has another tool to help demystify mutual fund prospectuses.

Chairman Arthur Levitt on that date at a press conference in New York City announced that funds may for a oneyear trial period issue short, easy-toread fund "Profiles" along with their regular prospectuses. The profile must cover, in brief, specific major points about the fund and its performance.

Officials of the North American Securities Administrators Association, the Investment Company Institute and eight major fund complexes joined Chairman Levitt in announcing the Profile. The eight fund complexes voluntarily participated in the project and will issue the first prototypes. Open-end investment companies throughout the country may join in creating their own profiles during the one-year trial period. "The Profile Prospectus is an important step in the SEC's ongoing campaign to take the mystery out of the marketplace for public investors," Chairman Levitt said. "They are being developed to assist the investor in having a clear understanding of one's investments in mutual

Funds that choose to issue profiles must follow an 11-item format as set

#### SEC AWARDS CEREMONY

Monday, December 11, 1995 10:00 a.m. - noon - Room 1030 Employees Are Invited To Artend

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A Reception for Winners Follows
The Ceremony in Room 6059

forth in a guide developed by the Investment Company Institute. The items must be put in the order listed in the guide and numbered accordingly. They cover fund objectives, investment strategies, risks, appropriateness, fees and expenses, past performance, investment adviser, purchases, redemptions, distributions, and other services.

Chairman Levitt conceived the idea of the profile prospectus and in his October 1994 address to the National Press Club challenged the industry to make prospectuses more consumer-friendly through clear language and the inclusion of a summary, or profile, of

the fund's main features. In response, the ICI and eight major mutual fund complexes participated in a pilot program, whereby the funds developed their own profiles and, with the ICI, developed a guide for creating profiles.

The participating fund complexes are: American Express Financial Corp. (ID funds), Bank of America, Capital Research and Management Co. (American funds), The Dreyfus Corp., Fidelity Investments, T. Rowe Price Associates, Inc., Scudder, Stevens & Clark and The Vanguard Group.

CONTINUED ON PAGE 2

# Commissioner Roberts Departs

Becomes Executive VP Of Venture Capital Firm

Richard Y. Roberts left the SEC on July 15 after nearly five years at the Commission.

Commissioner Roberts is now the Executive Vice President of Princeton Venture Research (PVR), a consulting firm, and a managing director of PVR Securities, a securities firm specializing in raising venture capital for high technology companies. Both companies are headquartered in Princeton, New Jersey. Mr. Roberts will be opening an office in Washington, D.C. for the two companies.

Commissioner Roberts is greatly respected and admired by the Commission and staff and is known for his wis-

CONTINUED ON PAGE 3




# It's Up to You! 1995 Combined Federal Campaign

The 1995 Combined Federal Campaign (CFC) will start on Monday, October 23, and run through Friday, November 17.

For those of you who don't know, the CFC is a coordinated effort that provides federal employees an opportunity to give, through payroll deductions, to volunteer agencies of their own choosing.

The theme of this year's campaign is "It's up to you!" The SEC's Campaign Chairman is Chairman Levitt, and the Vice-Chairman is Brandon Becker. Director of the Division of Market Regulation. Mary Jo Kenney, the Division's Supervisory Program Analyst, is the Campaign Manager.

The kickoff event will be held on Tuesday, October 24, at 10:30 a.m. in Room 1C30. Chairman Levitt will officially announce the beginning of the campaign, and will introduce Archie Avedisian, President of the Greater Washington Boys & Girls Clubs. Mr. Avedisian will speak about overall benefits of the campaign and about the people in his organization who have been helped as a result of CFC contributions.

In addition, keyworker training ses-

sions will be conducted on October 10. 11 and 17 for those of you who have volunteered to assist with the campaign.

The CFC offers each federal employee a meaningful opportunity to help others who need a helping hand. existence for about 30 years, the CFC has helped millions of people to act voluntarily to build a stronger, better society.

Donna Shalala, Secretary of Health and Human Services and the Chairperson of the government-wide campaign, has reminded federal workers in presentations about the campaign that, given the attacks on public servants during the past year both verbal and physical, "Neverhas there been a better time to show the rest of the country the true nature of federal employees."

The goal for the SEC is to raise \$165,000 in the 1995 campaign. There are 2,500 participating charities, divided into national, international, and local groups. The work of each of these groups is described in the CFC literature that will be provided by agency keyworkers. Look for the CFC literature and remember, "It's up to you!"

# Levitt Announces Profile Prospectus

CONTINUED FROM PAGE 1

"The profiles are supposed to contain the essence of what is in the fund prospectus," Barry Barbash, Director of the Division of Investment Management, said. "If we saw something misleading, we would have the ability to take action.". Fund profiles don't have to be precleared, but are required to be filed with the Commission.

"If the profiles are well-received by investors, they will serve as a model for effective fund disclosure," Chairman

Levitt said. "Extensive investor research will be done to determine whether the profiles help people make investment decisions. Research will help us assess whether investors should be able to rely on a stand-alone profile or summary prospectus in deciding to invest in funds. When the research is complete, we willconsider what, if any, permanent changes to fund disclosure rules should be made. The ICI will take the lead, with input from both the SEC and the states, in developing investor testing of the profiles."

#### IN THIS ISSUE Combined Federal Campaign Chambers, Jannaconi, Harper Join Private Firms Stam Named Associate Director, Lindsey Nemed Chief Economist Tynes Appointed EEO Director Chairman's Cup Golf Compatition Gerlach, McGing Appointed; Weeden Retires Yuri Zelinsky Wins Grand Prize '95 SEC Photo Contest OAPM Matters Dan Schatz Retires From NERO In Memoriam: Jae Aleknavage Municipal Securities Appointees 23 OIT News: Archiving Becuronic Mail

#### DEADLINE NEXT ISSUE

October 23, 1995

# SEC EMPLOYEE NEWS

The SEC Employee News is published bitmonthly by the Office of Public Affairs, Policy Evaluation, and Research. U.S. Securities and Exchange Com-mission, 450 5th St., N.W., Washington, D.C: 20549. Readers are encouraged to bluods bns notecillary for publication and should send meterial to:

Editor SEC Employee News Room 7103

Letters to the Editor are welcome. They should address issues not personalities and shoote be seitlanoare with a name and telephone number.

> Mary Teel, Editor Donald Kovaner, Art Editor Office of Public Affairs, Policy Evaluation, and Research

COPY DEADLINE: The deadline for articles for publication in the SEC Employee Naws is the second wask of the month prior to the month in which the Naws is published.

Scheduled publication months are January, March, May, July, September and November. Whenever possible expontagional photos should be blacked.

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# Commissioner Roberts Joins Princeton Venture Research

#### CONTINUED FROM PAGE 1

dom and composure during crises. He gained the affection of the staff during his first year at the Commission when he visited all the SEC offices and met all of the staff, both at headquarters and in the regional offices.

Since joining the SEC, Commissioner Roberts has become best known for his work with respect to the municipal securities market. For years Commissioner Roberts delivered speeches calling for certain reforms in this marketplace and, in 1994, the SEC approved a number of municipal securities market initiatives, including several designed to improve disclosure to investors.

Early in his tenure, Commissioner Roberts was very active in the SEC's proxy reform initiative which resulted in the deregulation of shareholder communications in 1992. Later in his tenure, Commissioner Roberts took the lead in reforming the SEC's administration of the Public Utility Holding Company Act of 1935, and, just a few weeks ago, the SEC published a formal study recommending a number of legislative and regulatory changes in this area.

Beyond his leadership in those areas, Commissioner Roberts also has become known as a champion for improved disclosure of environmental liabilities, improved disclosure of potential mutual fund investments for participants in 401(k) pension plans, functional regulation of bank securities activities, reform of the shareholder proposal process and improved disclosure of risks involving derivatives activities.

In a press release announcing his pending departure, Commissioner Roberts said, "I have thoroughly enjoyed my four plus years at the Commission. It was exciting to strive both to protect investors and to maintain our securities markets as the greatest in the world. The experience was memorable, and it was a privilege to work with the outstanding individuals employed at the Commission. I now look forward to joining PVR and working in the securities industry."

In the same release, Chairman Arthur Levitt praised Mr. Roberts' performance at the SEC, "Commissioner Roberts' leadership at the Commission has been extraordinary. Long before anyone else, he focused his energies on reforming the municipal securities market, and it is largely due to his efforts that we have made such progress in increasing the markets' disclosure, transparency and integrity. In addition to his dedication to investor protection, Rick's sense of humor, his perspective and his good nature have made working at the SEC a more rewarding experience for all Commission employees. He will be greatly missed."

Mr. Roberts was nominated to the SEC by President Bush and sworn in as a Commissioner on Oct. 1, 1990 by the Honorable Stanley Sporkin, Judge for the U.S. District Court, District of Columbia.

Before his appointment Commissioner, Mr. Roberts was in the private practice of law with the Washington offices of Miller, Hamilton. Snider & Odom. Before joining the law firm in April 1990, Mr. Roberts was administrative assistant and legislative director for Senator Richard Shelby (Ala.), a position he assumed in 1987. Prior to that, Mr. Roberts was, for four years, in the private practice of law in Alabama. From 1979 to 1982, Mr. Roberts was administrative assistant and legislative director for then-Congressman Shelby.

The SEC Employee News asked Mr. Roberts a few questions about his experience as an SEC Commissioner. The questions and his answers follow:

- Q. After serving almost five years as an SEC Commissioner, can you recommend the job to others?
- A. As I stated in my confirmation, I would make a great effort to complete my full term. I am glad I filled that commitment. I stayed several weeks past the expiration of my term, and I enjoyed the last six months at the Commission more than I have any other time, so longer service was a pleasure to me.

Of course, for me it was a very positive experience, and I would certainly recommend the job to others. I hope in the not too distant future some others have the opportunity to enjoy the same experience.

- Q. Has there been a change in the significant issues facing the Commission since your appointment in 1990?
- A. Not really. First, the Commission and the agency did not change during my tenure. The Commission's job is to protect investors and to maintain a stable and or-And the derly securities marketplace. issues did not change a great deal. Securities issues don't change much. The same issues that were present in the '80s were present in the '90s and I expect that they will be present at the turn of the century. In terms of nuances, of course, everything changes in a sense, but just in all the nooks and crannies. Traditionally, securities market regulations remain the same. Persons familiar with the history of this

agency I believe would concur.

- Q. What did you find to be the most challenging or gratifying aspect of the job of an SEC Commissioner?
- A. I think the most gratifying aspect of the job of Commissioner was working with the staff. I am very proud to have worked with the individuals employed here. They have always impressed me with their ability, whether in Facilities, in the technical divisions or in the field. Individuals employed at the SEC have always impressed me with their dedication and their professionalism. So that was the definitely the most gratifying part of the job.
- Q. And what part of the job did you consider the most tedious or difficult?
- A. The most difficult and tedious part of the job was keeping up with the paperwork. There's too much reading for any one person to absorb. And you know everyone told me when I came to the Commission, "I hope you like to read." I didn't understand it then, but a great deal of reading of difficult, complex material comes with the job and that's made the job both challenging and difficult.

The Commission and staff bid Commissioner Roberts a fond farewell and wish him great success at PVR.

# Chambers, Iannaconi, Harper Join Private Firms

#### **Matthew Chambers**

Matthew A. Chambers, Associate Director of the Division of Investment Management, left the Commission on July 14 to join the Washington offices of Debevoise & Plimpton, where he specializes in investment adviser and investment company regulation.

As IM Associate Director, Mr. Chambers supervised the Office of Investment Company Regulation, which oversees the review of exemptive applications under the Investment Company and Invest-

ment Advisers Acts of 1940, and the Office of Regulatory Policy, which drafts rules regarding the substantive regulation of investment companies. He also directed the Division's task force that reexamined investment company regulation and drafted the report released in 1992, "Protecting Investors: A Half Century of Investment Company Regulation." He was an Assistant Director of the Division from 1988 to 1991. In 1988, he taught accounting for lawyers at American University's Washington College of Law.

Mr. Chambers began his SEC career in the Office of General Counsel in 1984 as an attorney in the Counseling Group. In 1986, he was appointed Special Counsel and in 1987 Senior Special Counsel. Before joining the SEC, Mr. Chambers was an Associate at Bogle & Gates, a Seattle law firm, where he practiced corporate and securities law.

The Commission presented the Distinguished Service Award, the Commission's highest honor, to Mr. Chambers in 1992 and the Supervisory Excellence Award to him in 1989.

In 1982, Mr. Chambers received a JD from the University of Michigan, where he was a member of the Order of the Coif. In 1979, he received an AB from Duke University, where he was elected to Phi Beta Kappa.

#### Terry lannaconi

Teresa E. Iannaconi, Associate Director of the Division of Corporation Finance, left the Commission on July 14 to join KPMG Peat Marwick LLP as a partner in its department of professional practice.

"Terry Iannaconi was one of the most respected members of the SEC staff, and her skills and experience are fully compatible with KPMG's services and client base," Michael A. Conway of KPMG said. "She will immediately assume a leadership role in our SEC practice, working with the SEC reviewing partners in our interface with the agency with our publicly held clients." While based in New York, Ms. Iannaconi will work with clients throughout KPMG.

As a Corporation Finance Associate Director, Ms. Iannaconi oversaw the accounting disclosure functions of the division relating to public companies' compliance with generally accepted accounting principles and SEC financial reporting requirements.

Ms. Iannaconi joined the SEC in 1969 for six years and returned in 1982 after serving on the accounting faculty of the University of Maryland. She received a BS in accounting in 1965 from Georgetown University and an MBA in finance from the University of Maryland.

She is a CPA, has had numerous professional articles published and has received numerous awards, including the SEC Equal Opportunity Employment Award in 1991, the AICPA Andrew Barr Award in 1992 and the Chairman's Award For Excellence for work on the Municipal Securities Issuers Project in 1994.

#### Charles Harper

Charles Harper retired as Associate Regional Administrator of the Southeast Regional Office on August 3 after working for that office and the Miami Branch Office, its predecessor, for the past 21 years. For 13 years, he headed the Miami Branch Office until the 1993 reorganization when it became the Southeast Regional Office, and Charles Senatore was appointed Regional Director.

On August 7, Mr. Harper joined Paine Webber as an Associate General Counsel in the firm's Fort Lauderdale office. He reports to Herb Janick of Paine Webber's New York Office. Mr. Janick is a former Division of Enforcement Assistant Director. At Mr. Harper's retirement party, the Florida Securities Dealers Association announced that it was establishing a college scholar-

CONTINUED ON NEXT PAGE

# Stam Named Associate Director; Lindsey, Chief Economist

#### Heidi Stam

Heidi Stam was appointed Associate Director for the Division of Investment Management in August.

As Associate Director, Ms. Stam has primary responsibility for managing the division's full disclosure program for investment companies, which includes review of mutual fund prospectuses. She also oversees the division's regulation of variable insurance products.

In making the announcement, Chairman Levitt said, "A most important challenge for the Commission today is improving disclosure made to the over 40 million Americans who are now mutual fund shareholders. Heidi Stam has the depth of knowledge and experience to enable her to be an effective leader in the division's effort to meet that challenge. I wish her well in her new position and know she will be successful."

Ms. Stam joined the Commission staff in 1987 after six years of private law practice. Since joining the staff, she has been promoted to positions of increasing responsibility in the Division of Investment Management. Most re-

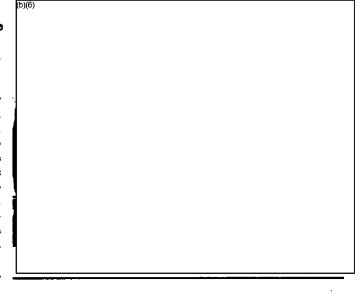
cently, she was the Senior Adviser to the Director. In that capacity, Ms. Stam served as chief of staff for the division and primary legal and policy adviser to the Director on the full range of issues affecting investment companies and investment advisers under the federal securities

From 1992 until early 1995,

Ms. Stam served as Assistant Chief Counsel and was responsible for providing interpretive analysis and guidance to the Commission, the division and the public on all aspects of the federal regulation of investment companies and investment advisers. As Assistant Chief Counsel, Ms. Stam also was responsible for developing the division's policies and programs regarding international investment management issues. An out-

standing manager, she received the SEC Supervisory Excellence Award in 1992. She also served as Assistant Chief in the division's Office of Insurance Products.

Ms. Stam received a BA in political science, magna cum laude, from Tufts University in 1978, and a JD, cum laude, in 1981 from American University's Washington College of Law. Ms. Stam received an LLM from Harvard Law School in 1986.



ship fund in his name.

Mr. Harper has been invited to become a member of the Board of Governors of the Florida Securities Dealers Association.

Mr. Harper joined the Miami Branch Office in January 1974 as a law clerk. He was soon promoted to a staff attorney, and in 1976 was selected by former Commissioner Irving Pollack to spend three months in Washington as the Commissioner's Legal Assistant. In 1977, he was named Chief of the Miami Office's Branch of Investigations and Enforcement. In 1980 he became Associate Regional Administrator in charge of the Miami Branch Office.

As head of the Miami Office, Mr. Harper oversaw numerous securities cases, including one involving ESM Government Securities, Inc., then a little

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#### Richard R. Lindsey

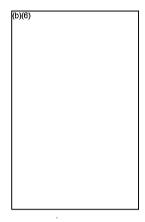
Richard R. Lindsey was appointed Chief Economist on July 25. Mr. Lindsey, who replaces Susan Woodward, will have the primary responsibility for conducting economic analysis of SEC policies and regulatory programs.

Chairman Levitt said, "Richard Lindsey's extensive practical and academic experience will enhance the Commission's ability to deal with complex qualitative and quantitative financial issues. He will play an integral role in our efforts to maintain the Commission's knowledge and expertise of the ever-evolving capital markets. I look forward to working with him."

Mr. Lindsey, 40, has been an Assistant Professor of Finance at the Yale School of Management since 1991. He has been on a leave of absence from the Yale School of Management since July 1994 to conduct financial market research as a Visiting Economist at the New York Stock Exchange. Previously, Mr. Lindsey was Berkeley Options Database Manager at the University of California at Berkeley from 1987 to 1991. He also has served as a consultant for Nikko Securities Company since 1991 and as a Visiting Research Scholar at the Nikko Research Center in Tokyo, Japan. From 1980-1984, Mr. Lindsey served as a Plant Manager and Division Manager with CertainTeed Corporation.

Mr. Lindsey received a PhD from the University of California, Berkeley, in 1992. He earned an MBA in Finance in 1984 from the University of Dallas. In 1978, he earned an MS in Chemical Engineering from the University of California, Berkeley, and a BS in Chemical Engineering from the Illinois Institute of Technology in 1976.

# Victor Tynes Appointed EEO Director



Victor H. Tynes, Jr., joined the SEC as Equal Employment Opportunity Director on July 10.

Mr. Tynes is an attorney with extensive experience in federal sector civil rights law. He has been an active participant in the Alter-

native Dispute Resolution Working Groups program of the Administrative Conference of the United States. Mr. Tynes' work experience includes over 15 years at the Federal Home Loan Bank Board (now the Office of Thrift Supervision of the U.S. Department of the Treasury) and five years at the Equal Employment Opportunity Commission. His responsibilities during that time included all phases of the EEG complaint and affirmative employment processes.

In announcing the appointment, Chairman Levitt said, "I am pleased to have someone with Mr. Tynes' experience and knowledge joining the SEC in this vital role. I look forward to working with him as he enhances the Commission's efforts in this area."

Mr. Tynes received a BA in management from Howard University School of Business and Public Administration in 1971 and earned a JD from Howard University School of Law in 1975.

Since taking the post of BEO Director, Mr. Types has been meeting with senior managers and employees on a range of subjects related to equal employment opportunity. Based on his discussions with them, the EEO Director has identified four immediate priorities for the SEC: (1) Recruit, hire and retain more minorities and women, so that the SEC work force better reflects the civilian labor force; (2) Improve the existing compliance procedures to reduce the time required to process EEO complaints; (3) Enhance the process by instituting two alternative dispute resolution processes currently under development at the SEC; and (4) Provide training to managers and supervisors that will improve their understanding of the responsibilities placed on them by equal employment laws.

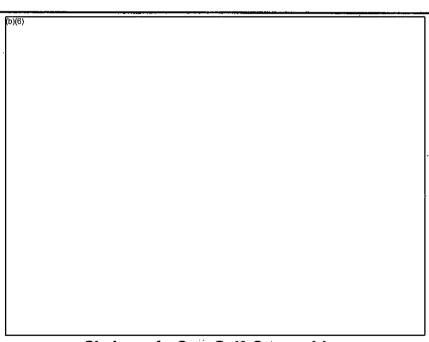
## Harper Retires FROM PAGE 5

known securities dealer in Fort Lauderdale. "I learned in the morning about the case, brought the staff in to look at the evidence and confirmed that ESM was \$300 million under water," Mr. Harper said. "The firm wasn't required to register with the Commission, and had falsified its records and had a huge loss. By 5 p.m. the same day, the Commission had sued ESM; and by 7 pm a receiver had been appointed." Mr. Harper's prompt action led to the recovery of more than \$100 million for investors. "At the end of the receivership, investors got back 85 cents on the dollar," Mr. Harper said.

Mr. Harper also handled many penny stocks cases, and in 1988, the Miami Branch Office formed the first Penny Stock Task Force in Florida. The meetings of the task force continued and its scope was expanded to include other regulatory and enforcement issues.

In recognition of his outstanding achievement, Mr. Harper received the Irving Pollack Award in 1986 and the Distinguished Service Award, the Commission's highest honor, in 1989.

"I worked with a great bunch of people in Miami," Mr. Harper said. "Everybody worked hard to conclude these cases. The staff in Miami really worked hard, including Saturdays and Sundays, to get things done. The examination staff was great. They all had a real commitment to their work. I had a great time at the SEC. I enjoyed it very much. We had good leadership in Washington."



## Chairman's Cup Golf Competition

The second annual Chairman's Cup team golf competition was held August 21 at the Needwood Golf Course in Rockville. A record turnout and a great post-tournament spread ensured that everyone had an enjoyable day.

The tournament involved eightperson teams competing in five different formats: (a) 2-person best ball, (b) 2-person scramble, (c) low gross, (d) low net and (e) Jack and Jill.

The Enforcement Division re-

tained the cup, winning by a comfortable margin over teams from the Executive Staff, Market Regulation, Executive Director, Investment Management, Office of Compliance, Inspections and Examinations and two teams from Corporation Finance. Notable performances were turned in by Gary Jackson (ENF) with a 72 and Cameron Smith (OCIE) with a 73.

(OCIE), unleashed a mammoth drive to win the longest drive contest.

# Gerlach, McGing Appointed To Key Posts; Weeden Retires

# Paul V. Gerlach Appointed Associate Director (ENF)

Paul V. Gerlach was appointed Associate Director for the Division of Enforcement in June.

As Associate Director, Mr. Gerlach supervises the division's enforcement work, including investigations involving financial reporting and dis-

closure, insider trading, manipulation, broker-dealers, investment advisers and investment companies. He succeeds Joseph T. Goldstein, who left in March to join a private law firm.

In announcing the appointment,

Chairman Arthur Levitt said, "Mr. Gerlach brings to his new position superb judgment and exceptional legal skills. It is a pleasure to credit his consistent level of high achievement with his appointment to this important position."

Mr. Gerlach, 40, joined the Commission in 1988 as a staff attorney in derived the Division of Enforcement. In 1991 he was appointed Branch Chief and in 1994 he was appointed Assistant Director. Mr. Gerlach has had responsibility for many Commission investigations including those that led to enforcement actions against The Cooper Companies, Inc., National Medical Enterprises and the U.S. subsidiaries of the four major Japanese broker-dealers. Mr. Gerlach came to the Commission from Jenner & Block, a Washington, D.C. law firm.

In 1978 Mr. Gerlach received a BA in political science, magna cum laude, from Boise State University. In 1982 he received a JD, magna cum laude, from Washington and Lee University School of Law.

# William Weeden Leaves To Join Prviate Law Firm

William Weeden retired as Associate Director of the Division of Investment Management on September 29. On October 2, he became Senior Utility Advisor and Analyst with the law firm Reid & Priest in their Washington, D.C. office. He will concentrate on issues

relating to utility restructuring, acquisition, strategic planning and regulatory affairs.

As an Investment Management Associate Director from 1992 to 1995 and an Assistant Director from 1985 to 1992, Mr. Weeden headed the division's Office of Public Utility Regulation. Recently, he supervised the first comprehensive study of the Public Utility Holding Company Act since its passage in 1935. Upon completion of the study, Mr. Weeden presented, on

June 20, to the Commission recommendations for legislative action as well as administrative reform of the Act. For his outstanding contributions to the SEC, Mr. Weeden received the Chairman's Award for Excellence in 1993, the Distinguished Service Award in 1991 and the Supervisory Excellence Award in 1987.

"I sincerely enjoyed working with the Commission's people for all these years, and feel fortunate to have been able to work for a Chairman like Arthur Levitt, who allowed me to do this study. I want to thank everybody. It was a great feeling," Mr. Weeden said.

Mr. Weeden's entire SEC career was devoted to the Public Utility Holding Company Act. He was appointed Assistant Director in charge of the Office of Public Utility regulation in the former Division of Corporate Regulation in 1982, Before that he was Branch Chief of the office. He joined the SEC in 1971. Prior to his work with the SEC, Mr. Weeden worked for Arthur Andersen & Co. and Chemical Bank.

During his 25-year SEC career, Mr.

Weeden represented the Public Utility Office at dozens of conferences and often represented the Commission in legislative matters concerning public utility regulation. On August 4, he joined Chairman Arthur Levitt in representing the Commission's legislative recommendations with respect to the 1935 Act before the Subcommittee on Telecommunication and Finance and Energy and Power of the Committee on Commerce.

Mr. Weeden received a BS degree, with honors in 1967, in economics and an MBA in 1970 from Columbia University. He has taught finance, accounting and statistics courses at Montgomery Community College and at the old Benjamin Franklin School of Accountancy.

Mr. Weeden (D)(6)

# Frank P. McGing Appointed Assistant Administrator, ADO

Frank P. McGing, a Senior Supervisory Examiner in the Office of Compliance Inspections and Examinations (OCIB), has been appointed to the position of Assistant District Administrator (Regulation) in the Atlanta District Office (ADO).

As the Assistant Administrator, he is in charge of the examination staff in the broker-dealer, transfer agent, investment adviser and investment company programs. Mr. McGing has been a senior examiner in the Division of Market Regulation and OCIE since August 1987 responsible for, among other things, compliance inspections of broker-dealers, transfer agents, depositories and clearing agencies.

"Frank brings to the Atlanta Office a wealth of insight and knowledge derived over the course of 16 years of work in the securities industry as well as almost

CONTINUED ON PAGE 23

The professional category has been dropped from the contest for failure to attract enough participants, and the three photographers who entered as professionals, with their consent, were judged in the amateur category.

The failure of the professional category led to a rethinking of the prize structure. In place of the professional category, next year we expect to offer an advanced category for past cash prize winners and experienced photographers and an amateur category for casual and less experienced photographers. Both categories will have prizes for pictorial and living things subjects. Both advanced and amateur winners will be eligible for the grand prize. Amateur winners of cash prizes for two successive years may enter the advanced category the following year. Details will be published in the announcement for next year's contest.

# 1995 SEC Photo Contest Zelinsky's "Clouds" Wins Grand Prize



uri Zelinsky's "Clouds" won the grand prize of this year's SEC Photo Contest. The winning photo is a view of the Grand Canyon in

Arizona. The judges commented that Yuri's entry was "a beautiful use of a polarizing lens. It is a crisp and clear scenic picture that shows everything. There is good contrast in the sky, good foreground, and it is printed the best of all the photographs." Yuri, who is on the staff of the Division of Enforcement, received the top prize in the contest, a \$100 U.S. Savings Bond.

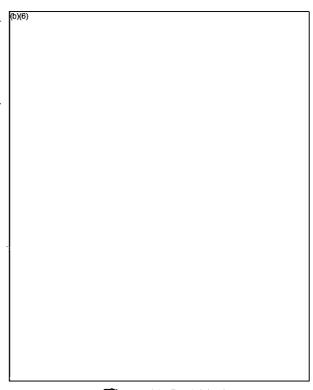
In 1995, its eleventh year, the photo contest attracted 59 photographers who entered 131 photos, averaging two entries per photographer. Contest rules allow three entries per photographer. Photos entered this year were up from 101 entered last year by 48 photographers.

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GRAND PRIZE
Clouds
by Yuri
Zelinsky (ENF)







FIRST PRIZE

(D)(G)

by Leo Orenstein (ENF)



AMATEUR FIRST PRIZE Misty Morning by Anne Krauskopf (CF)

#### First Prize

First prize is \$40 in each of the two amateur categories.

"Misty Morning," taken by Anne Krauskopf, Division of Corporation Finance, in the woods of Maine, won first prize in the pictorial competition. Through a sparsely branched tree in the right foreground, Anne captures a mystical woods, whose soft reflection in a lake gives the photo an impressionistic quality. Some viewers saw a romantic woods, while the judges commented on the air of mystery in the picture and said "one wants to know more about what's behind the tree. The photo has a painterly quality, an air of mystery and just enough light in the middle."

Orenstein, Division of Enforcement, won first prize in the living things competition. The judges said, "This is a textbook photo," and noted the strong use of the diagonal line in two directions. The photo is well done, a professional image that is almost out of category." The judges were also impressed with the quality of printing and paper used for Leo's entries.

#### Second Prize

Second prize is \$30 in each of the two amateur categories. (See photos, next page.)

Hugh Patton of the Division of Enforcement won second prize in the pictorial category for "Canal With Boat," a vividly colored minimalist photo. A section of the rose-colored deck, point downward and seen from above, takes up the left two-thirds of the photo, while a vivid blue, absolutely smooth canal takes up the remaining third. The photo benefits from its brilliant color, abstract quality and element of surprise.

"Birthday Party," a black and white photo by Leo Orenstein, won second prize in the living things category. The children's party takes place in the shade under the trees in Leo's backyard. The picnic table creates a subtle diagonal, leading the eye into the picture, while an aura of light surrounds most of the

CONTINUED ON NEXT PAGE



#### Second Prize

figures. The seemingly random placement of the figures and the sunlit trees in the background create a sense of deja vu. The judges credited Leo's use of infrared film for the lighting effect in the photo.

#### Third Prize

Third prize is \$20 in each of the two amateur categories.

"Morning Shadow," a picture of a single lotus photographed from below,

won third prize in the pictorial category. The photo is by Christopher Gilkerson of the Office of the General Counsel. The slightly off-center dark stem leads the eye to the translucent petals through which the flower's yellow center can be seen. The out-of-focus garden provides an agreeable ground for the flower. The judges were impressed by the translucence of the flower and the angle from which it was photographed.

"Waiting for the Storm," third prize winner in the living things category, captures a scene from out of Africa. The photo is by Martha Fulford of the Central Regional Office. Two giraffes seem to pose for their picture in the centerground, while a semicircle of low, leafy trees lead the eye into the picture.

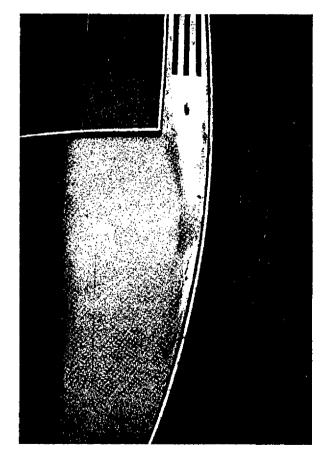
#### **Fourth Prize**

Fourth prize is \$15 in each of the two amateur categories. An untitled photograph of the Villa Adriana in Italy by C.J. Rinaldi won fourth prize in the pictorial category. C.J. creates a sense of depth, texture and a delicate variation of coloring in the sky of this idyllic scene. Looking beyond a gnarled, flowering tree and a broken stone wall which frame the picture, the viewer finds the remains of the Villa Adriana, whose once elegant columns are reflected in the corner of the pool. The woods and mountains beyond extend the depth of the photo, while the delicate coloring of the sky adds to the sense of time lost

"Summer's End" by Gregory Jaffray won fourth prize in the living things category. Gregg captures a pensive lad seated outdoors on an autumn day. The boy sits behind a half-open screen door as though waiting to move on. The gentle coloring adds to the tranquil portrait of the boy.



LIVING THINGS SECOND PRIZE Birthday Party by Leo Orenstein (ENF)



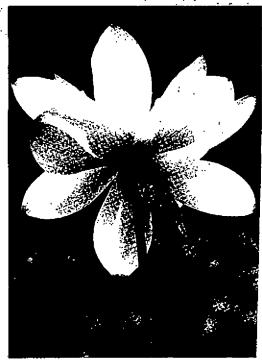


PICTORIAL SECOND PRIZE Canal With Boat by Hugh Patton (ENF)





LIVING THINGS THIRD PRIZE Waiting For the Storm by Martha Fulford (CRO).



R

PICTORIAL THIRD PRIZE

Morning Shadow

by Christopher Gilkerson (OGC)

#### **Honorable Mentions**

The judges commented on only a few of the honorable mentions because of the limited time for judging. When they did comment, their remarks are noted in quotes.

In "Peggy's Cove," a shot of a bright half circle of ships at anchor and waterside buildings, the eye is led around a Nova Scotia inlet. This honorable mention is by photographer Gene Horwitz of the Pacific Regional Office.

The beautiful orange red foliage of trees in the Catoctin Mountains fill the frame of this untitled honorable mention by Lucee Kirka, Division of Enforcement.

The bright orange setting sun provides a shot of color in "Time to Ponder," a monochromatic shot of the setting sun against the tranquil beige

sky and water near Waterville, Ireland. John Nolan, Division of Corporation Finance, won an honorable mention for the photo.

"Arno Sunset" won honorable mention for Hugh Patton. A series of arched bridges, set on a diagonal from the lower right, lend a quiet rhythm to this sepia photo. The judges said this photo would have been ranked higher if printed better.

"A photo by Patrick Joyce, Division of Enforcement, of a "Stone Farmhouse" set at the base of a grassy mountain in the Hautes Pyrennes of France received an honorable mention. Its simplicity, balance and economy of composition give this photo strength and grace. The judges called the photo a "perfect composition," noting that "the photo is divided into thirds both horizontally and vertically." They also commented that "the farmhouse is in the right lower third, the ideal spot for viewing."

Mauri Osheroff, Division of Corporation Finance, won honorable mentions for two lovely shots of butterflies. The vivid color and

#### CONTINUED ON NEXT PAGE

#### The Gudges

Gary Lloyd of Lloyd's Studio; Ino and Beth Blirlen Kalyan, commercial photographer, were spined by Lem Cahady, Desidop Publishing Branch Chief, in form the judging committee of the contest. Mr. Lloyd operates his photographic studio in the Washington area. He specializes in portraits and commercial work and recently returned from a month's assignment in central Africa. He has 22 years' experience as a photographer.

The judges stressed the importance of the quality of the plant print as part of the presentation when entering a plant contest and noted that it is up to the photographer to assure that the print is top quality.

. . . . .

Robert Lewellyn, noted photographer, said "There are no cliched photo subjects." A cliche is a thought. It is not an object." There's always a different way "to look at a subject. Think in terms of clieness; as in "What else can this subject be?" The photos entered in this year's contest provided many examples of photographers who follow this principle.

## 1995 SEC Photo Contest

CONTINUED FROM PREVIOUS PAGE

#### Honorable Mention

perfect focus of the "Swallowtail Butterfly" feeding on an orange lily is accented by the out-of-focus background of this picture. The "Painted Lady Butterfly" enhances a picture of four daisies, shot to suggest two diagonals with the butterfly at the crosspoint.

C.J. Rinaldi won an honorable mention for an untitled photo of a West Indies carnival performer, which is more design than portrait. The performer, who stands offcenter, merges into the many triangular shapes of carnival paraphernalia, while the multiple diagonals, color and tone give the photo an unusual vitality. The judges praised the photographer for coming in close to take the photo and not being limited by trying to include the entire figure of the performer.

Gerald Massie, Division of Market Regulation, won an honorable mention for "Partners," a shot of his parents, who have been together for 50 years. "This photo is an example of the perfect use of portrait lighting, especially on the man's face," the judges commented.

"Old Friends," a picture of two weathered Frenchmen having a drink outside a Gascony cafe, won a second honorable mention for Patrick Joyce. The photo is a study in repetition — two men, two drinks against a gray wall accented by two black pipes — and contrasting tone — one man in dark clothing sits in front of the dark cafe window, while the second dressed in gray clothing is set off by the light gray wall of the cafe. This well-composed scene provides a glimpse of life in the French countryside.

Dorothy Wils of the Philadelphia District Office won an honorable mention for "Camels at Giza," a photo of three camels at rest in front of a pyramid. This photo features an agreeable gray tone and contrasting textures — the gray stones of the pyramid which can be seen individually, the scruffy skin of the camel and the mostly red middle eastern camel coverings.

Mavis Kelly, Division of Investment Management, won an honorable mention for "Mount Rainier." The photo is divided horizontally into contrasting thirds: a flat rocky foreground, a midground of close-growing firs that reveal the snow-capped Washington state mountain top, ringed by clouds, in the upperground.

"Air Born," a photo of a boy in his sled by Frank Dalton, Division of Investment Management, won an honorable mention. This action shot captures the sled in mid-air. The viewer shares the thrill of the trip downhill.

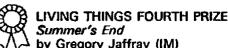
"Shibui," a photo of the Maine woods and second winner by Anne Krauskopf, won an honorable mention for its impressive play of sunlight on the golden trees that form its backdrop. Interestingly, the foreground is in the shadow, while the background is lighted, giving the photo a subtle sense of depth.

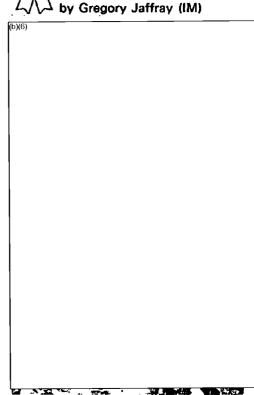
The pages that follow contain the Honorable Mentions and many photographs from the SEC staff.

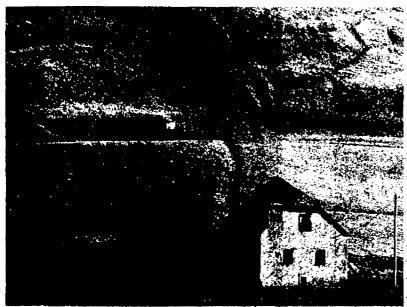




PICTORIAL FOURTH PRIZE Untitled by C.J. Rinaldi (ENF)





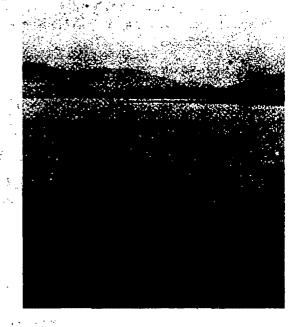






PICTORIAL HONORABLE MENTION Time to Pander by John Nolan (CF)







PICTORIAL
HONORABLE MENTION A
Swallowtail Butterfly
by Mauri Oshgroff (©F)



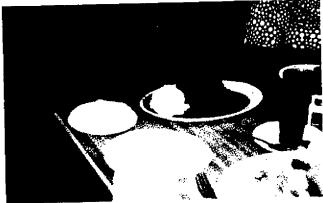
PICTORIAL HONORABLE MENTION Shibui by Anne Krauskopf (CF)





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PICTORIAL HONORABLE MENTION Amo Sunset by Hugh Patton (ENF)



Photographer's Dinner by Walter Smith (Retired)



Serenity by William Nash (OIT)



by Chantelle Richardson (NERO)

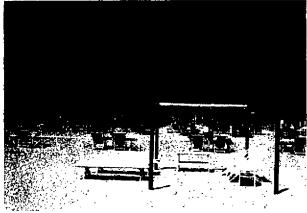


PICTORIAL
HONORABLE MENTION
Untitled
by Lucse Kirks (ENF)



Mel's Diner by Linda Sparrow (SERO)





Beach Colors by Joseph Mari (IM)



PICTORIAL HONORABLE MENTION Old Friends by Patrick Joyce (ENF)



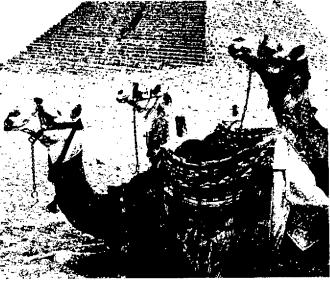
Valley of Clouds by Ethan Corey (MR)

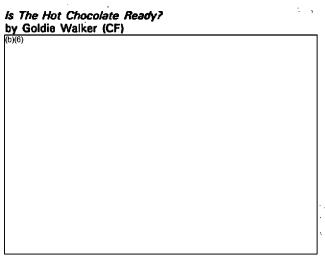


Twilight Zone (CRO Building) by Debbie McAlexander (CRO)



PICTORIAL HONORABLE MENTION Camels at Giza by Dorothy Wils (PDO)









PICTORIAL - HONORABLE MENTION Peggy's Cove by Gene Horwitz (PRO)





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PICTORIAL HONORABLE MENTION Untitled III by C.J. Rinaldi (ENF)



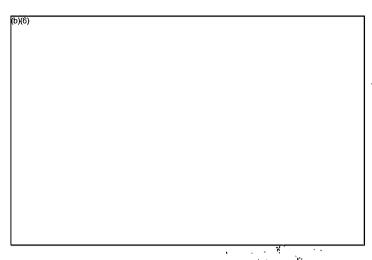
LIVING THINGS - HONORABLE MENTION Painted Lady Butterfly by Mauri Osheroff (CF)

> A Long Way From Done by Darlene Williams (ENF)

(b)(6)			



LIVING THINGS - HONORABLE MENTION Air Born by Frank Dalton (1M)







LIVING THINGS - HONORABLE MENTION Partners by Gerald Massie (MR)



Arctic Tern Dependins Its
(Not received in time for judging)
by George Brown (OGC)

Gost Boy
by Bill O'Leary (OPAPER)

Breakfast Al Fresco by Kathleen Bisaccia (PRO)





Winter Wonderland by Carol Rosenblatt (PDO)

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PICTORIAL - HONORABLE MENTION

Mount Rainier
by Mavis Kelly (IM)



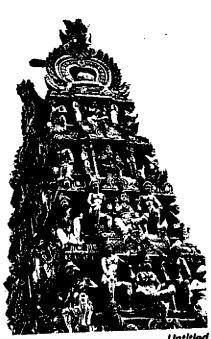
Pacific Light by Jerry Kohn (MRO)



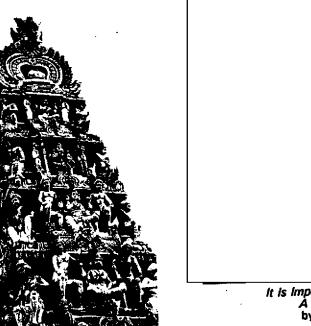
North From The Arno by James Howell (PRO)



Untitled by Paula Dubberly (CF)



Untitled by Arthur Levitt (ES)



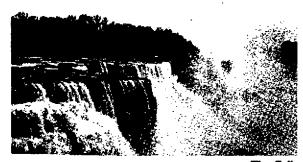
It is impossible To Confine A Strong Black Mind by Derrel Todd (MR)

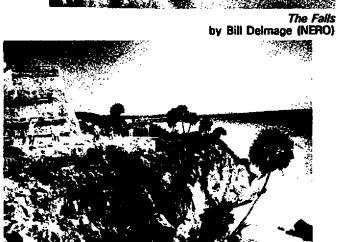


Dragon's Teeth by Marie Yeager (ENF)

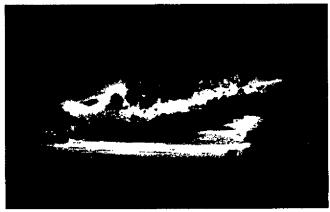


Bermuda Storm Clouds by Mary Middleton (ES)





Tulum Ruins by Donald DuBois (Retired)

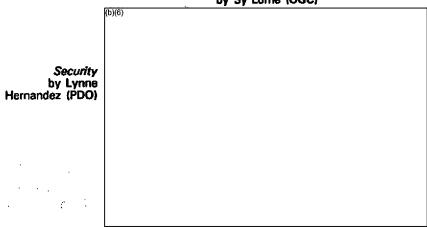




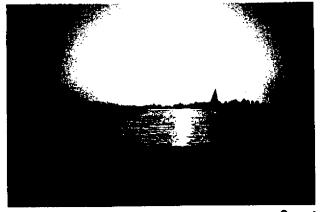
A High Honor by Richard Pfordte (IM)



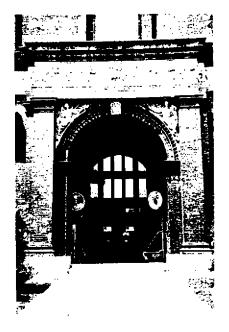
Arizona Dusk by Sy Lome (OGC)



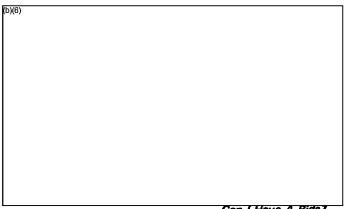
Party Dog by James Barratt (ENF)



Sunset by Robert Bahrampour (ENF)



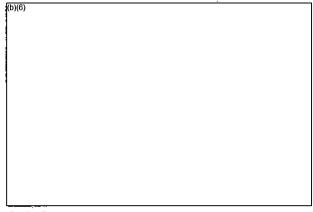
Waiting To Light The Action by Paula Frohman (OAPM)



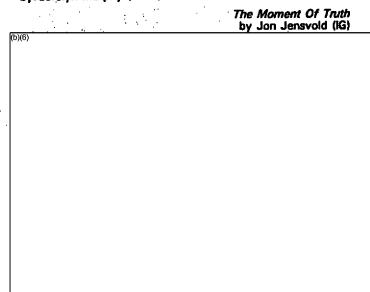
Can I Have A Ride? by Shonie Rosen (SERO)



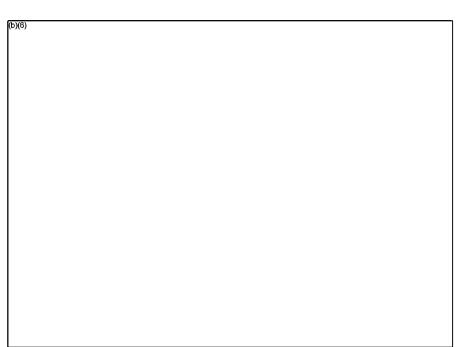
Lake Meade, AZ by Brion Thompson (IM)



Cat's Eyes by Carolyn Murphy (MRO)



Character by Wilberta Moulthrop (PRO)



Star Light, Star Bright First Starfish / See Tonight by Brenda Albaum (NERO)

My Sunshine by Mary Roos (ALJ)

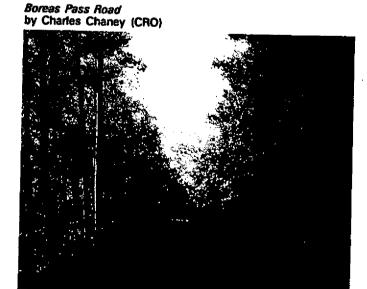
Drummer & Kit by David Powers (OCA)



Sweet Dreams by Al Oken (ENF)



Rocky Mountain High by Richard Eng (NERO)







JULY THROUGH OCTOBER 1995 SEC EMPLOYEE NEWS

#### Did You Know?

If you are considering voluntary retirement from federal service, you should contact the SEC retirement specialist, Ethel Edwards, to receive a retirement documentation package. This package contains forms required for processing by the Office of Personnel Management (OPM). Forward the completed forms to Ms. Edwards approximately 60 days prior to your scheduled date of retirement. This will give her sufficient time to review your Official Personnel Folder for accurate service dates and, if necessary, to obtain documentation of service dates or needed information from other agencies.

The Thrist Savings Plan (TSP) now allows savings to be redistributed within the three investment funds as often as once each month. This is accomplished by completing form TSP-30, Interfund Transfer Request. You must submit the form directly to the National Finance

Center, New Orleans, Louisiana; the complete address appears on the form. Form TSP-30 can be obtained from the Processing and Benefits Branch, Room 2029, or from any regional/district office Administrative Contact.

Certain events such as a change in marital status or an increase in family members enable an employee to elect an increase in his or her life insurance coverage. The changes must occur within a specific time frame and documentation verifying the event(s) must be provided. The Life Insurance Election Form (SF-2817) required for completion provides the specific time frames for each qualifying event.

Option C-Family coverage of the Federal Employees' Group Life Insurance (FEGLI) program is automatically terminated for children once they reach the age of 22. Coverage for other family members continues until each member is no longer eligible. Be sure you are not paying for coverage that does not exist!

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Farey	vell To SEC	Fmnl	OVERS	
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Employee	Office	Service	Retired	1 0 38
Gussie W. Marphis	- FWDG	26	June 2	
James E. Sims	FWDO		June 13	
Dennis J. Waldeck	MRO	16	June 23	
David B: Bliss	ENF	34	June 30	
Lievid B. Buss	Brur	34	June 30 .	
Géraid J. MacFarlane	CP	- 2A	Jul.7	
Robert D. Sheehan	OAPM	27	Jul 21	
Peter F. Flynn	BDO	25	Aug 3	ere e
Charles C. Harper	Serò	21	Aug 3	
Harry Melamed	MR	27	Aug 3	
Neil S. Lang	. ENP	22	Aug 4	
Kristy D. Shepend	FWDO	8	Aug 4	
,,,,				

#### IN MEMORIAM

Joseph S. Aleknavage, former Associate Chief Accountant with the Division of Corporation Finance, died Friday, July 28, after (10)(6)

He had retired from federal service in May: Prior to joining the SEC in 1970. Joe worked as a senior auditor for Haskins & Sells. He leaves his

## Daniel J. Schatz Retires From NERO

Daniel J. Schatz retired as a Financial Analyst from the Northeast Regional Office on September 1. He was with the Commission for 28 years.

Mr. Schatz was the only remaining staff member who had worked on the Special Study of the Securities Markets. The Study led to amendments to the 1933 and 1934 securities acts. He was hired in 1961 for that job. From that assignment, he joined the Division of Corporate Regulation (now Investment Management) and then the Division of Enforcement.

In 1967, he left the Commission to participate in the investigation of the American Stock Exchange, precipitated by findings of the Special Study and the investigation of Re & Re, father & son specialists on the AMBX. Later he joined the R.W. Pressprich & Co. as Director of Compliance.

In 1973, he returned to the Commission's Northeast Regional Office (then the New York Regional Office), where he was assigned to the U.S. Attorney's Office to work on the Vesco investigation. A major portion of his career Was devoted to similar assignments on a variety of cases including those involving Bernie Cornfeld and Bert Lance. For his work on the New York City municipal securities investigation, Mr. Schatz received a letter of commendation from Senator William Proxmire.

Dan said his work was made easier because of outstanding support from people like Donna Smith, Daisy Velez and Wanda Torres of the New York Regional Office; Irene Payne Williams, Rick Norell, Kathie Meushan and Bugene Johnson of SEC headquarters.

Mr. Schatz received a BA degree from the University of Syracuse in 1952, studied prelaw at New York University Law School and accounting at New York University Graduate School of Business. He served in the U.S. Navy with the Office of Naval Research during the Korean War.

His immediate plans include enrolling in the corporate governance program at the Wharton School of Business Directors Institute this fall.

# Golden, White, Hourihan Join Municipal Securities Office

Chairman Arthur Levitt announced on July 11 the appointment of three persons to the SEC Office of Municipal Securities; Susan M. Golden as Deputy Director, Mary Jo White as Attorney Fellow and Brian T. Hourihan as a staff attorney.

#### Susan M. Golden

Susan M. Golden was appointed as Deputy Director of the Office. Ms. Golden most recently worked in the Division of Enforcement, where her activities covered a variety of areas, including municipal securities. Prior to joining the Commission, Ms. Golden was associated with Fried, Frank, Harris, Shriver & Jacobson and with Shaw, Pittman, Potts & Trowbridge. Ms. Golden also was Law Clerk to the Honorable John R. Hargrove, U.S. District Court for the District of Maryland.

Ms. Golden is a member of the District of Columbia Bar Association, serving on the Steering Committee, and as chair of the Broker-Dealer Subcommittee of the Corporations, Finance and Securities Law Section, and on the Continuing Legal Education Committee. Ms. Golden teaches securities law courses for the D.C. Bar and has prepared a course for Catholic University. She is a frequent speaker, lecturer and panelist on securities law issues.

Ms. Golden received a BA from Russell Sage College in 1983. In 1988, she received a JD from Catholic University Law School, where she was a Note and Comment Editor for the Catholic University Law Review.

#### Mary Jo White

Mary Jo White, former partner at Hunton & Williams, a Richmond law firm, was appointed as an Attorney Fellow in the Municipal Securities Office.

Ms. White has been practicing in the area of municipal finance for over 10 years, specializing in representation of cities, counties, towns, state agencies and

special purpose government authorities. Ms. White headed the Virginia local government practice at Hunton & Williams from April 1993 until her SEC appointment.

Ms. White was vice-chair of the National Association of Bond Lawyers' (NABL) Education Committee. She is now a member of the Steering Committee for the Bond Attorneys' Workshop in charge of its panels on "Ethical and Legal Opinion Responsibilities of Counsel." She is an adjunct professor at the College of William and Mary, Marshall-Wythe School of Law, where she teaches Municipal Finance and Urban and Economic Development. Ms. White also has served as the chair and vice-chair of the NABL Fundamentals of Municipal Bonds Seminar. Ms. White belongs to the American, Virginia, Richmond and Richmond Women's Bar Associations and is a frequent speaker, lecturer and panelist on municipal finance issues.

In 1977, Ms. White earned a BA from the University of North Carolina. In 1984, she earned a JD from the College of William and Mary, Marshall-Wythe School of Law, where she was a member of the Order of the Coif and the Business Editor of the William and Mary Law Review.

#### Brian T. Hourihan

Brian T. Hourihan was appointed a staff attorney in the Municipal Securities Office. Mr. Hourihan had worked in the municipal finance arena since 1991, first as an associate at Mudge Rose Guthrie Alexander & Ferdon and, most recently, at Rogers & Wells. Mr. Hourihan has. for the past two years, worked exten-. sively with various types of municipal derivative products such as interest rate swaps, forward delivery agreements and other types of reinvestment agreements with municipal counterparties. Hourihan has acted as bond counsel, underwriter's counsel and special counsel in the issuance of general obligation bonds, revenue bonds and tax and revenue anticipation notes for numerous

issuers of municipal securities.

In 1987, Mr. Hourihan received an AB, magna cum laude, from Boston College. In 1991, he received a JD from Catholic University Law School, where he was a staff member for the Catholic University Law Review.

Chairman Levitt said, "I am pleased and proud that our Office of Municipal Securities is developing an experienced and capable staff. With these three appointments, the SEC is sure to have a continued, successful focus on bringing increased disclosure and integrity to our nation's debt markets."

Paul Maco, Director of the Office of Municipal Securities, said, "These three attorneys will further increase our expertise in municipal securities matters—Mary Jo White's knowledge of local government finance, Brian Hourihan's technical skills in the municipal securities area, and Sue Golden's overall background in securities law should greatly enable us to provide assistance both within the Commission on municipal securities matters and to municipal market participants."

## McGing Appointed

**CONTINUED FROM PAGE 7** 

20 years of experience at the Commission," Richard P. Wessel, District Administrator, said in announcing the appointment.

Before assuming his position in the division, Mr. McGing was the Branch Chief in charge of the broker-dealer program in the Commission's Philadelphia Office.

Prior to joining the Commission, Mr. McGing gained considerable experience in broker-dealer operations through positions he held at various firms.

Mr. McGing received a bachelor's degree in business administration from the Wharton School of Finance at the University of Pennsylvania.

# Archiving Electronic Mail

Could you imagine what would happen if you never threw out any of your mail, even your junk mail? In a short time, must people would have a pile of paper reaching the ceiling; letters, bills, catalogs, brochures, newsletters, and so on.

Electronic mail systems can have the same problem. Over time, the many messages you receive and file in folders or leave in your in-box will eventually cause the system to slow down and malfunction. It is therefore important for you to clean up your e-mail on a regular basis, just as you would with paper mail at home or at the office. However, with electronic mail, you need not throw your old mail away. You may instead choose to "archive" it.

#### What is "Archiving"?

Archiving is a method for storing mail messages or groups of mail messages in a fully retrievable electronic form. Messages that are archived are stored outside of the mail system's database, so they don't have a negative effect on the mail system's performance. Within the or Mail program, you can access and print archived messages, or delete active files that are stored in archive format as if they were still in your electronic inbox.

How Do I Archive Messages? (The answer is for DOS; instructions for archiving for windows are in progress.)

Archiving is easy; just follow these simple steps.

- Use the <F5> and <F6> keys (to mark a group of messages) or <F5> alone (to select one or more messages) to select the messages that you want to archive from your inbox or a folder.
- 2. Choose \*ArchiVe Messages\* from the Action menu. cc:MAIL will display the path name

#### FAUSERSAYOURNAMEA

Backspace over this and type in the desired directory (please do not exchive mail to the F: drivel). For example, type At to archive to a floppy disk, or C:\WP50\DOCS (or other directory) to archive to your WordPerfect documents directory. Then press <Enter>.

- 3. At the prompt, please enter an archive file name, using DOS limit of 8 characters for the file name and ".CCA" for the extension (for example, REGISSUE CCA). This extension will allow you to identify cc:Mail archive files easily. Press < Enter>.
- 4. After the messages have been successfully archived, you may select "Delete" from the Action Menu to delete the messages that were just archived. Note that archiving does not automatically delete messages!

#### How Do I Retrieve Archived Messages?

- Select "Retrieve Messages" from the Main Menu.
- Select 'Retrieve From ArchiVe File' from the next menu.
- If necessary, backspace over the default path that is displayed to change to the drive containing your archived file(s). If you have had to change this path, press < Enter>.
- From the list of file names, select the name of the archive file that you want by highlighting it and pressing <Enter>.
- 5. The messages in that archive file will be retrieved, and you may look at or act on any message as if it were an Inbox message. If there is more than one message in the archive file, you will be presented with a Retrieve Menu, just as if you were viewing your Inbox.

#### Important Notes

If you choose to archive your messages to a floppy disk, remember to secure the archive disks because anyone can read them.

As the Commission moves to the Windows version of ce:Mail, you will be happy to note even more flexibility in archiving your older messages. Generally, you should delete all unwanted messages after you read them; messages that you read and wish to keep should be placed in an archive file for future reference. Always try to minimize the number of messages in your inbox and folders.

Archiving ... try it!

## SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

Vol. 20, No. 1

Washington, D.C.

January 1996

## Levitt Continues National Tour Of SEC Investors' Town Meetings

The Commission Improves Its Investor Protection Efforts

Chairman Arthur Levitt conducted, three more investors' town meetings across the country this fall as part of his investor protection program announced in October, 1994. The investors' town meetings were held in the heartland city of Columbus, Ohio, and in the East Coast hubs of Boston and Washington, D.C. With these meetings, the Chairman has participated in a total of 12 investors' town meetings since they began only 14 months ago. The next town meeting will be held in New York City at a date to be announced.

The town meetings have attracted record audiences. Town meetings held in Columbus, Ohio, on October 30 and in Boston, Mass., on November 6, drew nearly 1,000 people each. The Washington, D.C., town meeting on November 15 attracted 1,200, the largest audience yet. Moreover, CNN and local television coverage of these meetings brought the Commission's investor education message to millions of Americans nationwide.

Explaining the importance of these town meetings, Chairman Levitt said: "To protect themselves, investors have a responsibility to both understand what

CONTINUED ON PAGE 4

U.S. Senate Confirms
Norman S. Johnson
and Isaac Himt, Jr.
as SEC Commissioners.

Story in next issue.

#### Savings Bond Campaign - 1995

The results are in! Our Savings Bond Campaign was truly a success for 1995. We had an overall participation rate (including regional offices) of 26:4% for the agency. The Office of Administrative and Personnel Management received first place for our headquarters office with 51.5% enrollment participation; and the Office of Filings and Information Services placed second with a participation rate of 56.8%. Atlanta's District Office received first place for the Regions with an enrollment of 51.7%. Kudos to all carivassers in the savings bond campaign for all of your hard work and efforts.

#### **ADO Special Emphasis Programs Promote Multiculturalism**

The Special Emphasis Programs at the Atlanta District Office (ADO) sponsored picnic promoting multicultural awareness for ADO employees and their families on October to kickoff fiscal year 1996. Representatives from the ADO's Asian/Pacific American Program Committee, the Black Employment Program, the Federal Women's Program and the Hispanic Employment Program coordinated their efforts to provide program displays, cultural games, and ethnic food for the ADO, at a local city park. The picnic activities culminated in a lively softball game with teams fielded by ADO employees and their families and cheered on by enthusiastic fans.

To promote the event, the Special

Emphasis Programs sponsored a T-shirt design contest, for which ADO employees and their families were encouraged to submit a design incorporating the multiculturalism theme. The winning design was submitted by

staff attorney Penny Morgan. Over 40 T-shirts were ordered by the ADO staff in anticipation of the picnic.

The ADO's Special Emphasis Promanagers will continue to promote multiculturalism and increase awareness of their programs by continuing their joint efforts to sponsor events throughout the year. A holiday toy drive was the next event sponsored by the Special Emphasis Programs at the ADO.

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#### DEADLINE NEXT ISSUE March 11, 1996

#### SEC EMPLOYEE NEWS

The SEC Employee News is published bi-monthly by the Office of Public Affairs, Policy Evaluation, and Research U.S. Securities and Exchange Com-masion, 450.5th St., N.W. Washington, D.C. 20548. Readers and encouraged to outlimit articles for publication and should send material to:

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Mery Teel, Editor Donald Kovener, Art Editor Office of Public Affeire: Policy Evaluation, and Research

COPY DEADLINE: The deadline for strides for publication in the SEO Employee News is the second week of the month prior to the month in which the News is published.

### SEC, Hong Kong Sign MOU

On Oct. 5, 1995, Chairman Arthur Levitt and Chairman Anthony. Nech of the Hong Kong Securities and Futures Commission signed (SFC) Memorandum of Understanding (MOU) Concerning Consultation and Cooperation in the Administration and Enforcement of U.S. and Hong Kong securities laws on behalf of their respective Commissions. At the signing ceremony, which was held at the SEC's Washington headquarters, Chairman Neoh and Chairman Mary Schapiro of the Commodity Putures Trading Commission (CFTC) signed a parallel MOU on behalf of their respective commissions.

The SEC-SFC MOU advances the Commission's policy of developing bilateral agreements for the sharing of information as a means for promoting investor protection and market stability and integrity. The completion of a comprehensive MOU with the SFC follows recent changes in Hong Kong law which permit the SFC to conduct investigations on behalf of foreign regulatory authorities. The SFC's new authority is comparable in scope to the SEC's authority to assist a foreign authority. The MOUs with the SEC and the CFTC were the first to be signed by the SFC under its new investigative authority.

The MOU with the SFC is particularly significant because of Hong Kong's prominence as an international financial center. It is as comprehensive as any the SEC has signed, providing for the broadest range of mutual assistance and cooperation in the administration and enforcement of U.S. and Hong Kong securities laws. The MOU expresses each party's intent to gather information when requested on all matters relating to possible violations of the other authority's securities laws or regulations. Assistance available under the MOU includes providing access to agency files, and taking testimony and obtaining information and documents from persons, including the use of full compulsory (subpoena) powers: Moreover, assistance will be provided without regard to whether the subject matter of the request constitutes a violation of the requested authority's laws or regulations.

#### **Declaration**

Also on October 5, the SEC and the SFC signed a Declaration on Cooperation and Supervision of Cross-Border Investment Management Activity (Declaration). The Declaration establishes a framework for cooperation and assistance between the SEC and SFC in supervising cross-border investment management activity on a routine and systematic basis. In particular, the

IN THE NEXT
SEC EMPLOYEE NEWS

SEC Welcomes
Two New Commissioners:
Norman S. Johnson and
Isaac Hunt, Jr.

1995: Annual Awards: Ceremony

Black History Month

Linda Quinn Joins Private Sector: Ms. Quinn headed Bivision of Corporation Finance for past 10 years.

Bob Davenport Retires From MRO. Mr. Davenport headed the Midwest Regional Office and its predecessor, the Denver Regional Office, since 1974.

Declaration addresses the provision of assistance in the oversight of investment management persons located in the jurisdiction of one authority but subject to the regulatory oversight of the other.

Assistance under the Declaration, which may include exchanging information concerning investment management persons, including reports of inspections, and conducting on-site inspections of investment management persons, will increase the effectiveness of the SEC's inspection program and thus extend available resources. As such, the Declaration will be a cost-effective vehicle for overseeing the markets in an era of increasing internationalization.

At the time of the signing, there were 24 firms registered with the SEC as investment advisers located in Hong Kong with approximately \$9.6 billion in assets under management.

## Levitt Continues Town Meetings Tour

CONTINUED FROM PAGE 1

they are investing in and to appreciate the way our markets work. Since Americans now are investing more in securities than they are in commercial banks, it is more important than ever for them to make sound investment decisions. If there is one thing I want to convey to investors across the country, it is that they should ask questions." In describing an added benefit of the meetings, the Chairman said, "If investors demand quality from brokerage firms and investment professionals, change will come sooner rather than later. While most stockbrokers are providing good service, some are not, and it is our duty to help the public protect themselves."

During the first hour of each meeting, investors visited numerous investor education booths hosted by government, securities industry, individual investor and other consumer organizations, who displayed information about investing wisely, financial and retirement planning and their respective organizations. A two-hour program followed with remarks by Chairman Levitt, members of Congress, and state securities officials, including one hour for questions from the audience.

Members of Congress who reported on legislative developments affecting individual investors were Ohio Congressman Michael Oxley and Massachusetts Congressman Edward Markey. Ohio Securities Director Mark Holderman and William Galvin, head of the Massachusetts described Securities Division. state investor protection initiatives. Washington, D.C., Veda Shamsid-Deen, Acting Securities Director for the District. Maryland Securities Commissioner Robert M. McDonald and Virginia Securities Director Ronald W. Thomas participated. Commissioner Steven Wallman spoke at the Washington, D.C. town meeting and assisted the Chairman in responding to questions from the audience.

The focal point of each town meeting was the keynote address, "Investor Protection: Tips from an SEC Insider," delivered by Chairman Levitt. Following the Chairman's remarks, he and other panel members, including Matthew Fink, President of the Investment Company Institute, were flooded with diverse

questions from the audience which ran beyond the two-hour program. Questions frequently asked concerned the differences between a full-service broker or a discount broker; what questions investors should ask of their brokers; investing internationally as opposed to investing domestically; the SEC's recent regulatory initiatives and the Commission's role in protecting investors; how program trading works; and how investors can make a complaint against a broker or find out about prior complaints against individual brokers.

At each town meeting, Chairman Levitt presented special awards to teachers and students who participated in the Stock Market Game in each locality. In making these awards, the Chairman was assisted by Mark E. Lackritz, President of the Securities Industry Association, the group that founded the Game. The Chairman remarked, "The Stock Market Game is an excellent way to teach youngsters about the basics of our securities markets and the economic value of investing and understanding investments."

Each town meeting was supported by a Steering Committee of government officials, the financial industry, individual investors and consumer groups, such as: the Securities Industry Association, the Investment Company Institute, the National Association of State Securities Administrators, the National Association of Investors Corporation, the American Association of Individual Investors, the American Association of Retired Persons. local chambers of commerce, and financial planning and bar associations. SEC Regional Directors Mary Keefe of Chicago and Juan Marcelino of Boston along with their staffs were instrumental in assisting with the meetings.

Questionnaires completed by the town meeting audiences show that the events were extremely successful in responding to individual investment concerns. Investors wrote comments, such as: "Excellent, especially as to the materials handed out by all the different groups;" "I would like to thank Chairman Levitt for spearheading these meetings and also for the thrust of his message in the past two years that the SEC does have a duty and

mission to assist the individual investor;"
"It was a good overview of investor selfprotection;" "I have a better idea of what
questions to ask;" and "It was a good way
for Chairman Levitt and the panel to hear
about the concerns of the average
investor."

In assessing the 12 town meetings held so far, Chairman Levitt commented, "What I learned is that there is a burning desire by the public to know more about securities and about the securities markets. I look forward to holding more town meetings with investors next year so we can assist them in protecting themselves and answering their investment concerns."

The Columbus Town Meeting also included a seminar conducted by Katherine Philipp, the Investor Education Specialist in the Office of Investor Education and Assistance, on "How to Invest Wisely." The seminar described how to recognize and prevent investment fraud and was conducted after the Chairman's town meeting to an overflow audience. Similar sessions are planned for the Washington, D.C. area in early 1996.

According to Nancy Smith, Director of the Commission's Office of Investor Education and Assistance (OIEA), the staff is already preparing for the next series of town meetings in 1996. Potential sites for future town meetings include New York City, Fort Lauderdale, Denver, Omaha, San Francisco and Washington State. If you have any ideas for future town meetings, contact any member of the OIEA's town meeting team. The team consists of OIEA Deputy Director Christine Niedermeier, and investor assistance specialists April Keyes, Marsha Reynolds, Laura Linde, Tonia Harley, Darrian Hopkins, Cecelia Howell, Ruby Nelson, Katherine Robinson, Brenda Stanfield and Carmine Zeccardi.

In addition, Chairman Levitt held a successful fall meeting with his Consumer Affairs Advisory Committee on November 15th. Topics on the Committee's agenda included SEC efforts underway to convert disclosure documents to plain English, a discussion of securities litigation reform legislation and the Fields Bill, and an update on financial markets and enforcement issues.

#### Walker Appointed SEC General Counsel

Richard Walker has been appointed as General Counsel effective January 10. Mr. Walker, who was Regional Director of the Northeast Regional Office, succeeds Simon Lorne, who has returned to the private sector.

As Regional Director, Mr. Walker managed the New York City, Boston and Philadelphia offices of the Commission. While Regional Director, Mr. Walker led the prosecution of one of the largest Ponzi schemes in history, Towers Financial; brought one of the first municipal securities market cases in SEC v.

Rudi; exposed the fraudulent "doubleyour-money" scheme of the Foundation for New Era Philanthropy; and initiated several major insider trading cases.

In announcing the appointment, Chairman Levitt said, "Dick Walker has proved himself an outstanding lawyer, an effective manager and a dedicated public servant. For the past two years, he has led the SEC's program in this most active and perhaps most important region. I am confident that we will all continue to benefit from his wisdom, judgment and experience as he represents the Commission as its General Counsel."

In accepting the post, Mr. Walker said, "I am extremely proud of the accomplishments of the Northeast Regional Office in protecting the markets and public. I am privileged to have contributed to these efforts as Regional Director over the past four years. I look forward to continuing to serve the Commission and Chairman Levitt in my new capacity as General Counsel."

Prior to joining the Commission in 1991, Mr. Walker was an associate and then a partner in the New York law firm of Cadwalader, Wickersham & Taft. From 1975 to 1976, he served as a law clerk to the Honorable Collins J. Seitz, Chief Judge of the U.S. Court of Appeals for the Third Circuit.

Mr. Walker, 44, earned a BA from Trinity College in 1972 and a JD degree from Temple Law School in 1975. ■

#### Swad Named Deputy Chief Accountant

Stephen M. Swad was appointed as the Deputy Chief Accountant in the Office of the Chief Accountant (OCA) on November 12. In this capacity, Mr. Swad will manage the day-to-day operations of the office, including overseeing the accounting and auditing aspects of the resolution of registrant issues, enforcement actions, rulemaking projects and private sector standard setting efforts.

Prior to his appointment, Mr. Swad was an expert consultant to the OCA on the Commission's derivatives disclosure project. Prior to that, he was a partner in the accounting firm of KPMG Peat Marwick LLP and an OCA Professional Accounting Fellow. In those positions, Mr. Swad specialized in accounting and auditing issues related to derivatives, financial instruments, hedging transactions and lease transactions. He also is experienced in rulemaking proceedings and assisting in the Commission's enforcement program.

He graduated from the School of Business Administration at the University of Michigan. He is a member of the American Institute of Certified Public Accountants and the Michigan Association of Certified Public Accountants.

#### **Lorne Returns To Private Practice**

Simon M. Lorne resigned as General Counsel to return to the private sector in

January. Mr. Lorne, (b)(6)
who was appointed by
Chairman Levitt, served
as General Counsel since
October 1993.

In accepting his resignation, Chairman Levitt said, "Over the past two years, Sy has represented the Commission admirably, perhaps most notably in successfully defending the challenge to the Municipal Securities Rulemaking

Board's Rule G-37. His efforts on a diverse range of issues — from the

Derivatives Policy Group to the litigation reform debate — have aided the Commis-

sion's work considerably. We all benefited from his extensive knowledge and sound counsel, and he will be deeply missed."

In his letter of resignation, Mr. Lorne said, "The time commitment I made has passed, and the time is approaching for me to return to the private sector....The history of the Securities and Exchange Commission is a noble one. I consider it a rare privilege to be able to count

myself among those who have participated in the enterprise."

Prior to joining the SEC, Mr. Lorne was a partner in the Los Angeles law firm of Munger, Tolles & Olson, practicing primarily in the areas of securities and corporate law. He is the author of Acquisitions and Mergers: Negotiated and Contested Transactions as well as numerous articles and two monographs.

He is an active member of the American Bar Association's Section of Business Law. In addition, Mr. Lorne taught securities law at the University of Pennsylvania and the University of Southern California Law Schools,

Mr. Lorne is a Phi Beta Kappa graduate of Occidental College. He was awarded his JD degree, magna cum laude, by the University of Michigan Law School in 1970.

#### Enforcement's Hamill, Norell; Corp Fin's Roycroft Retire

#### Thomas Hamili, ENF

Thomas D. Hamill resigned as Senior Special Counsel in the Division of Enforcement on September 29. [6)(6)

For many years, Mr. Hamill was Chief Counsel of the division with responsibility for enforcement legislation, rulemaking and advising the staff on laws and their impact on daily activities. He was appointed to the position by the Honorable Stanley Sporkin, former Director of the Division, now a federal district court judge. He continued with the same responsibilities when he was later appointed Senior Special Counsel.

In 1994, Mr. Hamill received the Distinguished Service Award, principally for his work coordinating the SEC's cases involving "prime bank" fraud and wireless cable fraud. He was involved in many significant cases, including one of the earliest SEC cases that involved the freezing of assets in Swiss bank accounts and led to increased cooperation rather than confrontation with Swiss banking authorities. Another was one of the first cases that dealt with the company's use of computers to falsify its accounting records and thereby defraud the investing public. He also collaborated with Bill McLucas, Division Director, and others on an article dealing with the procedural aspects of the Commission's investigative process that was published as a special presentation by the American Bar Association Business Law Journal in

Before joining the Commission, Mr. Hamill practiced law in New York City for two years.

Mr. Hamill graduated from the University of Virginia Law School in 1971. He received a BS in political science from the University of Maryland in 1968.

Explaining why he devoted his career to the SEC, Mr. Hamill said: "When you're working as an Enforcement attorney, you're usually facing someone who is a partner in a law firm. You deal with the top of the profession rather than junior attorneys. You have a lot of responsibility if you can handle it. It is inherently more interesting than trying to figure out a tax loophole for a client."

On the subject of future plans, he said: "I don't miss working at the moment. I have no fixed plans to do anything yet, but I'm not ruling out consulting work some time in the future."

#### Richard Norell, ENF

Richard Norell retired as head of the Office of Market Surveillance, Division of Enforcement, on September 30. He headed that office for 20 of his 26 years at the Commission.

As Market Surveillance Branch Chief, Mr. Norell served as liaison with the self-regulatory organization and regional offices on enforcement matters. Stock exchanges referred companies that required surveillance to him. During his tenure, Mr. Norell examined the financial records of numerous companies and persons subject to SEC enforcement actions, that include Robert Vesco, alleged looter of millions of dollars from IOS funds; J. Foster Winans, author of the "Heard on the Street," Wall Street Journal column, charged with insider trading; and Gary Llewellyn, son of a bank president, who used funds from his father's trust department to manipulate stock prices.

After being away for a couple months, Rick had this to say about the Commission: "I think the work of the Enforcement Division and the Commission in general is wholly unappreciated by the investing public. People who don't read the Wall Street Journal or Commission press releases don't know the extent of the Commission's work to get a temporary restraining order and an asset freeze that people see on the evening TV news or read in the papers.

"I think our securities markets function largely because of the Commission and its regulatory programs, and a lot of it is unappreciated by the public. Little do people realize that six people may have worked all night long to bring a case.'

Mr. Norell joined the Commission
shortly after receiving his MBA degree
from American University in 1969. He
received a BA in Economics from the
University of Rochester.
(b)(6)

#### John Roycroft, Corp Fin

John C. Roycroft retired on September 29 as Assistant Director in the Division of Corporation Finance. His immediate future plans are "to catch up on 10 acres."

As Assistant Director, Mr. Roycroft was responsible for the review of filings for offerings of structured financial projects, asset-backed securities, as well as several other industries. The major growth of mortgage-backed and asset-backed securities such as auto and credit card receivables during his tenure presented continuous challenges. For his outstanding work, Mr. Roycroft received the Byron Woodside Award for 1990.

"I enjoyed working at the Commission," Mr. Roycroft said. "It was always challenging. There was always something new. I always particularly enjoyed the new attorneys and accountants who were hired. They were always bright people and I like working with bright, hard-working people."

Mr. Roycroft received an (b)(6)
the University of Pittsburgh in 1969 and
a BA in Psychology from Westminster
College (Pennsylvania) in 1964.

Conce (I camayivama) in 1904.				
(b)(6)				
1				

#### Lindsey Is New Director, Market Reg

Richard R. Lindsey, formerly SEC Chief Economist, was appointed Director of the Division of Market Regulation on

November 28. He re-(b)(6) places Brandon Becker, who has announced that he plans to leave the Commission.

Mr. Lindsey joined the Commission in July to manage the Commission's economic analysis program as Chief Economist.

In appointing Mr. Lindsey, Chairman Levitt said, "For the past five months, Mr.

Lindsey has brought an invaluable perspective to the work of the Commission. He is an accomplished economist, manager and market expert. experience in the private sector, combined with his expertise as an economist, will equip him well to assess accurately the cost-benefit of SEC regulatory programs.] I greatly look for-

> ward to working with him as **Director of Market Regulation** in the months ahead."

> In accepting the appointment, Mr. Lindsey said, "I've spent the last 11 years working in the markets - studying them as an academic and dealing with issues as a hands-on economist ranging from active trading to the pricing of exotic derivatives. I'm excited by the opportunity to serve as Director of Market Regulation of the SEC, and I look

forward to working with the markets and the staff of the Division."

The Division of Market Regulation is responsible primarily for administering the Commission's programs for the oversight of securities markets and securities professionals. These duties include, among others, oversight of broker-dealers, transfer agents, the stock and options exchanges, the National Association of Securities Dealers, Inc., the Municipal Securities Rulemaking Board and clearing agencies, as well as trading practices in connection with the issuance of securities. The Division is also responsible for implementation of the Commission's national market system program and coordination with the Commodity Futures Trading Commission regarding relationships between futures and securities.

Before joining the Commission, Mr. Lindsey, 41, was an Assistant Professor of Finance at the Yale School of Management. He took a leave of absence from Yale from July 1994 to July 1995 to conduct financial market research as a Visiting Economist at the New York Stock Exchange. Previously, he served as a consultant for Nikko Securities Company and as a Visiting Research Scholar at the Nikko Research Center in Tokyo, Japan. From 1980 to 1984, Mr. Lindsey served as a Plant Manager and Division Manger with CertainTeed Corporation.

Mr. Lindsey received his PhD from the University of California, Berkeley, in Chemical Engineering from the Illinois Institute of Technology.

1992. He earned an MBA in Finance in 1984 from the University of Dallas. In 1978, he earned an MS in Chemical Engineering from the University of California, Berkeley, and in 1976, a BS in

tions of increasing responsibility within the Division. During his tenure with the Commission, he received numerous awards, including the Presidential Distinguished Executive Award and the Capital Markets Award in 1992 and the SEC Distinguished Service Award in 1990.

Mr. Becker received an LLM from Columbia University Law School in 1979, a JD magna cum laude from the University of San Diego School of Law in 1977 and a BA summa cum laude in American Studies from the University of Minnesota in 1974.

#### Becker To Join Wilmer, Cutier & Pickering

Brandon Becker, Special Adviser to the Chairman for International Derivatives and formerly Director of the Divi-

sion of Market (b)(6) Regulation, plans to resign in March to join Wilmer, Cutler & Pickering as a partner. In that capacity, he will work with financial institutions and public companies in a broadlybased financial services practice that includes issues involving derivatives.

In his letter of resignation, Mr. Becker said, "It has been my privi-

lege and pleasure to serve on the Commission's staff," but "for personal and family reasons, I have determined that it is time to enter the private sector."

In accepting Mr. Becker's re-

signation, Chairman Arthur Levitt said, "Brandon has, during his 17 years of service at the SEC, dedicated his consi-

derable intelligence to serving the investing public and seeing that our markets are fair, efficient and competitive. Since I've worked with him. he has provided solutions to many of the most challenging and difficult issues to come before the Commission. His creativity participating in the President's Working Group on Financial Markets and the Derivative Policy Group, directing the Market 2000 Report and implementing the transition to three-day

settlement provided critical leadership to ensure orderly markets. I wish Brandon every success in the private sector."

Mr. Becker joined the Commission in 1978. Since then he has held posi-

#### Lawrence Named **Director, NERO**

Carmen J. Lawrence was appointed Director of the Northeast Regional Office effective January 7. Lawrence, who has served as Senior Associate Regional Director, succeeds Richard Walker, who became SEC General Counsel. (See story on page 5.)

> As Senior Associate Ra-Direcgional tor, Ms. Lawrence was responsible leading the enforcement program in the northeast gion. She served on Commission's

staff in positions of increasing responsibility for a total of 13 years. During that time she headed some of the agency's most significant enforcement efforts. These include SEC v. Edward R. Downe, Jr., et al, the Commission's case against Steven Hoffenberg and Towers Financial Corp. and the insider trading case brought against the son of former MCA president, Sidney Sheinberg.

Chairman Arthur Levitt said, "Carmen Lawrence has demonstrated the professionalism, leadership and dedication required to assume the position of director of the Commission's flagship regional office. The respect she commands both-within the SEC and the securities industry and bar will ensure that the office will continue the quality of work for which it has become known."

Of her appointment, Ms. Lawrence said, "I am gratified to receive Chairman Levitt's endorsement and recognition of my contributions and dedication to the agency and the Northeast Regional Office. I look forward to carrying on the fine traditions of excellence of this office.

Ms. Lawrence, 38, began her career at the Commission after graduating from the University of Michigan Law School in 1981. She received her undergraduate

CONTINUED ON NEXT PAGE

#### SEC Kids Create a Holiday Mural For Kids At Children's Hospital

About 120 children of SBC employees, who attended the SEC Kids Holeday Party last December 14; worked to create a 14 x 10 foot much of boliday withou and drawings for the kids who were confined to Children's Hospital over the bolidays.

The mural was in five pieces, each about 14 x 2 Fifteen SEC volum teens worked with groups of kide in the Enforcement conference room as a finale to the SEC Kids Holiday The children were free to draw a picture or write a message as their contribution to the mural.

Allyson Childs, Chief Counsel's and Lori Sough, Administrative and delivered the mural to Children's Hospital, where it was displayed in the meeting room for children and their

Allyson Childs suggested the mural " the federal building there."

and with the support of the Chairman's Office, Division of Market Regulation, Office oversaw its production "I. thought it would be nice thing to do." Personnel Management; on December 18, she said. "If would cheer people less well off than themselves and be fun for the children. I got the idea from the Oklahoma City group who visited children who were victims of the bombing of

#### Williams Appointed Legislative Director

Kaye F. Williams was appointed as the Director of the Office of Legislative Affairs on January 22. She succeeds Kathryn Fulton. (See story on next page.)

Ms. Williams served as Assistant Vice President and Assistant General Counsel of the Securities Industry Association, where she was responsible for monitoring current legislative and regulatory policy of interest to the securities industry.

Chairman Arthur Levitt said. "I am pleased that Kaye will rejoin the SEC as Legislative Affairs Director, dedicating her legal talents and her command of securities regulatory issues to serving as the Commission's principal liaison to Capitol Hill. I am confident that she will carry out the responsibilities of this important position

with intelligence and effectiveness, and I look forward to working with her."

Prior to joining the SIA in 1993, Ms. Williams served as Legal Counsel to former SEC Commissioner Richard Roberts for three years. For two years previously, she worked as a staff attorney in the Division of Enforcement, where she investigated several significant insider trading cases. From 1986 to 1988, Ms. Williams worked at the National Association of Securities Dealers in the Legal Compliance Division, where she was a Market Surveillance Analyst responsible for monitoring trading activity.

Ms. Williams earned a JD from Georgetown University Law Center in 1986 and a BA from Goucher College in 1983.■

#### Kathryn Fulton Joins GE Capital

Kathryn Fulton was appointed manager of government relations for GE Capital on October 5.

Ms. Fulton served as director of the SEC Office of Legislative Affairs since May 1991. Her legislative projects included financial services restructuring, as well as investment management legislation and other securities legislation. In 1992, she was the recipient of the SEC Chairman's Award for Excellence.

Chairman Arthur Levitt said, "Kate has provided outstanding service to the Commission during her tenure as Director of Legislative Affairs. Her substantive knowledge of securities matters and legislative issues has been an invaluable resource for the Commission. She will be missed and we wish her well."

Before joining the Commission, Ms. Fulton was a Vice President at Morgan Stanley's Co., Inc. in New York, a firm she joined in 1983 as a financial analyst in the Private Placement Group. In 1985 she became part of the firm's Government Affairs Office, where she worked on several major projects, including the privatization of Conrail, market reform legislation, tender offer reform legislation, tax policy, the Glass-Steagall Act and foreign investment legislation. She was named a vice president of the firm in 1990.

Ms. Fulton received a BA in political science in 1983, magna cum laude, from Amherst College.

## Lawrence Named NERO Director

CONTINUED FROM PREVIOUS PAGE

degree from Cornell University in 1978. In 1990 she received the Commission's prestigious Irving M. Pollack Award, which honors career enforcement officials who have demonstrated dedi-

#### McEwen Is New SEC Judge

Lillian Alvarez McEwen was appointed Administrative Law Judge on September 3. She is the first Afro-American to be named to the position.

Ms. McEwen joins the Commission from the Social Security Administration.

She served as an Administrative Law Judge in Fresno, California, from July 1994 until March 1995. In March, she was promoted to the position of Hearing Office Chief Administrative Law Judge in New Haven, Connecticut. There Judge McBwen was responsible for an office that included five other judges and a staff of 24. Judge McEwen served in that position until her SEC appointment.

"I am proud to be here," Ms. McEwen said. "I think my background allows me to bring a new perspective to my responsibilities here. Judge McEwen brings to the Commission more than 20 years of experience in criminal law, complex litigation, evidence and legal writing. She tried cases involving major felonies in private practice, has written over 30 appellate briefs and presented dozens of cases to grand juries as a prosecutor in the U.S. Attorney's Office. Her tenure with the U.S. Senate Judiciary Committee included extensive work with Senator Joseph R. Biden, Jr. (Dem., Delaware) on criminal forfeiture and racketeering legislation.

Asked how her responsibilities as an Administrative Law Judge differed at the two agencies, Ms. McBwen explained: "My first hearing held in September at the Commission lasted four days. The respondent was represented by two law-yers. The Commission also was represented."

cation to the SEC, fairness in performance of duties, scholarship and professional expertise. In 1993 she was one of the first recipients of the Stanley Sporkin Award for her "exceptionally tenacious and insightful" contributions to the enforcement program. sented by two lawyers. The hearings, which mostly involve broker-dealers, are held in public and the decisions are publicized. During my last month at the Social Security Administration, I drafted more than 50 decisions. That would be

impossible here. Of course, SEC decisions have much broader implications than those involving the person appearing before you because industry is guided by what you say in this office."

ing an Administrative Law Judge, Ms. McEwen was an Assistant Professor of Law at the District of Columbia School of Law from 1989 to 1992. She engaged in private law practice from 1983 to 1989 and from 1993 to 1994. She was counsel to the U.S. Senate Judiciary Committee from 1979 to 1982 and an Assistant U.S. Attorney with the U.S. Attorney's Office for the District of Columbia from 1975 to 1979.

In 1974 Ms. McEwen received a JD from Howard University School of Law where she was on the staff of the Howard University Law Journal and was president of her second-year class. She earned a BS degree at D.C. Teachers' College in 1969. She is a member of the District of Columbia Bar, the National Bar Association and the American Rar Association.





# U.S. Attorney's Office (Missouri) Honors Al Oken

The U.S. Attorney's Office for the Eastern Division of Missouri presented a Meritorious Achievement Award to Albert Oken, CPA in the Division of Enforcement's accounting group. The award was presented at the Office's annual awards ceremony in St. Louis on September 14.

Mr. Oken was honored in recognition of his outstanding work and the assistance he provided the U.S. Attorney's Office in its investigation of Malcolm and Stephanie Cheek.

By letter Louis J. Freeh, Director of the FBI, thanked Mr. Oken for his "outstanding assistance during the investigation involving Bruce Malcolm Cheek, former President and Chief Executive Office of Y & A Group, Inc. (Y&A), who disappeared in 1991 after fraudulently obtaining millions of dollars' worth of loans."

Mr. Oken was the first person to question Y&A's financial practices in 1990 after he learned that the firm had fired its auditors. His concern led to an SEC investigation into violations of the securities laws and the FBI investigation into criminal violations.

In addition to the U.S. Attorney's criminal charges against the Cheeks, the SEC brought civil charges, alleging that, among other things, Y&A's strong reported earnings were due, in large part, to fraudulently recognized revenues from Y&A Concepts, Inc., a Y&A subsidiary for which Cheek supposedly performed financial consulting services. The Commission further charged that Cheek's financial consulting services were fictitious, that he performed no services for his supposed customers, that he created phony invoices to support the recognition of false income and that Y&A received no payment from the billings. Cheek made other material misstatements and engaged in improper accounting practices to

create the illusion that Y&A was earning profits when it was actually sustaining losses. In March 1995, a federal district court sentenced Cheek to nine years in prison.

Mr. Oken joined the Commission in 1976. He has 25 years' experience

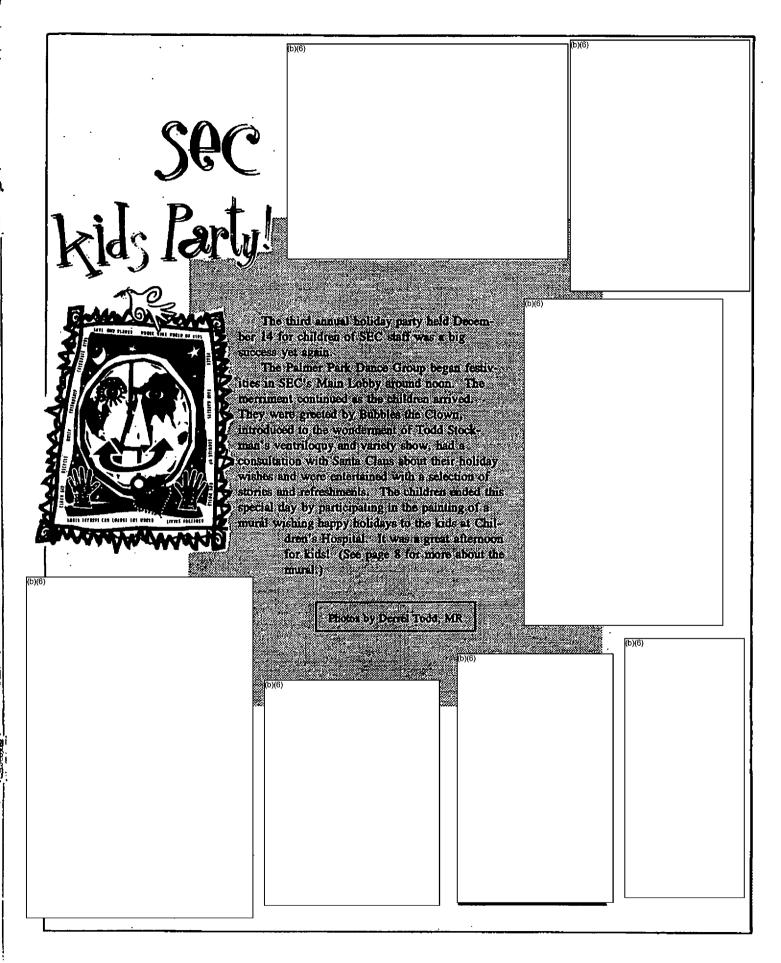
in accounting, auditing, investigation and litigation support involving financial securities fraud cases, including over five years as a partner with a national accounting firm. He earned a BBA degree from Hofstra University.

# Savings Growth in U.S. Savings Bonds



Based	on M	<del>onthly</del>	Aliot	ments
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Years of	ears of \$50 monthly \$100 monthly			ly		
Saving	4.00%	5.00%	6.00%	4.00%	5.00%	6.00%
1	\$ 608	\$ 610	\$ 612	\$ 1,216	\$ 1,220	\$ 1,224
2	1,241	1,251	1,262	2,482	2,502	2,524
3	1,899	1,924	1,951	3,799	3,849	3,903
4	2,585	2,632	2,683	5,170	5,264	5,366
5	3,298	3,375	3,459	6,596	6,750	6,918
6	4,040	4,156	4,283	8,079	8,312	8,565
7	4,812	4,976	5,156	9,623	9,953	10,312
8	5,615	5,838	6,083	11,230	11,676	12,166
9	6,450	6,743	7,067	12,901	13,487	14,134
10	7,320	7,695	8,110	14,639	15,389	16,220
11	8,224	8,6 <b>94</b>	9,217	16,448	17,388	18,435
12	9,165	9,744	10,392	18,329	19,488	20,784
13	10,143	10,847	11,638	20,286	21,694	23,276
14	11,161	12,006	12,960	22,323	24,012	25,920
15	12,221	13,223	14,362	24,442	26,447	28,725
16	13,323	14,503	15,850	26,646	29,005	31,701
17	14,469	15,847	17,429	28,939	31,693	34,858
18	15, 662	17,259	19,104	31,324	34,518	38,208
19	16,903	18,7 <b>43</b>	20,882	33,806	37,485	41,763
20	18,194	20,301	22,767	36,388	40,603	45,535
21	19,537	21,939	24,768	39,074	43,878	49,536
22	20, <b>934</b>	23,660	26,891	41,867	47,320	53,781
23	22,387	25,468	29,142	44,774	50,935	58,285
24	23,899	27,367	31,531	47,799	<b>54</b> ,734	63,063
25	25,473	29,362	34,066	50,945	58,725	68,131
26	27,109	31,459	36,754	54,218	62,918	73,508
27	28,812	33,661	39,607	57,624	67,323	79,214
28	30,584	35,976	42,633	61,167	71,952	.85,266
29	32,427	38,408	45,844	64,854	76,816	91,688
30.	34,344	40,963	49,250	68,689	81,926	98,501



## DIAC Presents Week-Long Educational Program

The theme of SEC's Disability Awareness Program in October was "Understanding Through Interaction." The week-long educational program was produced by the SEC Disability Issues Advisory Committee. Rochelle B. Franks chaired DIAC's October Program Planning Committee. The distinguished lecturers were Dr. Fredric K. Schroeder, Commissioner of the Rehabilitation Services Administration, and Dr. Susan M. Mather of Gallaudet University, a socio-linguistics expert and co-author of Deaf People Who Changed the World, published by Dawn Sign Press. A new feature of the program this year was a demonstration of captioned note-taking during the lectures.

In his opening address, Dr. Schroeder drew on his background as an educator and administrator to speak about the importance of interaction between persons with disabilities of various kinds and persons who are not disabled to accomplish agency objectives. He explained that, for all the advantages of new technology and the requirements of law, the human factor remains the key to successful employment of persons with disabilities. In his experience, the biggest barrier to full employment is the tendency of persons without disabilities to underestimate what an individual with a severe disability such as blindness can do if given a chance to demonstrate his or her ability.

The concluding day featured the Disability Information Fair and Dr. Mather's lecture in American Sign Language. Dr. Mather gave an overview of Deaf History in America, which educated Commission employees about the historical roots of American Sign Language and how it differs from English. Other participants at the Information Fair included members of DIAC, local organizations representing persons with various physical and mental disabilities and companies demonstrating goods and services that improve workplace access for persons with disabilities.

DIAC's sponsors for the program were the Office of Equal Employment Opportunity and the Office of Administrative and Personnel Management.

#### ABOUT DIAC

The mission of the Disability Issues Advisory Committee (DIAC) is to promote equal job and advancement opportunities for all persons with disabilities by advising the Commission on assues affecting or of concern to DIAC members. Through education, training and dialogue, the DIAC endeavors to improve communication and understanding within the work environment, thereby benefiting the Commission and all SEC employees.

The 1996 DIAC officers are: Chairman Katie C. Nix, CE; Vice Chair Mary E. Pollard, OAPM, and Secretary Judith Diane Gechter. IM. Membership in DIAC is open to SEC employees with or without disabilities. DIAC meets monthly at headquarters. For information, call Nancy Wolynerz, Selective Placement Coordinator and OAPM Isaison, on 942-4091—TTY: 942-4075 or Karen MacRae Smith, Special Counsel and EFO Liaison on 942-0055—Voice/TTY.

Top Photos: (left) Mary E. Pollard, 1996 Vice Chair of DIAC, Introduces Dr. Sue Mather. (right) Dr. Sue Mather, Gallaudet University, illustrates the differences between spoken and visual linguistic strategies and compares the structure of American Sign Language to that of English.

Middle Photo: Fernando Alegria, Director, OAPM, addresses conference. Bottom Photo: Victor H. Tynes, EEO Director, welcomes employees to the Disability Information Fair, while Gary C. Johnson interprets in sign language.

## SEC Headquarters Staff Donate Clothing To Two Shelters

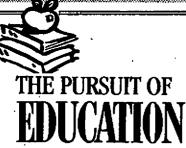
The Commission staff gathered clothing during the holiday season to contribute to shelters for the homoless.

In a letter to SEC staff, Cheirman Arthur Levitt complimented the staff on their generosity. Because of your afforts: the Commission was alie to donate 61 industrial-size bags of clothing to two local shelters. The clothing which was distributed to the Coalition for the Homeless and the Community for Creative Non-Violence, will provide those in need with coats; blankets, shoes sweaters, shirts, pants and other necessings.

'On behalf of all the individuals that benefited from your generosity, Thank You! "

Kathleen O'Mara initiated and coordinated the clothing drive. Harry Fleming, James Davis and members of their staffs assisted with the drive, Elizabeth Dreyer, Don Coleman, Elizabeth MacGregor and Goldie Walker helped distribute the clothing to local shelters.

The Commission salutes a job well done!



in these times takes planning and money. Build an education fund for yourself, your spouse or your children by buying U.S. Savings Bonds regularly through your company payroll savings plan. Depending on your income and other eligibility requirements, a tax exclusion on bonds used for education may be available. Ask your canvasser about the Education Bond Program and start your education fund now!



#### MONEY TALKS

#### **SEC Travel Handbook Updated**

The Office of the Comptroller has distributed to travel coordinators updated portions of the SEC Travel Handbook containing revisions to the Federal Travel Regulation (FTR) and On the Go with the SEC. The update includes FTR amendments published by the General Services Administration through Dec. 28, 1994, and an advance copy of the latest amendment dated Aug. 24, 1995.

The FTR governs travel and transportation allowances for federal civilian employees (chapter 301); relocation allowances for federal civilian employees and certain new appointees (chapter 302); payment of expenses connected with the death of government civilians (chapter 303); and reduction in travel allowances when contributions, awards, or payments are made incident to training or attendance at meetings (chapter 304).

On the Go is a 25-page reference guide prepared by the Office of the Comp.

troller that answers commonly asked questions regarding official travel at the SEC.

Contact your travel coordinator or the Publications Unit for copies of the Federal Travel Regulation and On the Go with the SEC. For travel related questions, contact Sandra Anderson in the Office of the Comptroller at 942-0381.

#### Frequent Flyer Reminder

The revised Federal Travel Regulation referenced above does not change the rules regarding the use of frequent flyer mileage earned through official government travel. Employees may not retain and use such benefits for personal travel (Section 201-1-103 (b)(f). For specific questions on frequent flyer policy, contact Michael Erickson (942-0347) in the Office of the Comptroller.

#### **Atlanta District Office Remembers The Needy**

The Atlanta District Office and the Shriners of Nabbar Temple No. 128 of Atlanta, Ga., in their continuing tradition have provided toys, clothing and plenty of love during this past holiday season.

The recipients this year were the children of Bowen Homes Housing Complex in Atlanta. The Shriners each year visit the Commission's Atlanta District Office on the day of the ADO's annual

holiday party. The Shriners picked up and delivered the clothes and toys that were collected. As one Noble stated, "To see the kids faces light up when they get their toys is the most gratifying experience!" The recipients are children who would not receive such gifts if it were not for the effort put forth by the ADO staff and Nabbar Temple No. 128.

#### Official Photos

Ordering Photographers. All official requests for a photographer must
be made in writing and include the following information: Beginning and ending time photographer as required; date:
subject and number of people to be
photographed (John Jones, or Enforcement Training Group; 30 people, for
example), and norm number. Also give
the name, office and telephone number
of the person who will direct the photo-

grapher; as well as the name and telephone number of requestor. Requests should be submitted to Jennifer Scarding. Director, OPAPER, Stop 7-1, copy to Mary Teel, OPAPER, Stop 7-1.

Submitting Photos for Use In Employee News: When submitting photos for use in the Employee News, please use black and white film, if possible. Dark color photos will print black and cannot be used:

#### OAPM MATTERS

#### Did You Know?

The TSP ThriftLine, (504)255-8777, allows participants to obtain TSP information by phone. You may request an interfund transfer; change your Personal Identification Number (PIN); ascertain your TSP balance; discover the rates of return for the C, F and G funds; or receive status information regarding a TSP loan request or fund withdrawal.

A permanent employee whose work schedule is changing from full-time to part-time is eligible to continue enrollment in the FEHB program. However, premium payments increase to cover a prorated share of the government's contribution, based on the number of hours you are scheduled to work in a pay period.

Any employee experiencing a work related injury should follow this procedure: (1) immediately seek medical attention; (2) promptly notify your supervisor of the injury; and (3) submit form CA-1 for a traumatic injury or form CA-2 for an occupational injury to this office within 30 days from date of injury. All forms must be forwarded through your supervisor to Ethel Edwards, OAPM, Stop 2-3, Room 2029 for review and submission to the Department of Labor, Office of Workers' Compensation Program.

Employees in the Civil Service Retirement System (CSRS) and those in the Federal Employees Retirement System (FERS) with service under CSRS may redeposit CSRS retirement contributions which were previously withdrawn. Completion of an Application to Make a Deposit or Redeposit (SF 2803) is required.

An employee enrolled in the Federal Employees' Group Life Insurance (FEGLI) program may assign ownership of his or her insurance coverage to another individual, corporation or trustee. The employee continues to be the insured person; however, the designated portion belongs to the assignee. This irrevocable assignment effects an enrol-

The Commission	hids fond farew	ell to out rer	ont retirees
THE COMMISSION	olus (Olig Tares)	Years	Departure
Employee	Office	Service	Date
			1995
Jeffry L. Daviš	OEA	25	Sep 1
Lawrence Lindsay	NERO	. 22	Sep 1
Peter Guigley	NERO	25	Sep 1
Daniel Schatz	NERO	. 30	Sep 1
John P. LaSelle	FWDO	16	Sep 2
Allen W. Cohen	CF	25	Sер 28 · · ·
Allen F. Corotto	SFDO	34	Sup 29
Thomas D. Hamill	ENF	28	Sep 28
George E. Henkel	CP	23	Sep 29
- Richard C. Kauffman	ENF	30	Sep 29
Lawrence L. Kiset	5F00	28	Sep 25
Robert D. LaPramenta	PRO.	. 22	Sep 29
Righerd V. Norell	ENF	26	Sep 28
Mary K. Teoik	CF.	94	Sep 29. Sep 29
John C. Roycroft	CF MB	28 24	Sep 29
Lester J. Shepiro William C. Weeden	IM	24	Sep 29
SALHBUIL C. SABBOOK	1141	47	289 Z5
Bonnie White	OFIS	14	Nov 3
Cerole M. Busby	ADO	28	Dec 3
Muriel L. Edwards	iM	27	Det 1
Mark D. Fitterman	MR	22	Dec 1
James L. Sattak	CF	(b)(6)	Dec 1
Mertin Stein	NERO	22	Dec 22
			19964
John S. Bernse	CF	38	dan 3° .
Bolestaw:Bislenin	MRO	(b)(6)	Jan 3:
John J. Kelly, Jr.	CRO	34	Jan 3
Glenn R. Lawrence	ALJ	29	Jan 3
Charles J. Mendum Michael D. Higber	NERO CF	15 8	Jan 19 Jan 28

lee's Basic, Option A-Standard or Option B-Additional coverage.

If additional information is needed regarding these matters, contact the Processing and Benefits Branch at (202) 942-4080.

#### Support Staff Study Update

The Support Staff Study is nearing completion, and a focus group to review and make final recommendations to top management is targeted to be convened in April. The study team of OAPM, OED and OEEO staff members has completed interviews with groups of support staff and supervisors from around the commission, conducted a review of the literature about trends occurring in government and private industry, surveyed other federal agencies to obtain extensive information about studies, assessments and training programs they

have conducted and developed in-depth follow-up questionnaires for electronic dissemination to quantify and refine trends identified through the interviews.

#### New "Washington Cares" Web Site

If you want to volunteer to assist local non-profit organizations that provide community and humanitarian services in greater Washington metropolitan area, a new electronic clearinghouse has been established. Washington Cares can be reached at

#### http://www.allenwayne.com/ printing/washcares/

and provides potential volunteers with alphabetical listings of organizations, along with information about their goals and problems. If interested, you then can contact an organization electronically or directly.

#### 1995 SEC Health Fair -- Open Season

The 1995 SBC Health Fair, organized by OAPM's Processing and Benefits Branch, was held on Monday, November 27. A total of 19 health carriers provided information to more than 340 employees at the annual event. Employees who attended also could have their blood pressure screened by the HQ Health Unit nurse and/or their percentage of body fat measured by the SEC Fitness Center staff. In addition, Employee Assistance Program professional counselors provided information about the free confidential counseling and referral services available to employees. The Lions Bye Bank and Research Foundation, Inc. participated for the first time in the Health Pair by conducting hearing, vision and Glaucoms testing for 45 employees. In addition to many compliments from participants, the Processing and Benefits Branch recently received an award in recognition of 10 years of hosting Outstanding Open Season Health Pairs.

#### Former Chairman, Former Commissioner Die

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Ralph H. Demmler, 91, former SEC Chairman, died December 16 in Pittsburgh, Pennsylvania.

Mr. Demmler was sworn in as an SEC Commissioner on June 17, 1953. Shortly thereafter, President Eisenhower designated him as Chairman of the Commission to succeed Donald C. Cook. He served as chairman until 1955.

Demmler had been engaged in the practice of law in that city from 1928 to 1953. For 20 years he was associated with the firm of Reed, Smith, Shaw & McClay, of which he was a partner from 1948 to 1953. He had been a Trust Officer of Commonwealth Trust Company of Pittsburgh, associated with C.E. Theobald, Esq., with part time service as faculty fellow at the University of Pittsburgh Law School.

Mr. Demmler received an AB from Allegheny College in 1925 and an LLB from the Law School of the University of Pittsburgh in 1928. He was a member of Phi Beta Kappa and active in school and other civic affairs in Allegheny County, Pennsylvania.

In 1972, he was one of three members appointed by the Commission to serve on a Committee on Enforcement Policy. From 1969 to 1980, he was an adviser on an American Law Institute project to codify federal securities laws.

#### A.S. 'Syd' Herlong Commissioner, 1969-1973

Albert Sydney 'Syd' Herlong, 86, SEC Commissioner from 1969-73, died

December 27 in Brevard County, Florida. [D)(G)
ago.

In the fall of 1969, President Nixon named Mr. Herlong to an unexpired term as Commissioner. He was reappointed in 1971, and resigned in 1973.

Before his appointment to the Commission, Mr. Herlong had been a Florida Congressman for 20 years. Mr. Herlong served on the powerful Ways and Means Committee for 14 years, and lobbied to bring the Kennedy Space Center to Brevard County. He retired from Congress in 1969 and served as a lobbyist for Association of Southeastern Railroads.

Mr. Herle	ong was	b)(6)		
(b)(6)				
0)(6)	He grad	huated i	fron	the
University of	Florida,	where	he	also
received a lav	degree.	(b)(6)		
b)(6)				
(b)(6)				

He was a county judge in Lake County, Florida, and city attorney of Leesburg before his election to Congress. He also had served as president of the Florida State Baseball League.

#### Lillie B. Johnson, OFIS

Lillie B. Johnson, Legal Instruments Examiner, Document Control Branch, of the Office of Filings and Information Services, died on October 21.

Prior to joining the SEC in 1985, Lillie worked for several federal agencies in the Washington area. She began her career with the Commission in early 1985 as a Public Reference Assistant in the Office of Consumer Affairs and Information Services. Most of her 10 years with the Commission were spent in Public Reference.

Lillie was a dedicated and diligent worker, and a friendly and outgoing person. She will be greatly missed by her co-workers and friends around the

Commission.		
(b)(6)		

#### U.S. Savings Bonds New Interest Rate

The Bureau of Public Debt on November 1 announced the market-based rates for U.S. Savings Bonds for the period November 1995 through April 1996

#### Short-Term Savings Bond Rate

The short-term savings bond rate is 4.75 percent. The 4.75 percent abort-term rate is 85 percent of the averages of six month Trensury security yields for August through October 1995. A new rate as announced each May I and November 1. Series EB bonds issued on or after May 1, 1995, earn the short-term rates for semi-sanual interest accrual periods beginning on or after each announcement date for the five years.

#### Long-Term Savings Bond Rate

The long-term sayings bond rate is 5.16 percent. The 5.16 percent long-term rate is 85 percent long-term rate is 85 percent of the average of five-year Treasury security yields for May through October 1995. Series EE bonds issued on or after May 1, 1995, earn long-term rates from five years through 17 years. Since none of the bonds issued under the new rate structure have been outstanding for five years, the long-term rate in this ammountement will not be used and is provided only for reference,

#### Matured Savings Bonds

Saries E bonds issued November, 1955 and prior have reached final maturity and no longer earn interest. Bonds issued from December 1955 through April 1956 dop earning interest Dec. 1, 1995 through April 1996, or 40 years from the issue date. For the first time, Series E bonds that have an interest earning life of 30 years are reaching final maturity. Bonds with issue dates of December 1965 through April 1966 stop earning interest. Dec. 1, 1995, through April 1, 1996, respectively.

## SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

Vol. 20, No. 2

Washington, D.C.

February/March 1996

### Chairman Praises Staff For Hard Work, Achievements, At '95 Awards Ceremony

"The entire staff deserve praise and thanks for their support and hard work during the year just ending," Chairmain Arthur Levitt told the audience at the SEC's 1995 annual awards ceremony. The ceremony was held December, 11 in the public meeting room at Commission headquarters. Commission employees, alignniand friends formed a capacity crowd for the event.

"It certainly was and continues to be a year of enormous challenges and I think a year of many successes. As I have so often said and so firmly believe, this is the most talented, tiedicated and productive group of people I have had the privilege of working with at any time in my life," Chairman Levitt said.

CONTINUED ON PAGE 6

#### Norman Johnson, Isaac Hunt, Jr. Are Sworn In As Commissioners

Norman Johnson and Isaac Hunt, Jr. were sworn in as members of the Securities and Exchange Commission in February, bringing the Commission membership to four, within one member of a full complement.

Both men were nominated by the White House in August and unanimously confirmed by the Senate Banking Committee in October.

STORY ON PAGES 2 AND 3

1

#### Isaac C. Hunt, Jr. Takes Office As A Member Of The Commission

PHOTO ON PAGE 1

Isaac C. Hunt, Jr., former law school dean, law professor and SEC staff attorney, was nominated to the Securities and Exchange Commission by President Bill Clinton and confirmed by the Senate on January 26. He was sworn in as a Commissioner on February 29 in his Akron office by Senior Judge Irving J. Contic, Jr. of the U.S. Court of Appeals for the Sixth Circuit.

Mr. Hunt brings to the Commission a strong academic background, legal experience in private practice, at the Department of Army and the SEC<sub>2</sub> and an appreciation for minority issues.

Before his SEC appointment, Mr. Hunt was Dean and Professor of Law at The University of Akron School of Law and taught securities law for seven of his eight years there.

From August 1983 to 1987, he was Dean of Antioch School of Law in Washington, D.C., where he also taught securities law. He served as the School's Acting Dean in 1983 and Associate Dean for Academic Affairs in 1982.

An associate in the Washington, D.C. office of Jones, Day, Reavis and Pogue from 1977 to 1979, Mr. Hunt practiced in the fields of corporate and securities law, government procurement litigation, administrative law and international trade.

During the Carter and Reagan administrations, Mr. Hunt served at the Department of Army, where he was Principal Deputy General Counsel from 1979 to 1981 and Acting General Counsel for the first half of 1981.

During the period 1970 to 1977, Mr. Hunt taught securities law, corporate law and the law of contracts as an Assistant Professor at Catholic University's Columbus School of Law, and lectured at the Graduate School of Social Work and Social Research at Bryn Mawr College.

Mr. Hunt is also experienced in the area of equal employment. He worked on a RAND Institute project to improve the minority recruiting efforts of the

New York City Police Department for two years, briefly served as Special Assistant to EEOC Commissioner Elizabeth Kuck and conducted field interviews on civil disturbances in four major cities as a field team leader on the staff of the National Advisory Commission on Civil Disorder, widely known as the Kerner Commission.

Mr. Hunt began his career and served from 1962 to 1967 as a staff attorney with the SEC in Washington.

Active in professional and civic organizations, Mr. Hunt has had charter memberships in the Supreme Court of Ohio Committee on Dispute Resolution (1989 to 1994) and the Supreme Court of Ohio Commission on Racial Fairness (1993 to 1996), the Commission on Judicial Candidates of the Akron Bar Association (1992 to 1996) and memberships in the NYSE Washington Metropolitan Area Arbitration Panel, the Board of Editors of The Washington Lawyer, committees of the American Bar Association's American Law Section. Section of Legal Education and Admissions to the Bar, the Association of American Law Schools and the District of Columbia Bar.

Mr. Hunt is admitted to practice before the U.S. District Court for the District of Columbia and the U.S. Court of Appeals for the District of Columbia Circuit.

He received an LLB in 1962 from the University of Virginia School of Law. He completed his undergraduate degree in 1957 in Mathematics and Economics at Fisk University, where he was a Ford Foundation Scholar, managed the college newspaper, was president of the Mathematics Club, and served on the debating team.

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April 29, 1996

#### SEC EMPLOYEE NEWS

The SEC Employee News is published bi-monthly by the Office of Public Affairs, Policy Evaluation, and Research, U.S. Securities and Exchange Commission, 450 5th St., N.W., Washington, D.G. 20549. Resides are encouraged to submit articles for publication and should send motorial to:

Editor SEC Employee News Room 7403

Letters to the Editor are wolcome: They should address lesues, not personalities and should be submitted with a name and felaphone number.

> Mary Tell, Editor Donald Kovener, Art Editor Office of Public Affairs, Holloy Evaluation, and Research

COPY DEADLINE: The deadline lot strictes for publication in the SEC Employee News is the second week of the month prior to the month in which the News is published.

#### Norman Johnson Takes Office As A Member Of The Commission

Norman S. Johnson, a Utah attorney and former SEC trial attorney in Salt Lake City and Los Angeles, was sworn in as a member of the Securities and Exchange Commission on Tuesday, February 13, in Salt Lake City. David K. Winder, Chief Federal District Judge for the District of Utah, administered the outh of office.

Mr. Johnson was nominated to the SEC by President Bill Clinton and confirmed by the Senate on January 4.

Prior to his SEC appointment, Mr. Johnson was a senior partner of the Salt Lake City law firm, Van Cott, Bagley, Cornwall and MacCarthy, where he practiced law from 1981 to 1996. While with the firm, he specialized in state and federal securities law matters and served as legal counsel in Utah to the National Association of Securities Dealers.

Mr. Johnson began his legal career

in 1959 as a law clerk to the Chief Justice of the Utah Supreme Court. Later that year he was appointed Assistant Attorney General in the office of the Utah Attorney General.

From 1965 to 1967, Mr. Johnson was an SEC trial attorney, serving in the Salt Lake City and Los Angeles offices. He left the SEC in 1967 to devote his time to the private practice of law, primarily in the Intermountain Area, where he specialized in state and federal securities law until 1981.

Throughout his career, Mr. Johnson has served on numerous bar association committees and worked with professional community volunteer associations. He has been president of the Utah State Bar Association and of the Federal Bar Association (Utah Chapter) and chairman of the Utah Governor's Advisory Board on Securities Matters.

Mr. Johnson was elected Outstanding Utah Lawyer of the Year in 1990, received the Utah Judicial Conference Amicus Curiae Award in 1988, a New Mexico State Bar Honorary Membership in 1988 and numerous awards from the Utah State Bar.

Mr. Johnson taught securities law and related subjects as an adjunct professor at Westminster College in Salt Lake City in 1985, and at the University of Utah from 1980 to 1982. Over the past 20 years, he has delivered numerous lectures and panel presentations on securities matters to professional organizations. His articles on securities laws have been published in the Corporate Practice Commentator, the Utah Law Review and the Mercer Law Review.

Mr. Johnson received a JD degree from the University of Utah College of Law in 1959, and pursued undergraduate studies at Brigham Young University and San Jose State College. He is admitted to practice before the Utah courts, the Tenth Circuit Court of Appeals, the District of Columbia Circuit Court of Appeals and the U.S. Supreme Court.

#### Lane Appointed Director, Corp Fin

Brian J. Lane was appointed Director of the Division of Corporation Finance on March 27. Mr. Lane served as Acting Director of the Division since February. He succeeds Linda Quinn,

who returned to (b)(6) the private practice of law. (See story, page

In discussing his new position, Brian said, "I feel extremely fortunate and honored to have the Chairman's

**BRIAN LANE** 

trust for such a key position. The next few years will provide exciting and opportunities to challenges modernize and simplify our regulatory framework." When asked how it felt to return to the Division after four years on the 6th floor, he replied, "It felt like going home. The staff has been great,

and I sense that they may share my excitement for the task that lies ahead."

Mr. Lane has been with the SEC since 1983, working for the past year as a Counselor to Chairman Arthur Levitt.

> Prior to that, he spent three years as Counsel Commissioner Richard Y. Roberts. six years in the Division Corporation Finance approximately three years in the Division of Market Regulation. In recognition of his outstanding work, Mr.

Lane won the Capital Markets Award in 1994 and the Regulatory Simplification Award in 1989 and again in 1995.

In announcing the appointment, Chairman Levitt said, "In his 13-year career with the SEC, Brian has worked on some of the most challenging corporporate finance issues we've faced;

whether small business initiatives, corporate governance or technological developments, Brian has dedicated his strong intellect and immense knowledge to each undertaking. Most recently, he led the Task Force on Disclosure Simplification, whose recommendations the Division will consider and implement under his leadership. Brian's unique combination of creative, innovative thinking and his demonstrated ability to get things done will help the SEC address some of the important finance and regulatory challenges that face the Commission as we enter the 21st century."

Mr. Lane received a BA from Washburn University (Topeka) in 1980 and a JD from the Washington College of Law at American University in 1983. For the

CONTINUED ON PAGE 13

#### Linda Quinn Joins Shearman & Sterling

Linda Quinn resigned as Director of the Division of Corporation Finance on January 30 to join the law firm of Shearman & Sterling.

Ms. Quinn served as Director of the Division of Corporation Finance since 1986. Prior to her 10-year tenure as

Director, Ms. Quinn (b)(6) was Executive Assistant to Chairman John Shad and Associate Director and principal legal officer in the Division of Corporation Finance. where she was responsible for the Offices of the Chief Counsel and Tender Offers. Ms. Ouinn also was Staff Director οf the Commission's Advisory

Committee on Tender Offers. From 1991 to 1996, Ms. Quinn served as Chairman of Working Party No. 1 on Disclosure and Accounting of the Technical Committee of the International Organization of Securities Commissions.

President Ronald Reagan presented Ms. Quinn with the President's Distinguished Executive's Award in 1988. In addition in recognition of her outstanding contribution to the SEC, Ms. Quinn received the Distinguished Service Award in 1989 and the Capital Markets Award in 1990.

In announcing her departure, Chairman Arthur Levitt said, "It is with great regret that I accept the resignation of

> Linda Quinn as Director of the Division of Corporation Finance. I include myself among the many who respect and admire her intellect and knowledge of the securities industry. Linda personsonifies the great qualities of the agency. Her diligence and commitment to excellence and fairness cannot be matched. Although I understand her seizing this great oppor-

tunity, I will miss her wise counsel and advice. I am confident that everyone at the Commission joins me in wishing her well."

Before joining the Commission as an Attorney Fellow in the Division of Corporation Finance, Ms. Quinn was in private practice for six and one-half

CONTINUED ON PAGE 15

#### Plaze Named Associate Director, IM

Robert E. Plaze was appointed Associate Director for Regulation in the from B Division of Investment Man-(Photo taken in 1988)

agement.

Mr. Plaze served for seven years as the Division's Assistant Director of the Office of Disclosure and Adviser Regulation before the appointment.

In his new capacity, Mr. Plaze will be responsible for the Division offices that consider requests for exemptive relief from the Investment Company Act and that draft rules under the Investment

Company Act. In recognition of his outstanding service, Mr. Plaze received the Law and Policy Award in 1992.

Chairman Arthur Levitt said: "I am pleased that the Commission, industry

and investors will continue to benefit from Bob's institutional and substantive

knowledge in this area. I am confident that in his new position he will build upon his current record of outstanding service. I look forward to working with him."

Earlier Mr. Plaze was Special Counsel in the Office. Before joining the Office of Disclosure and Adviser Regulation, Mr. Plaze was a staff attorney with the Office of Insurance Products and Legal Compliance in the

Division of Investment Management. Mr. Plaze earned JD (1983) and AB (1978) degrees from Georgetown University and is a member of the District of Columbia Bar.

# Phillip Parker Joins Debevoise & Plimpton Law Firm

Phillip D. Parker, Deputy General Counsel for Legal Policy, left the Commission in late March to join the law firm of Debevoise & Plimpton as

counsel in its Washington, D.C. office.

Mr. Parker had worked at the SEC since 1975. He served in a number of positions in the Division of Enforcement, including Chief Counsel for the

Division from 1985 to 1987. He was the first Chief Counsel to have oversight of regional office recommendations. In 1988, he became an Associate General Counsel for the Commission and served as Deputy General Counsel from 1992 to 1996.

In recognition of his outstanding performance, Mr. Parker received the Chairman's Award for Excellence in 1990, the Presidential Distinguished Executive Award in 1991 and the Distinguished Service Award in 1993.

Chairman Arthur Levitt said, "Phil has provided invaluable counsel to many SEC Chairmen and Commissioners. He is one of the most intelligent, creative and talented lawyers with whom I have had the opportunity to work. Debevoise & Plimpton is lucky to have him and I know I speak for the entire agency when I say how greatly he will be missed."

Mr. Parker received a JD from the University of Virginia Law School and an AB, summa cum laude, from Kenyon College, where he was elected to Phi Beta Kappa. He is an adjunct professor at the Georgetown University Law Center, and a former member of the Administrative Conference of the United States.

#### **End Of An Era**

#### Staff Bids CRO Regional Director Bob Davenport A Fond Farewell

Robert H. Davenport retired as Regional Director of the Central Regional Office on March 29.

Mr. Davenport exercised outstanding leadership through personal example and commitment for 38 years. Under his leadership, the Denver office was the first in the Commission to identify fraud involving 'blank check' companies (companies with no business) and shell companies (companies with, among other things, no assets, forged stockholder lists and other corporate documents).

In recognition of his outstanding service, Mr. Davenport received a Presidential Award in 1982 and again in 1989. He received a Special Achievement Award in 1976 and the Commission's Distinguished Service Medal in 1978. The Commission also awarded Robert Davenport a Special Act Award for his leadership and exemplary conduct in rendering lifesaving first aid to a person injured when a bomb planted by a terrorist group exploded on the premises of the Denver office.

David Abbott, CRO geologist, wrote the following account of Mr. Davenport's SEC career.

\*Robert Davenport was honored along with his (D)(G) by his staff and many friends at a reception and retirement dinner on February 23. The dinner was held at the Brown Palace Hotel in Denver. It was planned by Sandy Speicher and Dan Shea, Bob's successor as Regional Director,

"The program, which at times appeared to be a 'roast' was MC'd by former Los Angeles Regional Administrator Gerald Boltz and was attended by former Regional Administrators Mahlon Frankhauser, Leonard Rossen, Wayne Secore, Michael Stewart and Michael Wolensky. Enforcement Division Director William McLucas and Regional Office Operations Director James Clarkson attended and contributed their reminiscences as well. The evening was capped by the cutting of a four-tier cake with a dejected fisherman on the top next to a running river.

"Mr. Davenport joined the Commission's staff in May 1958. He reviewed Regulation A filings and worked on enforcement cases as a staff attorney and rose through positions of increasing responsibility until he was appointed Regional Administrator of the Denver Regional Office by Chairman Ray Garrett in April 1974.

"One of Mr. Davenport's more memorable stories involved a breakfast in Pierre, N.D., during which the following conversation (more or less) was heard coming from the next booth: 'But if we do what you're proposing, won't we get in trouble with the SEC?' 'Don't worry, they can't be everywhere,' was the reply.

"Mr. Davenport oversaw a wide variety of complex and exciting regulatory and enforcement problems during his tenure in Denver. There were the silver cases of the 1970s followed by the booming penny stock market in Denver. Small issue filings swamped the disclosure staff; the examiners were busy looking after the rapidly expanding number of penny stock firms; and enforcement looked into a variety of shenanigans. There were task force sweeps of broker-dealers leading to a

number of major cases and two undercover "sting" operations leading to 90 individuals either being indicted or subject to an information. More recently, the proliferation of investment advisers, investment companies and financial planners has led to a variety of regulatory and enforcement actions.

"Mr. Davenport gained an enviable reputation for obtaining staffing, grades, equipment and other things for his region. This resulted from his habit of visiting every office in headquarters on his trips to Washington. From the basement to the top floor, he had a list of everyone he wanted to see. He didn't always get what he wanted, but he kept trying, and his persistence frequently He visited every office paid off. whether he wanted something or not. He was genuinely interested in people, wanted to make and build on friendships and to learn how he could make everyone's life easier. As a result, he will be missed by all those who came to know him over the years.

"Mr. Davenport is responsible for the planning and execution of the Rocky Mountain Securities Conference, which grew from an original meeting of seven securities regulators sitting around a table to one of the largest and most respected conferences in the country, with an attendance of 500 last year. Mr. Davenport's graciousness as a host ensured that the top securities lawyers, accountants and other former staff Commission members throughout the United States were willing to contribute their time, effort and funds to come back year after year. conference has long been an SEC alumni reunion each year in Denver.

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## Chairman Keynotes Annual Awards;

Butler Receives Distinguished Service Award; Receive Awards Honoring Four Former

#### CHAIRMAN'S AWARD FOR EXCELLENCE

Chairman Arthur Levitt (fifth from left) presented the Chairman's Award for Excellence to the Internet Team, pictured from left: Lemust Canedy, Nicholas Belamaci, Nancy Smith, Robert Belluck, [Cheirman Levitt], John Boucher, Michael Bartell, Jonathan Butler, George Eckard, Terry Harper, Larry Edwards, Gregory Jones, Joy Grammatica, Raymond Thorpe, Torry Keyfauver, Michael Strupp, Ruth Pitt, Rosetta Wright-Samuel, Debra Chapman, Joseph Segreti and Mark Brickman. (Charles Kirby is not pictured.)

"To say this has been a busy year is to make an enormous understatement," Chairman Levitt continued. "While our markets are growing, our staff certainly is not, so we have to work that much harder to keep up with things. But thanks to everybody in this room, this has been a enormously productive year.

#### SEC Achievements in 1995

"Just consider some of the tought issues that we have addressed," Chairman Levitt said, reviewing some concerns of the Commission in the past year:

- The massive influx of unsophisticated investors into the securities markets. We have addressed these investors through some extraordinary new forums, the town meetings and other initiatives."
- The issue of litigation reform: "It continues to be very much a front burner issue."
- The derivatives policy group. "Rather than going to Congress and asking for a Congressional fix of some kind,

we were able to work collectively with the key firms to arrive at a pattern of oversight that obviated the need to go to Congress or indeed to provide great rulemaking."

- The events in Orange county. They "continue to be very much in the public eye'.
- The effort toward prospectus simplification, talking in plain English.
- The continuing education for brokers, a mandated program of enormous importance.
- Steve Wallman's Capital Formation Advisory Committee.
- The Fair Trading Rules, which are "out for comment now.'
- The complete review of SEC regulations by Congress and by the SEC through a task force advised by Philip Howard, noted author on regulatory reform.
  - The creation of an SEC site on the Worldwide Web.

#### Reviews Goals In Keynote Address

Gliniecki, Jacobson, Noakes, Summergrad, Parratt And Geist SEC Commissioners And Judge Sporkin

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Some SEC Goals for 1996

Chairman Levitt also previewed some of the Commission's goals for 1996:

- Continuing to extend our efforts with respect to municipal market transparency.
- The Fields Bill with its implications in terms of changes to the '33 and '34 Acts, and with respect to the '40 Act. "Enormous undertakings are involved to bring about a bill which represents improvement and streamlining rather than mere changes."
- Finding new and creative ways to avoid duplication in federal and state regulation.

- Continued emphasis on investor protection and education, particularly with respect to 401 and mutual fund and 401-k plans.
- Finally, evaluating risks (a) with respect to mutual funds, (b) the redesign of EDGAR electronic filing system, and (c) aggressively, proactively, internationally in major nations throughout the world getting more foreign listings, cooperative efforts with respect to foreign regulators to see to it that the oversight of derivatives trading and of all regulatory activities in harmonized with our colleagues in markets throughout the world."

In conclusion, Chairman Levitt said: "On behalf of the Commission I congratulate everyone in this building and throughout the system for an extraordinary year, particularly those who are receiving awards today. So many of you, as I

nizing those who this year have exmed the distinction of receiving these awards."

CONTINUED ON PAGE 10

look around the room, really deserve awards-it's really quite a task to decide on the winners. I wish you all continued success in the year ahead, and I thank you for being with us to share the privilege and pleasure of recog-

DISTINGUISHED SERVICE AWARD Chairman Levitt presents the Distinguished Service Award to Wilson Butter. Director of the Office of Filings and Information Services.

- Continuing success at \*going out proactively and securing foreign listings."
- Budget Battles. "Once again we were held hostage to budget battles on Capitol Hill. But thanks to the efforts of Jim McConnell and others, we have managed to avoid thus far any nightmare outcome."

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EXAMINATION AWARD Of EXCELLENCE  (From left; top row) Maurieen; Dempsey, Christophist Michailoff, and (bottom row) Nicholas Monaco and Demetrics Vasilakis receive the Examination Award of Excel- lance. Commissioner Steven Wallman pre- sented the awards.  35 YEARS SEC AND 35 YEARS FEDERAL SERVICE AWARDS (From left, top row), Eugene Johnson, Marie Simpson and Lawrence Soper receive awards for 35 years of federal service. (Large photo) John Bernes Tight) receives the award from Commissioner Steven Wallman, who presented all service awards; (Photos at right) Wilson Butler (top) and Alice Latimer receive awards for 35 years of SEC service.	PRODUCTIVITY IMPROVEMENT AWARD  Commissioner Steven Wallman made the pre  (D)(6)  D)(6)  PRODUCTIVITY IMPROVEMENT AWARD  Commissioner Steven Wallman (left) presented the Product the Boston District Office. Accepting for the BDD (from left Administrator) Juen Marcelino, and Branch Chiefs Richard, David Butler.  EFO:AND COMMUN  30 YEARS SEC AND 30 YEA  [From left, top row] Michael Highes receive Evans receive the Community Service Award of SEC service. (From left, bottom row) Elle James Vandeau receive awards for 30 years presented all of the awards.

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POF EXC	ELLENCE		40 YEARS FEDERAL SERVICE AWARDS
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rai servic	ore receives an award for Butler, and Maurice Culb e. Commissioner Stever	Wellman (ow) An	ft, top row) Belinde Blaine, Kelly Bowers, Martin Dunn and Berbare Gunn and fbotton netts Kelton, Thomas Kirk, Douglas Scheidt and Bertha Wade receive the Supervisor ce Award. Commissioner Steven Wallman presented the awards.
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#### Chairman's Award for Excellence

The Chairman's Award was created in 1991 to recognize the Commission's senior staff whose special accomplishments produce significant improvements in the agency's programs or mangement.

Chairman Levitt presented the 1996 award to Michael Schlem in recognition of superior accomplishments while serving as SEC Chief of Staff.

Chairman Levilt also presented the award to all members of the Internet Team in recognition of the monumental achievement of establishing an SEC World Wide Web Site, a central public access point for SEC documents and investor information. "This site has already proven an overwhelming success." Chairman Levitt said. Their technical expertise, dedication and ability to work well together under the pressure of a short timeline enabled the team to meet this extraordinary challenge in an expert fashion. The members of the Internet Team are: Michael Barteli, Robert Belluck, John Boucher, Jonathan Butler, George Eckard, Larry Edwards, Joy Grammatica, Terry Harper, Gregory Iones, Sr., Terry Keyfauver, Ruth Pitt, Raymond Thorpe, Ir. and Charles Kirby of OIT; Nicholas Balamaci of the Chairman's Executive Staff; Nancy Smith and Michael Strupp of OIEA; Lemuel Canady, Debra Chapman and Rosetta Wright-Samuel of OAPM and Mark Brickman and Joseph Segreti of CF. Michael Bartell accepted the award for the team.

#### Distinguished Service Award

The Distinguished Service Award lionors those who have made major contributions to the work of the Commission or to the administration of the federal securities laws for a period of at least five years. It is the award with the longest tradition at the SEC.

#### AWARDS HONORING FORMER COMMISSIONERS AND JUDGE SPORKIN

Chairman Levitt presented the Distinguished Service Award to Wilson Butler.

#### Law and Policy Award

This award was created in 1991 to recognize individuals or groups, who develop legal theories that respond to the nation's changing capital markets and who demonstrate dedication to the goals

of the securities laws through their untiring efforts on legislative issues.

Chairman Levitt presented the Law and Policy Award to Mark Pennington.

#### Capital Markets Award

Chairman Levitt presented the Capital Markets Award, which is designed to recognize achievements and service in the development of the securities markets, to Mark Tellini

### Examination Award Of Excellence

The Examination Award, established in 1990; honors the compliance examination staff who during the year make a significant contribution to the examination program; to the Communication and to investors.

Commissioner Steven Wallman presented the award to Maureen Dempsey, Christopher Michaeloff, Nicholas Monaco and Demetrios Vasilakis

#### Awards Honoring Former SEC Commissioners

Pour awards honor former Commissioners leving M. Pollack, Manuel F. Cohen, Philip A. Looms, Ir, and Byron D. Woodside. Each of the honored Commissioners served in positions such as Division Director and General Counsel. These awards recognize outstanding contributions to the SEC and qualities such as the legal ability, scholarship, integrity and professional expertise of the recipient.

Edward Noakes, III; received the leving M. Pollack Award: Richard Jacobson, president of the Association of the SEC Alumni, made the presentation.

Patrice Glimecki and Jacqueline Jacobson received the Manuel F. Cohen Award. Meyer Bisenberg, on behalf of the Federal Bar Association, presented the award.

Eric Summergrad received the Philip A. Loomis, Ir. Award. Linda Feinberg made the presentation for the Federal Ber Association. Shelley Parratt received the Byron Woodside Award. Linda Fienberg, no behalf of the Federal Bar Association, presented the award.

#### Sporkin and Manning Awards

bonor former Commission staff members Stanley Sporkin and Jay Manning.

The Sporkin Award honors the Honorabie Stanley Sporkin, a distinguished Peteral Judge for the District of Columbas. Judge Sporkin was the Director of the Division of Enforcement from 1974 to 1981: The Sporkin Award recognizes employees who have made [6](6) exceptionally tenacious and insightful contributions to the SEC's efforts to enforce compliance with the federal sciuming laws and the Commission's ruled.

Chairman Levitt joined Judge Sporking in presenting the award to Andrew Ocist.

The Tay Manning Award bonors the memory of the late Jay Manning, who joined the Commission in the Division of Corporation Finance and later rose to Assistant Director of the Division of Markot Regulation. The award was created by the Friends of Jay Manning an organization of Mr. Manning an organization of Mr. Manning a former SEC colleagues. It recognizes lawyers in the Division of Market Regulation as key contributors to the fulfillment of the Commission's goals and helps preserve the memory of an exemplary and much admired former colleague.

Ivette Dopez received the Manning Award. Commissioner Steven Wallman made the prescutation.

#### Awards Honoring SEC Accountants

Two awards recognizing the contributions of SEC accountants to the Commission boson Andrew Barr, former Chief Accountant, and Sydney C. Orbech, former Chief Accountant of the Division of Corporation Finance. The Barr Award recognizes accountants who display outstanding ability in accounting

and analysis, critical judgment and creativity. The Orbach Award for accountants is limited to the GS-14 level or lower.

Eugene Horwitz received the Andrew Barr Award. Albert Oken received the Sydney Orbach Award. Annette Schumacher Barr presented the awards on behalf of the American Institute of Certified Public Accountants.

#### EEO Award

The EEO Award recognizes the efforts of individuals who have made

tivity at the Commission by means such as reducing the cost to perform a function or by improving the quality and timeliness of service to the Securities and Exchange Commission or public.

Commissioner Steven Wallman

who have measurably improved produc-

Commissioner Steven Wallman presented the award to the Boston District Office Enforcement Staff. Accepting for the BDO Enforcement staff were Juan Marcelino, Richard Jacobson and David Butler.

#### Supervisory Excellence Award

The Supervisory Award is granted annually to individuals who have demonstrated outstanding performance in fulfilling both people and program responsibilities.

Eight supervisors received the award for their outstanding performances. Commissioner Steven Wallman presented the award to: Belinda Blaine, Kelly Bowers, Martin Dunn, Barbara Gunn, Annette Kelton, Thomas Kirk, Douglas Scheidt and Bertha Wade.

#### Support Staff Award of Excellence

The Support Staff Award recognizes outstanding ethiployees in competitive positions of GS-5 through GS-9 whose exceptional competence, productivity and diligence in the performance of duties have had a significant impact on the success of a division or office,

Commissioner Steven Wallman presented the saward to Deborah Abernethy, Denise Green, Toma Harley, Carol Kelley, Godofredo Monsod and Lilla Wiseman.

#### Community Service Award

The Community Service Award, created in 1990, is presented to individuals who have contributed to the quality of life in their neighborhood or community through voluntary service. Commissioner: Wallman, presented the sward to Josnah Borry and Elizabeth Evans.

CONTINUED ON NEXT PAGE

outstanding contributions to and have enhanced the principles of equal employment and promotion opportunities at the SEC.

Commissioner Steven Wallman presented the EEO Award to Michael Highee

#### Productivity Improvement Award

The Productivity Improvement Award recognizes individuals or groups



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Awards for 40, 35 and 30 Years Federal Service and for 35 and 30 Years SEC Service

Robert Davenport, Clarence Robinson and Marvin Rodgers received the award for 40 years of total federal service. Robert Abshire, John Bernas, Eugene Johnson, Sheldon Mazor, Marie Simpson and Lawrence Soper received the award for 35 years total federal service. Commissioner Steven Wallman made the presentations.

Robert Abshire and Sheldon Mazor were unable to be present and received the awards in their respective offices:

John Bayes, Wilson Butler and Alice Latimer received the award for 35 years of SEC service. Commissioner Wallman made presentation.

Dennis Myers received an award for 30 years SEC service, and Ella Black, Judith Butler, Maurice

1995 ANNUAL AWARDS RECEPTION

Chairman Arthu, Levitt, with a group of award recipients and wall wishers. From left, Elizabeth Evans, Thomas Kirk, Maurean Dempsey, Chairman Levitt, Barbara Greek in back), Jacqueine Jacpason, Bill. MeLucas and Mertha Fullord.

Culbreath and James Vandecar received awards for 30 years federal service. Sixteen others who received these awards were unable to be present.

Two hundred and ninety SEC employees were also honored with awards for from 10 to 25 years of SEC service and/or federal service. These awards were presented to the recipients in their respective offices.

#### Task Force Recognized For Work On Regulatory Reforms

Chairman Arthur Levitt presented the Regulatory Simplification Award (reproduction at right) to the members of the Public Utility Regulation Task Force on February 6 in his office.

The 31-member Task Force was recognized for their successful efforts in the study of the regulatory framework of the Public Utility Holding Company Act of 1935 (PUHCA). The task force recommended and proposed significant regulatory reforms, including the possible repeal of PUHCA that would result in major simplification of the regulatory scheme without sacrificing investors protection.

Members of the task force were: William C. Weeden, Joanne Rutkowski, John Walsh, Brian Lane, Cathey Baker, Walter Stahr, Robert Wason, Sidney Cimmet, Hunter Jones, Michael Lamoff, David LaRoche, Catherine Fisher, Barbara Heussler, Markian Melnyk, John Brandenberg, Harry Eisenstein, Orlan Johnson, Amanda Machen, Richard Miller, James Moeller, Bonnie Wilkinson, Robert Comment, David Marsh, Eric Green, Seah Hunt, Nicholas Balamaci, Patricia Copeland, Karon Neal, Michelle Blake, Belinda Goodman and Anna Grindel.



#### Broker-Dealer Training Class Held At SEC Op Center

Fifty of the Commission's finest professionals gathered at the SEC Operations Center from February 26 to March 8 to learn brokerage accounting, broker-dealer sales practices, net capital and customer protection. The training event, referred to as Level One, is a two-week training program designed specifically for broker-dealer examiners and accountants who possess a working knowledge of basic accounting concepts, basic familiarity with federal securities regulations and limited examination experience. It is offered annually and is sponsored by the Office of Compliance Inspections and Examinations' Training Development and Delivery Office.

Participants are selected from supervisory nominations.

From these nominations, 40 examiners, accountants and attorneys are selected to attend. The fiscal year 1996 Level One class represented ten of our regional and district offices, one U.S. territory and two headquarters units, namely the Division of Market Regulation and the Office of Compliance Inspections and Examinations. Comprehension of material covered is evaluated in the form of written tests administered each Friday during the training program.

Special recognition is extended to Steven Arquilla, MRO; Stephen Clarson, NERO; Vyto Jotautas, MRO; Doreen Krause, NERO; and Heidi Pilpel, MR, all of whom completed the course in the top 10% of the class. Congratulations!

#### 1996 LEVEL ONE BROKER-DEALER TRAINING CLASS

Participants in the class are pictured from the left. Seated, front row: Michael Froese, R. Shary Crossfield, Maxine Yap, Steven Arquilla, Stephen Clarson, Shary Chavez, Lynne Tepper, Vyto Jotautus, Diane Morelli. Seated, second row: Mary Duffy, James McHale, Tanya Szczesniak, Annah Kim, Darlene Rodriguez, Louis Dempsey, Caroline E. Forbes, Rita Looby, Michael Royston, Caroline Kurr. Seated, third row: Yvonne Pina, Amy Yu, Joanne Kendall, Carole Sollaway, Donna Gallagher, Michael Kress, James Malo. Standing: Theo Ngo, Ruth Werren, Joanne Behar, Dorean Krause, Johnathan Ngo, Sonam Philip, Terrance Bohan, Matthew Hawkins, Richard Hannibel, Elaine Darroch, Janaya, Moscany, Jill Coleman, Heidi Pilpel, Anthony Pecors, George Villansana and moderators Phyllis David and Judith Ferrie.

## Jonathan Kallman Joins Morgan, Lewis & Bockius

Jonathan Kallman, Associate Director in the Division of Market Regulation, left the Commission on March 27 to join the law firm of Morgan, Lewis & Bockius as counsel in its Washington, D.C. office.

Mr. Kallman served as Associate Director for the past five years. He was responsible for oversight of the stock and options exchanges, the National Association of Securities Dealers, the Municipal Securities Rulemaking Board, clearing corporations, securities depositories and transfer agents.

He served as Assistant Director in the Division from 1984 to 1991 and as Branch Chief from 1982 to 1984. He joined the Commission in 1979 as an attorney in the Division's Office of Chief Counsel.

Mr. Kallman earned his JD degree, cum laude, from the Benjamin N. Cardozo School of Law in 1979. He earned a BA, cum laude, in History and Economics at Brandeis University in 1976. While in law school, Mr. Kallman served as Associate Editor and Business Manager of the law review.

## **Brian Lane Is Appointed Director, Corporation Finance**

CONTINUED FROM PAGE-3

past two years, he has been an Adjunct Professor at the Georgetown University Law Center, co-teaching a graduate class in Mergers, Takeovers and Acquisitions.

TAKE STOCK IN AMERICA BUY U.S. SAVINGS BONDS



#### **SEC Travel Handbook Updated**

#### **Travel Expense Receipts**

The maximum travel expense amount which may be claimed for official travel without a supporting receipt was increased from \$25 to \$75 (FTR Amendment 45), per a memorandum from the Office of the Comptroller to all travelers, dated March 8, 1996. The Federal Travel Regulation (FTR) at 301-11.3 (c) (1) still requires receipts for many items regardless of the amount, including: long distance phone calls, whether personal or official; commercial car rentals; storage of baggage or property; lodging; and, passenger coupons for all common carrier costs. Inquiries regarding this regulation and other travel matters should be addressed to Sandra Anderson at (202) 942-0381 or your travel coordinator.

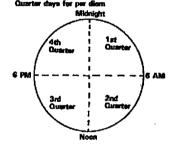
Per Diem Reimbursement For Partial Days When Traveling More Than 24 Hours and Overnight Lodging Is Required For each quarter day or portion of a "quarter day" in which you are away from your residence or office, the amount of M&IE (meals and incidental expenses) allowable is prorated at one-fourth increments up to the full MI&E rate. Each quarter is 6 hours and is fixed:

#### Ouarter

1st 12:01 am to 6:00 am 2nd 6:01 am to noon

3rd 12:01 pm to 6:00 pm

4th 6:01 pm to midnight



It is necessary to note your departure and arrival times on each travel voucher. Your travel begins when you depart from your official duty station, residence or other authorized point, and ends when you arrive at your official duty station, residence or other authorized point.

#### Trips Not Requiring Overnight Lodging

The same 6-hour "quarter day" increments as shown above should be used for one-day trips that do not require overnight lodging, but which exceed 10 hours in duration. There are no per diem entitlements for temporary duty travel of 10 hours or less in duration.

#### **Local Travel Expenses**

Local travel expenses may be claimed only for travel within a "local area" as defined in the FTR and "OAG Official Traveler Travel Guide" (see CONUS per diem rate section). Reimbursement is obtained through an SF 1164, "Claim for Reimbursement for Expenditures on Official Business," and is obtained from the imprest fund cashier for expenses up to \$150.

#### **Ordering Airline Tickets**

Common carrier tickets should be procured through your assigned TMC-Travel Management Center. When this is not possible, you may use your government charge card or the SEC's Government Transportation Account. In addition, if you are using a frequent flyer certificate obtained through government travel and wish to obtain a free flight for official travel, you may have to contact the airline directly to make the necessary arrangements. Utilizing frequent flyer coupons for upgrades requires Office of the Comptroller approval, and the coupon must be provided to the TMC by the traveler or travel coordinator.

#### Foreign Flag Carriers

Federal employees flying on government business must travel by U.S. flag air carriers, unless certain extenuating circumstances are met. The FTR (section 301 - 3.6), which incorporates the Fly America Act, describes the requirements in greater detail. Violation of these requirements may result in personal payment of expenses.

#### Compliance With The Hotel And Motel Fire Safety Act

Employees on official travel should, whenever possible, stay only in accommodations meeting requirements of the Hotel and Motel Safety Act of 1990. Approved accommodations that meet the safety and other requirements are listed as "FSA" certified in the OAG Travel Guide, which is published monthly. This year there is a 75 percent compliance benchmark for federal agencies, and for the fiscal year beginning October 1, 1996, the standard is 90 percent. The TMCs are aware of the Act's requirements and should make arrangements in these facilities whenever possible.

#### New Per Diem Rates

The General Services Administration has revised CONUS (continental U.S.) per diem rates, effective April 1, 1996. Travelers should be aware of these new guidelines for travel reimbursements. FTR Amendment 47 increases/decreases the maximum lodging and M&IE amounts available in per diem localities. For example, the District of Columbia maximum lodging amount is increased by \$10 to \$124, the M&IE rate remains at \$38, providing for a total per diem of \$162; the New York City rate is unchanged (\$142 for lodging and \$38 for M&IE). Travel coordinators were provided the new rates in late March.

#### Commercial Rental Vehicles

Use of rental vehicles must be specifically authorized on the travel order for expenses to be considered for reimbursement.

## ADMINISTRATIVE AND PERSONNEL MANAGEMENT MATTERS

#### Did You Know?

Your maximum contributions into the Thrift Savings Plan (TSP) depend on the retirement system in which you are enrolled:

- Employees in the Civil Service Retirement System (CSRS) may contribute up to 5 percent of earnings in TSP.
- Federal Employees Retirement System (FERS) participants may contribute up to 10 percent of their earnings, while the SEC matches the first 3 percent of contributions dollar for dollar and the next 2 percent 50 cents for each dollar. This is in addition to an amount equal to 1 percent of the participant's pay that SEC automatically deposits whether the participant is enrolled or not.
- To notify the Processing and Benefits Branch of an address change, simply complete the Employee Current Address Form (SEC 51) and forward the original form to OAPM, Stop 2-3, Room 2029. Upon receipt of this form, your new address will be listed in the appropriate personnel records.
- The ThriftLine is an automated voice response system that enables you to obtain instant information about your TSP account. The system allows you to: make, change or cancel interfund transfers; obtain the status of fund balances and withdrawals; and change your personal identification number (PIN) to the four-digit number of your choice. Call the ThriftLine at (504) 255-8777.
- A complete, no cost physical may be scheduled at either the Judiciary Plaza or Operations Center SEC Health Unit by calling the numbers listed below. To be eligible, you must be a permanent SEC employee who has not received an examination at the SEC Health Centers for the last two years. Judiciary Plaza employees may call Bonny Brown Billig, R.N., at 942-4120 (voice) or 504-

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	- and their absentage to our second societies.
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Employee -	Office Service Date
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Robert F. McLead, Jr.	OAPM 20 Dec 29
Robert C. Herman	ENF 19 Feb 23
Daniel A. Burns	NERO 22 Mar 1
Samuel A. Otlin	Off 30 Mar 1
Robert Davenport	CRO 40 Mar 29
William J. Gaynor	MRO 26 Mar 29
Kenneth J. Daras	SERO 29 Apr 12
Nancy A. Wolynetz	OAPM 29 Apr 26
Austin L. Byers	CE 21 Apr 30
, Paul J.: Heaney	JM 25 May 3

2351(TTY). Appointment for Operations Center and Annex employees may be scheduled by calling M. Dahlia Macariola, R.N., at 942-4973 (voice/TTY).

#### Federal Benefits for Veterans and Dependents

The Office of Administrative and Personnel Management has a supply of the 1996 edition of Federal Benefits for Veterans and Dependents. To receive a copy, please contact Jim Corrie on (202) 942-4054 (voice) or Larry Cohen on (202) 942-4075 (TTY), or send them an E-mail message.

#### Performance Appraisal

Performance appraisal time is here again! The most recent performance appraisal cycle began on May 1, 1995 and ended April 30, 1996. Appraisals and related rewards are due to OAPM on June 28, 1996.

One change from last year's policy concerns appraisals where the rater is a Division Director, Office Head, Regional Director or District Administrator; in these cases, the rater will also serve as the reviewing official unless the rating is unsatisfactory.

Additionally this year, OAPM will accept performance appraisals in smaller organization segments on a trial basis. If a division, office, region or district decides that it wants to submit appraisals by branch, rather than waiting for the entire organization, it may do so as long as its internal awards budget allocations are controlled to ensure adequate remaining funds. Please remember that as this appraisal cycle ends, supervisors should review performance standards for the next rating cycle, make any adjustments necessary and discuss standards with employees. This should be done within 30 days of the beginning of the new rating cycle (May 30, 1996 unless an employee's rating cycle had to be extended).

#### **Linda Quinn Returns To Private Practice**

**CONTINUED FROM PAGE 4** 

years. She served as law clerk to Judge J. Joseph Smith, U.S. Court of Appeals for the Second Circuit. Ms. Quinn is a graduate of Mount Holyoke College, where she was elected to Phi Beta Kappa. She received her JD degree from Georgetown University Law Center and has served as an Adjunct Professor there, teaching a graduate course in Mergers and Acquisitions.



#### EDGAR Phase-In Nears Completion; OS-2 Users To Get Upgrade

#### EDGAR Phase-in Nearing Completion

After 12 years, it's here! The time has finally arrived when all domestic Corporation Finance and Investment Management registrants will be submitting their filings electronically rather than on paper. As of May 6, it is the end of the era of paper filings for the SEC.

The EDGAR system began as a pilot project in 1984, accepting the first live filing on September 20 of that year. The purpose of the EDGAR (Electronic Data Gathering, Analysis and Retrieval) system is to provide quick access to the corporate disclosure documents for the SEC staff as well as the investing public.

After the pilot project proved that filing electronically was an effective, efficient and viable option, the contract for an operational HDGAR system was awarded in January 1989.

The pilot system was taken out of service at 7 p.m. on July 14 and the operational system started accepting live and test filings at 8 a.m. on July 15.

Electronic filing on a mandatory basis began April 1993 with the first Corporation Pinance and Investment Management phase in groups. Since then, the EDGAR system has received and processed approximately 266,000 live filings and over 160,000 test filings. The live filings were made up of a total of over 670,000 separate documents which are full-text searchable through Lexis/Nexis. Live filings that were submitted electronically from January 1994 to the present are available on the SEC's web site (http://www.sec.gov).

#### SEC EDGAR Users To Get OS/2 Upgrade

All SEC EDGAR users will have their workstations upgraded to the WARP version of the OS/2 operating system within the next few months. This upgrade will affect staff members in the Divisions of Corporation Pinance and Investment Management and the Office of Filings and Information Services. This powerful new platform will allow users to access all of their workstation applications, the EDGAR application, SEC mainframe applications and external databases from their workstations in a full multi-tasking environment. The updated Windows applications including Microsoft Word, cc:Mail, Lotus Organizer and Excel will also be installed on the new workstation. Training in these applications will be provided.

The new operating system also will and have their workstations up permit a much-needed upgrade to the with a minimum of disruption.

EDGAR software. When all staff are using the new platform, the primary EDGAR application can be upgraded. The EDGAR application upgrade is correctly scheduled for August.

OIT has established an aggressive schedule for the workstation upgrades. This will minimize the time that Commission users will be running under two different operating systems. The upgrade process itself will take only a few minutes-less than half an hour-and is scheduled for Saturdays and Wednesdays throughout the spring and early summer. Users do not have to be at their workstations to have them upgraded but should be prepared for the new platform by taking a oneday training class and backing up their data files in a special LAN subdirectory.

Basic training will be provided in the EDGAR Training Facility in the Operations Center during the week prior to the scheduled upgrade. In the training session, users will receive an overview of the new interface and learn the basics so they can access the applications and services that they will use when the upgrade has been completed. Training for each user will be required before the upgrade to the individual workstation can take place,

By working with their ADP lisison and their OII consultant, users will be able to complete the training and have their workstations opgraded with a minimum of disruption.

## SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

Vol. 20, No. 3

Washington, D.C.

April/May 1996

#### Employees Honor African American Women Black American History Celebration Draws Full House

The SEC observed Black History Month on February 28 with a tribute to the accomplishments of African American women. The educational and cultural program for 1996 featured the talents of SEC employees and an address by Thomasina Rogers, a distinguished attorney and federal civil servant. The program took place in the public meeting room at Commission headquarters.

Chairman Arthur Levitt welcomed the standing room only crowd and thanked the SEC Black Employment Program members who organized the event. His remarks centered on the national theme of the 1996 history month: "African American Women: Yesterday, Today and Tomorrow." Chairman Levitt observed that a wide range of jobs at the Commission are held by African American women. These women not only carry out the mission of the SEC, but also support the communities in which they live. By raising and educating the girls and boys who will be the workforce of tomorrow, these women serve all of America.

Thomasina Rogers is a successful attorney with many honors. She attended the School of Journalism at Northwestern University and holds a law degree from Columbia University. Because of her personal experience growing up in Alabama and later living in Chicago, New York and Washington, D.C., Ms. Rogers is uniquely qualified to describe the hard choices every African American woman must make to achieve her goals. She calls it "living with the challenge of 'Threeness' -- being black, female and American."

Ms. Rogers began her speech by paying homage to the accomplishments of the late Congresswoman Barbara Jordan. She also mentioned a number of other famous African American women who were

BEFORE THE PROGRAM

Chairman Arthur Levitt (left) briefly talks with keynote speaker Thomasina

Chairman Arthur Levitt (left) briefly talks with keynote speaker Thomasina Rogers (center) and Kaye Williams, SEC Director of Legislative Affairs, before the opening of the Black History program.

#### MISTRESS OF CEREMONIES AWARDED

Grant Ward of the Boston District Office Black Employment Program presents a certificate of appreciation to Carmen Lewrence, Regional Director of the Northeast Regional Office, for her service as Mistress of Caremonies.

#### 1996 U.S. Savings Bonds Drive SEC Campaign Kicks Off June 3

Today's Decision - Tomorrow's Security · Buy U.S. Savings Bonds\* is the theme for the 1996/U.S. Sav. ings Bond Campaign. This year our campaign began Monday, June 3, and will continue to July 1, 1996. Each office has a designated canvasser to promote the campaign President Clinton addressed to all federal agencies the importance of the campaign and stated, "Savings bonds are a stable, dependable way to lay a solid toendation for your luture security. When you buy savings bonds, you invest in yourself and you invest in your country. Buying savings bonds as part of a regular investment planmakes good sense.\*

Savings bonds are a safe and secure investment, and are backed by the full faith and credit of the United States. Bonds can be replaced free of charge if lost, stolen or destroyed; as long as it can be established by the Bureau of Public Debt that the bonds are either still outstanding or have been erroneously paid: By purchasing Series EE bonds, you will gain a good rate of retum. Your investment will grow for 30 years; however, bonds can be cashed anytime after six months In addition, interest earned on U.S. Savings Bonds is exempt from state and local income tax. You can also defer paying federal income tax until you cash your bond or it stops earn:

ing interest in 30 years.

It is important to note a bond's face value is reached based on its actual yield over time. For instance, if bonds earn an average of 4% per annually compounded semiannually, the face value will be reached in 18 years; at 5% 12 years. (Savings bond rates where subject to marketable Treasury Securities rates, are amounced each May I and November 11.

President Clinton has set goals for this year's campaign to be the best evert. As an agency, we want to see the participation level increased to 35%, including 15% new savers for the agency. In addition we hope to have current bond buyers increase their savings in U.S. Savings Bonds by even a small amount. These goals are attainable if each one of us focuses on how savings bonds can help us reach our goals for our titues.

Savings bonds are an easy way to start savings for retirement, a downmayment on a new home or, a child's education. These days it is very hard to save money, and through payroll deduction, purchasing savings bonds is quick and painless. You can decide what type at denomination you wish to begin investing in if you have any questions about how savings bonds are beneficial to you do not besitate to contact your office canvasses during the campaign.

#### Savings Bond Interest Rate Set At 4.36%

The Department of Treasury announced on May 1 that the short-term rate for Series EE Saving Bonds in effect from May 1996 through October 1996 is 4.36%.

Savings bonds issued on or after May 1, 1995 earn short-term rates for the first five years. The long-term rate for Series EE bonds in effect from May 1996 through October 1996 is 4.85%. Series EE bonds issued on or after May 1, 1995 earn long-

term rates from five years to 17 years. Since none of the bonds issued under the new rate structure have been outstanding for five years, the long term rate in this announcement will not be used and is announced only for reference.

For further information on savings bonds, contact your local financial institution or write to Saving Bonds, Washington, D.C. 20226

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#### DEADLINE NEXT ISSUE

June 14, 1996

#### SEC EMPLOYEE NEWS

The SEC Employee News is published bi-monthly by the Office of Public Affairs. Policy Evaluation, and Research, U.S. Securities and Exchange Commission, 450 5th St., N.W. Washington, D.C. 20549: Readers are encouraged to suffinit articles for publication and should send material to.

Editor SEC Employee News Room 7103

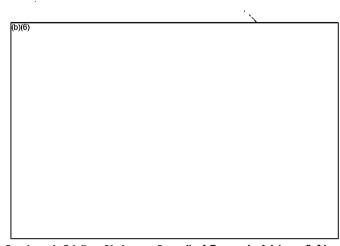
Letters to the Editor ere welcome They should address issues, not personalities and should be submitted with a name and telephone number.

> Mary Teel, Editor Donald Kovener, Art Editor Office of Public Affairc, Policy Evaluation, and Research

COPY DEADLINE: The deadline for articles for publication in the SEC Employee News is the second week of the month prior to the month in which the News is published.

#### Intangible Assets Subject Of Financial Symposium

Commissioner Wallman, Chief Accountant Michael Sutton Are Co-Hosts



Dr. Joseph Stiglitz, Chairman, Council of Economic Advisers (left), and SEC Commissioner Steven Wallman talk before the Symposium.

What is the value of Mickey Mouse? And just how do investors get a sense for whether Coca-Cola is "the real thing"? These and other topics were discussed during the course of a two-day symposium on intangible assets sponsored by the Commission on April 11-12. Participants at the symposium included various panelists from around the globe and an audience of over 150. Commissioner Steven Wallman and Chief Accountant Michael Sutton served as Co-Chairmen of the symposium.

A growing sector of the economy is comprised of firms that use nontraditional assets such as trademarks or servicemarks (hence the reference to Disney's Mickey Mouse and the Coca-Cola slogan), intellectual capital, investments in research and development or employee training and high levels of customer satisfaction. Although such assets clearly are relevant to investor and creditor, because of reliability and measurement concerns, the traditional accounting model frequently does not promote the reporting of such items in the financial statements or in supplemental Nevertheless, to some, disclosures. these assets are at least as important to the overall success or failure of certain companies as the brick and mortar that makes up their plant and facilities.

The Commission was honored to have Dr. Joseph Stiglitz, Chairman of

the Council of Economic Advisers, as the keynote speaker at the symposium. After emphasizing the importance of accounting and auditing standards to the efficient allocation of resources throughout our capital markets for internal control purposes and to the overall functioning of our economy, Dr. Stiglitz noted the need to provide better public

disclosure of information with respect to

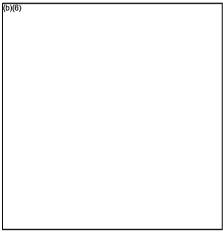
intangible assets. While acknowledging that any valuation of in-tangible assets will be uncertain or "noisy," he indicated that this does not mean that such information should not be used, or that the implicit value of an intangible asset should be set at zero. Such an approach increasingly will result in under-investment of resources in appropriate companies precisely at the time we are shifting more quickly from a manufacturing to an information-based economy - one that is characterized by knowledge and technology intensive firms. He concluded by emphasizing the need for accounting systems that adapt to the changing economy and thereby retain their utility.

CONTINUED ON PAGE 4

#### Commissioner Hunt Leads SEC Delegation To Moscow

On May 17, Commissioner Isaac C. Hunt, Jr. led an SEC delegation, which included representatives from the Division of Corporation Finance and the Office of International Affairs, to Moscow to present a program to Russian companies interested in accessing the U.S. securities markets. The program was co-hosted by the Russian Federal Commission on Securities and the Capital Market. Representatives from the New York Stock Exchange and the Nasdaq Stock Market also participated in the conference, along with U.S. private lawyers and investment bankers. The SEC's participation was funded under its USAID interagency agreement for technical assistance to the former Soviet Union.

Commissioner Hunt delivered opening remarks at the one-day conference and was followed by three groups of panelists. The first panel offered an overview of opportunities for foreign issuers in raising capital in the American market. The second group of panelists discussed the use of ADRs and account-



#### COMMISSIONER ISAAC HUNT

ing requirements for the public offering process. The final panel presented views on good corporate disclosure and investor relations practices for public companies. Senior executives from 20 of the top Russian companies attended the conference. Commissioner Hunt was accompanied by Robert Strahota and Jo Anne Swindler from the Office of International Affairs and Paul Dudek, Annemarie Tierney and Lisa Vanjoske from Corporation Finance.



## SEC Staffer To Carry Olympic Torch

Robert Osberger of the Division of Corporation Finance will carry the Olympic torch through the metropolitan Washington, D.C. area as part of a relay, running June 20 and 21. Watch your e-mail messages for more information including the time and path.

Bob is one of 5,500 people selected through the "Community Ideas" program who will carry the torch on the 15,000-mile, 84-day relay through the United States to Atlanta, the site of this year's summer Olympic Games.

The relay, the largest ever, started in Los Angeles on April 27 and will travel through 42 states before arriving in Atlanta to open the XXVI Olympic Games on July 19. The Games will close on August 4.

Tradition dictates that the torch be lighted in Olympia, Greece. The torch is lighted by Olympic officials and the flame is passed from torch to torch in relay fashion, traveling from Olympia to the Olympic stadium in Atlanta.

## Health Fitness Fair Planned For July Watch For Future Announcements

The SEC Funess Center and the SEC Health Unit are planning a Health Princess Four for SEC headquarters staff in July. A tentative date of July 25 has been set. Watch your e-mail for the date, time and program.

The fair will follow the structure of the very successful health fitness fair held at the Commission's Operations Center in April. The July fair also will feature a variety of booths and experts or professionals to instruct and answer questions.

Some of the attractions that were featured at the OpCenter fair are listed below. Similar attractions are planned for the fleadquarters fair.

- A Natritionist answered questions and distributed literature.
- A Natural Healing Specialist demonstrated "ear conning" and was available for questions
- A Skin Care Specialist was available.
- A representative from the Road Runners Club.
- •1º Professional CPR instructions.
- Mobile Unit was available for hearing and eye testing.

- Professional first aid demonstrations
- Healthful Foods and Literature. Samples of low cholesterol foods, such as dineless made with egg substitutes, humus spread, pitabread and veggie platters.
- Body Fat Analysis: A check of fat against total body weight.
- Martial Arts Demonstration
- Gertified Message Therapistic gave sample five-minute shoulder and neck massages for a \$2 fee.
- An abundance of fitnes/wellness literature.

#### Financial Symposium On Intangible Assets

CONTINUED FROM PREVIOUS PAGE

Dr. Stiglitz was followed by a series of panels made up of various users, preparers, academicians and standard setters. The user panel consisted of Lewis Alexander (Chief Economist, U.S. Department of Labor), Joseph Jelincic (CALPERS), Rossa O'Reilly (CIBC Wood Gundy), John Bajkowski (American Association of Individual Investors) and Gerald White (Grace & White). While noting the importance of information with respect to intangible assets, this group expressed concern about incorporating such information into the financial statements of a company. The panelists were, however, receptive to the idea of providing greater supplemental disclosures to investors and others regarding intangible assets.

A number of representatives of companies that have a significant amount of intangible assets also participated in the symposium including Michael Brown (Microsoft), Gordon Petrash (Dow Chemical), Leif Edvinnson (Skandia AFS — Sweden) and Jonathan Southern (Grand Metropolitan Plc — U.K.). Each participant provided an overview of the types of intangible assets utilized by their firms, as well as whether and how they are monitored for internal purposes.

Other panelists at the event included Professor Baruch Lev (NYU), Paul Healy (MIT) and David Larcker (Wharton). The academic panel presented the result of recent research on the valuation and measurement of intangible assets. A panel comprised of Dennis Beresford (FASB), Art Seigel (Price Waterhouse), Michael Crooch (Arthur Andersen), James Saloman (Ontario Securities Commission), Kurt Hohl (SEC Division of Corporation Finance) discussed these issues from the perspective of accountants and standards setters. Dr. George Hatsopolous (Thermo Electron) and Dr. Carolyn Brancato (The Conference

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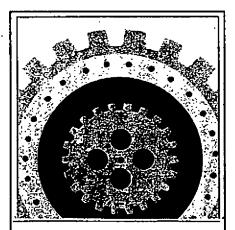
#### FINANCIAL SYMPOSIUM ON INTANGIBLE ASSETS

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Board) also spoke at the symposium.

Commissioner Wallman noted, "The symposium went very well. We were fortunate to have a superb group of panelists, and an audience that was very active in asking probing and challenging questions. The hope is that this type of event will help stimulate greater interest in this area over time, enhancing our ability to understand and communicate better information with respect to intangible assets to investors, creditors and other users of financial information. The issues raised with respect to reliability and measurement are not easy to address, but as Dr. Stiglitz put it, this is an area that will only increase in importance over time."

For more information, please call Terry Warfield at 942-4400, or Andre Owens at 942-0800.



#### **GET YOUR FINANCES IN GEAR**

Early attention to the business of saving will get your financial portfolio running smoothly. Buy savings bonds now and you will earn market-based interest rates, enjoy tax benefits such as exemption from state and local income taxes and deferral of federal income taxes on earnings.



#### Donahue Appointed SEC Comptroller

position of Comptroller within the Executive Director's office on May 12. He succeeds Henry Hoffman, who was acting in that position after the death of Lawrence Haynes in 1995. Mr. Hoffman will continue as the Assistant Comptroller.

Mr. Donahue comes to the Commission from the Department of the Interior, where he had served in a number of positions during his 28 years with the agency. Prior to his Interior experience. he worked for the Department of Defense.

Within the Department of the Interior, Mr. Donahue had worked in financial management for the Assistant Secretary, Water and Science, the Bureau volunteerism with of Reclamation (they built those large dams in the West, such as Hoover Dam and Grand Coulee Dam) and the Bureau of Mines. Within the Bureau of Mines,

Jim Donahue was appointed to the Mr. Donahue was the Budget Officer and later served as the Deputy Associate Director for Information and Analysis. The Bureau of Mines has since been abolished as part of the fiscal year 1996 downsizing undertaken by the Congress.

> Additionally, Mr. Donahue serves as an instructor in financial management for the Office of Personnel Management's Executive Seminar Series in Denver and Oak Ridge, Tennessee.

> Mr. Donahue also is affiliated with many executive training and upward mobility programs such as the Presidential Management Intern Program, the Executive Potential Program and the Women's Executive Leadership Program.

> In addition to his professional the Office of Personnel Management, (b)(6)

#### Wilkinson Named IM Assistant Director

Assistant Director in the Division of Investment Management on March 18. As head of that office, Ms. Wilkinson supervises the Commission's oversight of 15 registered holding company systems, representing approximately \$132 billion of assets and \$46 billion of annual revenues as of December 31, 1994.

Prior to her appointment, Ms. Wilkinson was a staff attorney in the office and spent six months as an attorney in the Division of Corporation Finance.

Before joining the Commission, she Vassar College in 1972.

Bonnie Wilkinson was appointed was a partner from 1990 to 1994 with the New York office of Reid & Priest and an associate there from 1979 to 1990. She specialized in financing transactions and matters of general corporate law for clients in the utility industry.

> Ms. Wilkinson received a JD degree in 1979 from Fordham University, where she was on the staff of the law review, an AMILS (masters in library science) from the University of Michigan in 1974 and an AB in anthropology from

#### TEMPORARY CHANGE IN OFFICE HOURS Tor the ATLANTA DISTRICT OFFICE

Effective Friday, July 12, through Friday, Aug. 9, 1996, the official business hours for the Allanta District Office will be changed from 9 a.m. to 5:30 p.m. to 7:30 a.m. to 4 p.m. (EST). This temporary change is made in cooperation with the City of Atlanta to minimize transportation difficulties for the staff during the period surrounding the Summer Olympic Games...

On Monday, Aug. 12, 1996, official business hours for the Atlanta District Office will return to 9 a.m. to 5:30 p.m. (EST). I

The SEC Toastmasters Club is a member club of Toastmasters International, a non-profit, educational organization of more than 8,000 clubs in more than 50 countries worldwide. The SEC Toastmasters Club provides its members with an opportunity to practice public speaking and improve their communication skills in general. Through club activities, members also develop their listening and thinking skills. Club activities are designed to help members develop self-confidence and speak with clarity, persuasiveness and enthusiasm.

The SEC Toastmasters Club is not a formal class, but rather a practical method for developing communication skills among friends and co-workers. The key to the Toastmasters program is active participation. The club organizes its meetings around two or three speeches, each usually five to seven minutes in length, delivered by club members. Club members provide a positive, sup-

portive audience for novice speakers. Speakers receive feedback on what is effective in their speaking style and suggestions for how they may improve. The prepared speeches develop speaking skills one step at a time. Each speech builds upon skills learned in previous speeches. In addition to prepared speeches, meetings may include extemporaneous speaking exercises, where designated speakers do not prepare a formal presentation but must think on their feet, debates and topical speech contests.

For those who wish to gain additional experience, the Toastmasters organization provides many opportunities for public speaking training and participation in speaking contests with individuals from other clubs in the area. For those interested in competitive speaking at a higher level, Toastmasters International also holds speech contests that match some of the best public speakers from throughout the country. These contests provide an opportunity for less experienced club members, including those not necessarily interested in speaking competitively, to learn by observing proficient speakers. In the summer of 1993, Jean Burton, a training officer in OAPM, initiated the organization of the SEC Toastmasters Club to help meet the need for effective training in public speaking identified by her office. The Club formally received its charter in a ceremony at Commission headquarters on April 6, 1994. The Club currently has 26 members.

The SEC Toastmasters Club meets twice monthly, on the first and third Thursdays of each month, from 12:05 p.m. until 1:05 p.m.

Officers elected at the Club's May 18 annual meeting are:

President Rachel Graham
Vice Pres., Education Greg Scates
Vice Pres., Membership Sonja Addison
Vice Pres., Public Relations Brenda Fuller
Secretary Paulette Beckford
Treasurer Anne Rankin
Sergeant at Arms Debra Walker

If you are interested in participating in this unique training experience or would like to know more about the club, contact Sonja Addison, Office of Equal Employment Opportunity and the club's vice president of membership, on 942-0051.

#### SEC Toastmasters On the Go . . .

#### Tsai Elected Division Governor

Elizabeth T. Tsai, Staff Attorney in the Freedom of Information Act/Privacy Act Office, was elected Division Governor in District 36 on May 11. As Division E Governor, she will oversee 26 Toastmasters clubs in Montgomery County.

A charter member of SEC Toastmasters, Elizabeth is the current Area 35 Governor in Division C, which is in the District of Columbia. Before that, she was president and treasurer of the SEC Toastmasters Club. As president, she led the Club to be number 9 in District 36's Distinguished Club Program.

#### Fuller Scores in District Contest

Each year thousands of Toastmasters around the world, compete for the title

of "World Champion of Public Speaking." The contest begins at the Club level and the winner successively competes at the Area, Division, District, Regional and International levels. A contestant gives a five-to-seven minute speech on a topic of his or her choice.

This year Brenda L. Fuller, a Research Specialist in the Freedom of Information Act/Privacy Act Office and a charter member of the SEC Toastmasters Club, competed all the way to the District level, receiving the Third Place trophy. The title of her speech was "Just Do It." In her winning speech, she gave pointers on how to become an effective decision-maker. "Wafflers," she said, "could become decisive by weighing the pros and cons of an issue and living the motto Just Do It."

Top: Elizabeth Tsai at the District Conference Parade of Banners. Bottom: District Governor James Ronning presents trophy to Brenda Fuller after speech contest.

# Daniel Shea Appointed Regional Director, Denver Office

Daniel F. Shea was appointed Regional Director of the Central Regional Office on March 29. As Regional Director, Mr. Shea will oversee activities as they are conducted throughout the region. He assumed his new post on the retirement of Robert Davenport in late March. Since February Mr. Shea served as CRO Associate Regional Director (Enforcement), overseeing the region's enforcement functions.

Chairman Levitt said: "I am pleased that Dan Shea will assume the position of Regional Director of the Commission's Regional Office. Dan is a lawyer with considerable talent and experience. I am confident that he will carry out the responsibilities of this important position with intelligence and

effectiveness and I look forward to working with him."

Mr. Shea joined the SEC in 1992, and was Assistant Chief Litigation Counsel, Division of Enforcement at SEC headquarters, until early 1995. In that capacity, Mr. Shea represented the Commission in several significant enforcement actions, including the SEC case against Charles Keating, Jr. and other officers of American Continental Corporation.

Prior to joining the Commission, Mr. Shea was a partner in a Washington, D.C. law firm and served as a trial attorney with the U.S. Departments of Justice and Energy. He graduated from the College of the Holy Cross in 1972 and from the Columbus School of Law at Catholic University in 1975.

#### **Bridgman Named BDO Trial Counsel**

Linda B. Bridgman was appointed District Trial Counsel for the Boston District Office in charge of all litigation for the Boston Office. She assumed the new position on May 1, 1996.

Prior to her appointment, Ms. Bridgman was Senior Trial Counsel in the Office of General Counsel for three years. She was responsible for litigating administrative actions initiated by the Commission against professionals who practice before it under Rule 2(e) and the defense of various actions brought against the Commission. During 1995, she was assigned a special detail as Senior Litigation Counsel in charge of litigation for the Miami Regional Office. During 1993, she appeared as counsel for the Commission in the prosecution of a Canadian national for securities fraud by the government of Costa Rica. Since 1993, she has served as the Commission's Task Force Coordinator for consideration and implementation of the use of alternative dispute resolution procedures and negotiated rulemaking by the Commission in appropriate program areas. From 1982 to 1986, Ms. Bridgman served as Assistant Chief Litigation Counsel in the Division of Enforcement Trial Unit.

Before coming to the Commission, Ms. Bridgman served as an Assistant United States Attorney in the Eastern District of Virginia. She also was in private practice with Weil, Gotshal and Manges, specializing in securities, banking and general commercial litigation.

Ms. Bridgman received an LLM insecurities and banking regulation from Georgetown University Law Center in 1993, a JD from Wake Forest University Law School in 1976 and a BA from the University of North Carolina at Chapel Hill in 1973.

# Degenhardt Appointed Fort Worth District Administrator

Harold F. Degenhardt was appointed District Administrator of the Fort Worth District Office in mid-April. The District Office is part of the Commission's Central Region, which is comprised of offices in Denver, Colorado and Salt Lake City, Utah, as well as in Fort Worth, Texas. Mr. Degenhardt, who assumed his new post in May, will be responsible for overseeing the Commission's enforcement and regulatory program in the District.

Mr. Degenhardt most recently was a partner resident in the Dallas office of the law firm of Gibson, Dunn & Crutcher. He joined the firm in 1984 and was a member of the Litigation Department, specializing in general commercial, securities, antitrust and product liability litigation. Prior to joining Gibson, Dunn & Crutcher, Mr. Degenhardt was a litigation associate from 1973 to 1977 with Mudge, Rose, Guthrie & Alexander in New York City and a litigation partner with Coke & Coke in Dallas.

Chairman Arthur Levitt, in announcing the appointment, stated: "Mr. Degenhardt brings a wealth of experience and talent to the Commission. I am confident he will contribute significantly to our regional and district offices."

Mr. Degenhardt graduated from Villanova University in 1968. He received a JD degree from Fordham Law School in 1973.

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SEC 1996 PHOTO CONTEST
DEADLINE JULY 15
See pp. 11-12 for details.

# Japanese Securities Official Visits Atlanta Office JAPANESE COMMISSIONER VISITS ADD

On Marth 8, 1996, Masamichi Narita, a commissioner from the Japanese Securities and Exchange Surveillance Commission (SESC). Historic Impalayashi, the deputy director of the Coordination and Inspection Division, and others from the SESC, visited the Atlanta District Office (ADO) for the purpose of reviewing the operations of an SEC field office. Narita is one of three commissioners responsible for regulating Japan's securities markets.

Established in July 1993, the SESC has a structure simi-

lar to the SEC, has its headquarters in Tokyo and 31 field offices throughout Japan.

Speaking through an interpreter, Commissioner Narite and irrabayashi discussed with senior ADO managers, among other subjects, the functioning of the enforcement and examinations programs, interagency cooperation and resource concerns. The cordial meeting concluded with a demonstration of how various computer applications are used to support and enhance field office operations.

## Administrative Law Judge Carol Foelak

Carol Fox Foelak, the latest Administrative Law Judge appointed. took office on Nov. 26. Judge Foelak came to the Commission from the Office of Hearings and JUDGE FOELAK Appeals of

the Social Security Administration, where she served as an Administrative Law Judge and Acting Chief of the Portland, Maine, office from 1994 to 1995. Previously, she was an attorney on the staff of the Pederal Communications Commission from 1965 to 1994.

Judge Foelak is a graduate of Columbia University Law School, where she received an LLB in 1965, and Swathmore College, where she received a BA in 1962.

#### **CRO Regional Geologist David Abbott Resigns**

David M. Abbott, Jr., Regional Geologist in the Central Regional Office since 1980 and a 21-year Commission veteran, resigned on March 1 to take a position as Senior Associate with the Denver-based international minerals industry consulting firm of Behre Dolbear & Co., Inc.

Mr. Abbott carned a BS in Geology from Dartmouth College in 1971 and an MS from the Colorado School of Mines in 1974. He joined the Commission's staff in 1975 as a geologist in the Denver office, during a time of great activity in the financing of oil, gas and mineral companies. Throughout his SEC career, Mr. Abbott supported both the regulation and enforcement program areas simultancously. He reviewed registration statements filed by a host of start-up mining, oil and gas, and related entities. In his enforcement work, Mr. Abbott participated in the investigations of numerous fraudulent enterprises, taking testimony from geologists, mining and petroleum engineers, and promoters, testifying as an expert witness for the SEC, Justice Department and numerous state agencies and conducting field examinations of dozens of fake mining properties and bogus oil fields.

In his new role as an independent consultant, Mr. Abbott will draw upon his many years' experience to assist international mining companies in preparing and evaluating their technical disclosure concerning reserves, exploration programs, and mining plans for submission to the SEC and other regulators.

Although excited about the future, Mr. Abbott commented upon leaving that "twenty-one years is a long time. I've met many wonderful people and have some treasured memories. I'm proud to have been a part of the organization." One thing he won't miss? "Having to explain what a geologist does for the SEC."

# Black American History Celebrations Employees Honor African American Women

CONTINUED/FROM/PAGE 1

leaders in the struggle for civil rights for all minorities and noted their accomplishments in their chosen fields. She soon captivated her audience by telling the story of her 84-year old friend, Johnnie Carr of Alabama. She explained that Ms. Carr is less well known outside her

community than (b)(6)
Rosa Parks, but she was instrumental in organizing the bus boycott in Alabama in the early 1960s that challenged racial segregation in public accommodations.

Johnnie Carr and the other women who walked long distances to work at their jobs throughout the boycott faced physical threats, arrests and economic hardship. They prevailed because of their strength and determination.

Ms. Rogers reminded her audience

that the struggle for equality and respect in America is not over. African American women whose names are not known to the public continue to reshape society by opposing injustice and by educating their children.

Carmen Lawrence, Regional Director, NERO, was mistress of ceremonies for the program. She was assisted by Ronald Long, Counsel to the Chairman,

who introduced Ms. Rogers. After Ms. Rogers spoke, a number of talented SEC employees presented a cultural program. Vocalist Esther Grace Simmons (OFIS) sang the Black National Anthem, Lift Every Voice and Sing. Poet Leatta Richmond (MR) recited one of her original works. Some of Ms. Richmond's poems have been published in a

concluded with an African-inspired folk dance. In addition to the cultural program, the Black Employment Program mounted a display entitled, African American Women: Yesterday, Today and Tomorrow, in the lobby at headquarters.

Several SEC Regional Offices also held special events in February to ob-

> serve Black History Month. The Northeast Regional Office on February 7 featured an electrifying and inspirational concert of gospel music by the worldrenowned Institutional Radio Choir. Black Employment Program Coordinator Cynthia Moore organized the program with help from Vincent Haddock, Lisa Minor and other employees. Ms. Moore recited a poem she composed for the occasion.

Four Boston District Office employ-

ees-Leighton Richardson, Erica Lewis, Frank Hooper and Emlee Hilliard-Smith-organized a series of Black History Month events to develop the theme Arr as a Cultural Unifier. In addition to two field trips to local art exhibits, Women of Color at the Federal Reserve and a Nubian art exhibit at the Boston Museum of Fine Arts, a lecture on famous Black artists was presented by Napoleon Jones-Henderson, an artist and teacher.

Glenn Harris of the Southeast Regional Office organized his office's Black History Month program with a luncheon in Miami on February 22. Guest speaker Eldridge Cleaver, former Minister of Information for the Black Panther Party, received a standing ovation after giving a speech described as "positive and inspirational" by those in attendance.

new book, Life Through Black Eyes. David Watley, an aspiring singer/song writer who works for the security force covering SEC, sang two songs.

The program ended with a series of dances performed by the Dance En semble, a talented group of high school students from the Duke Ellington School of the Performing Arts. Their performance opened with a modern ballet and

### Did You Know?

Open season for the Thirth Savings Plan (TSP) will end on July 31, 1996. During this period, eligible employees are able to enroll, change the current contributions or reallocate amounts in three TSP funds. The funds are Government

Securities (G fund) Fixed Income (F fund); and "Common Stock (C fund) As of April 1996, the yearly returns for these funds were: 6:54% for the G fund; 8:52% for the F fund; and 30.11% for the C fund.

### SEC 1996 PHOTO CONTEST

#### GRAND PRIZE: \$100 Savings Bond

(The winner must surpass all other entries )

THE FOLLOWING PRIZES WILL BE AWARDED IN BOTH NOVICE AND ADVANCED CATEGORIES

#### 

(Landscapes; seascapes, still lifes; inanimate objects)

First Prize \$40 Second Prize 30 Third Prize



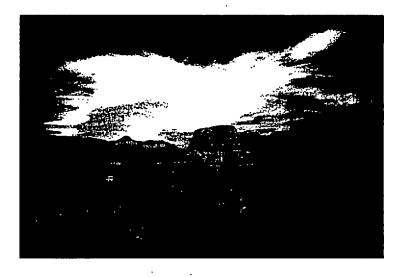
(People, animals, fish, fowl)

First Prize Second Prize Third Prize

Place Taken/Subject

Place Taken/Subject\_

Place Taken/Subject



1995 GRAND PRIZE WINNER

Clouds by Yuri Zelinsky



#### SEC PHOTO CONTEST

#### pnoto

- □ Advanced
- □ Novice Pictorial
- ☐ Living Things ☐ For Exhibit

Affix this form to back of entry.

#### SEC PHOTO CONTEST ENTRY FORM

Name of Photographer Division/Office Title of Photograph

SEND TO: SEC EMPLOYEE NEWS, Office of Public Affairs, Policy Evaluation and Research, Room 7103, Stop 7-1, Washington, D.C. 20549.

#### SEC PHOTO CONTEST

#### photo

- □ Advanced
- Novice □ Pictorial
- Living Things
  For Exhibit

Affix this form to back of entry.

#### SEC PHOTO CONTEST ENTRY FORM

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#### SEC PHOTO CONTEST

- photo □ Advanced
  - Novice Pictorial
- Living Things
  For Exhibit
- Affix this form to back of entry.

#### SEC PHOTO CONTEST ENTRY FORM

Name of Photographer Division/Office Room Title of Photograph

SEND TO: SEC EMPLOYEE NEWS, Office of Public Affairs, Policy Evaluation and Research, Room 7103, Stop 7-1, Washington, D.C. 20549,

#### **New Contest Rules**

ELIGIBILITY: The contest is open to ell SEC employees and retirees from both Head-quarters and Regional Offices.

NOVICE OR ADVANCED: All photos entered in the 1996 SEC Annual Photo Contest must indicate whether they are to be judged in the advanced or novice category. Contestants who have won cash prizes in past SEC annual photo contests may enter in the advanced category. New contestants with considerable experience as photographers may also enter as advanced. All others should enter as amateurs. Be sure to check the box for the photo you would prefer to have exhibited.

PHOTOGRAPHER: Each entry must have been photographed by the contestant.

NUMBER, SIZE OF PHOTOS: You may enter up to three photos in the contest. Size may range from 4" x 6" to 8" x 12," no range from 4" exceptions.

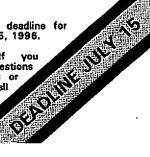
PRINTS, NOT SLIDES: All entries must be prints; slides ere not acceptable. Prints may be in black-and-white or color.

AGE. CONDITION OF PHOTOS: Photos must have been taken since January 1, 1995. Photos may be rejected if mutilated or marred.

IDENTIFICATION: Identification forms are provided on this page. A form should be completed for each entry end taped to the back of the photo. Photos should not be mounted.

DEADLINE: The deadline for entries is July 15, 1996.

QUESTIONS: If any questions about the rules or procedures, call Mary Teel, Mary Te OPAPER, on 942-0027.



## SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

Val. 20, No. 4

Washington, D.C.

June/July 1996

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Chairman Arthur Levitt greets Cristina Parlato Trigona, Manager of Investment Services, Malta Financial Services Centre in Attard, Malta, one of many delegates to the Institute.

#### SEC Holds Sixth International Institute For Securities Market Development

A record number of delegates - 100 senior securities regulators and stock exchange officials from 65 emerging securities market countries - attended the Commission's Sixth International Institute for Securities Market Development from April 29 through May 5. The Institute is a key component of the SEC's technical assistance program for countries with emerging securities markets. Through this program, the Commission has trained nearly 550 people, many of whom now occupy the most senior positions in their countries. This year Armenia, Cyprus, Fiji Islands, Georgia, lvory Coast, Tajikistan, Tanzania and Zaire were represented at the Institute for the first time.

This year Chairman Arthur Levitt and Commissioners Isaac Hunt, Norman Johnson and Steven Wallman all were personally involved with the Institute. Commissioner Wallman delivered the welcoming remarks and introduced the Institute's keynote speaker, the Honorable Everett M. Ehrlich, Under Secretary for Economic Affairs of the Department of Commerce. Under Secretary Ehrlich's keynote speech, entitled "Securities Regulation and Growth in the Emerging Economies, " was unanimously well received by an enthusiastic group of delegates. Gary Lynch, former Director of the Division of Enforcement, also addressed the delegates on the Institute's opening day on the importance of securities regulation in a market economy. Commissioners Hunt and Johnson played a key role in the Institute program as moderators for the delegates' presentations about significant developments in their markets. Chairman Levitt closed the Institute with inspirational and congratulatory remarks to the delegates.

CONTINUED ON PAGE 4

#### SEC Opens Enforcement Complaint Center On The Internet

The Commission announced on June 17 the opening of the Enforcement Complaint Center, an electronic mailbox that enables the public to communicate directly with the SEC's Division of Enforcement regarding possible instances of securities fraud.

Located at http://www.sec.gov/enforce/comctr.htm, the Center features a simple, understandable form that the user can complete and send to the Enforcement Division with the click of a mouse. The Enforcement Complaint Center can also be reached through the SEC's homepage at http://www.sec.gov.

Staff members of the Division of Enforcement and the Office of Investor Education and Assistance will review all messages sent to the Enforcement Complaint Center. The Center welcomes complaints about all types of fraud, not just Internet-related activities.

The Enforcement Division currently monitors the many facets of the Internet. Through the Complaint Center, it aims facilitate the public's continued assistance of the SEC's efforts to protect investors. "There exists a remarkable culture of self-policing by individual Internet users who resent the intrusion of the crooks and thieves trying to exploit this new medium," said William McLucas, Director of the Division of Enforcement. "We hope to tap into this culture, encouraging users to let us know of dubious offerings on the World Wide Web or suspicious postings on the many usenet groups and bulletin boards.

CONTINUED ON PAGE 8

#### Sirri Appointed SEC Chief Economist

Erik Sirri, former Babson College and Harvard Business School professor, was appointed Chief Economist on June 17. The position was previously held by Richard Lindsey, who was named Direc-

tor of the Division of Market Regulation.

In announcing the appointment, Chairman Arthur Levitt said, "Erik brings to the Commission many years of quality academic research coupled with extensive practical experience. He will contribute immediately to the Commission's efforts to evaluate new and existing rules and to apply costbenefit analysis to

regulation of the securities markets. look forward to working with him."

Mr. Sirri had been an Assistant Professor at Babson College in Wellesley, Mass. since 1995. For the five previous years, he was an Assistant Professor at Harvard Business School. His research focused on the economics of mutual funds and money management, market liquidity and trading costs, the design

of securities exchanges, insider trading and the competition between financial markets and institutions. Prior to joining Harvard University, Mr. Sirri worked as a Research Scientist with Nichols Research Corporation in Newport Beach, Calif. He has worked extensively as a consultant and is the author of numerous articles, research papers and case studies.

Mr. Sirri earned a BS degree from California Institute of Technology in 1979. He earned an MBA in 1984 from the University of California, Irvine, and a PHD in Finance from UCLA in 1990.

#### Wyatt Named As Consultant To OCA

**ERIK SIRRI** 

Dr. Arthur R. Wyatt, CPA, has been engaged as an expert consultant in the Office of the Chief Accountant. In this new role, Professor Wyatt will act as senior policy adviser to Chief Accountant Michael H. Sutton for the Commission's initiatives involving the development of international accounting standards. In particular, Professor Wyatt will play a key role in monitoring the development of international accounting standards by the International Accounting Standards Committee (IASC).

In announcing Professor Wyatt's appointment, Chairman Levitt said, "The Commission is committed to working with the IASC to develop a set of high-quality international accounting standards that, if rigorously interpreted, applied and enforced, can be used for international offerings. In light of the decision by the IASC to intensify its efforts to develop a set of core standards by March 1998, it is critical that the

Commission have the expertise necessary to ensure that U.S. interests are represented at the highest level. Professor Wyatt's unique experiences in both the domestic and international standards setting arenas will provide valuable insight into this process." Mr. Sutton welcomed Professor Wyatt's appointment and said, "Issues involving internationalization are among the most pressing for regulators today. The addition of Art Wyatt to our team will enhance greatly our ability to analyze and respond to these issues."

Professor Wyatt is a past Chairman of the IASC, former member of the Financial Accounting Standards Board, past president of the American Accounting Association and past member and Chairman of the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants. He is a retired partner from the accounting firm of Arthur

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#### DEADLINE NEXT ISSUE July 15, 1996

#### SEC EMPLOYEE NEWS United States Securities and Exchange Commission

The SEC Employee News is published bi-monthly by the Office of Public Affairs, Policy Evaluation, and Research, U.S. Securities and Exchange Commission, 450 5th St., N.W., Washington, D.C. 20549. Readers are encouraged to submit articles for publication and should send material to:

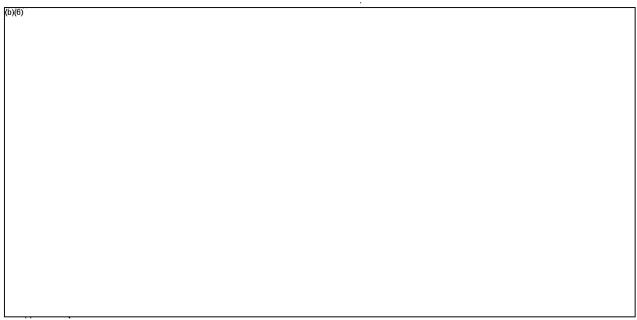
Editor SEC Employee News Room 7103

Letters to the Editor are welcome. They should address issues, not personalities and should be submitted with a name and telephone number.

Mary Teel, Editor Donald Kovener, Art Editor Office of Public Affairs, Policy Evaluation, and Research

COPY DEADLINE: The deadline for articles for publication in the SEC Employee News is the second week of the month prior to the month in which the News is published.

Andersen & Co., where he served as Managing Director of its Accounting Principles Group. Professor Wyatt currently is a professor of accounting at the University of Illinois and has been an adjunct professor of accounting at Northwestern University. He is recognized around the world as a leader in the accounting profession and as a foremost authority on the establishment of international accounting standards.



SOME 1995 AND 1994 PRESIDENTIAL AWARD WINNERS

Left photo: Vice President Albert Gore (center) with College Mahoney, Enforcement Deputy Director (center right), and other awardees at the Presidential Awards ceremony in the old Executive Office Building. Photos to right: Presidential rank awardees Barry Goldsmith, Chief Litigation Counsel (top), and Carmen Lawrence, Director, NERO (bottom).

#### Three SES Employees Receive Presidential Awards

Distinguished Executive Awards Bestowed On Mahoney, Lawrence, Goldsmith

The Presidential Rank Awards are the top awards available to Senior Executive Service (SES) employees. Two categories of Presidential Rank Awards — Distinguished Executive and Meritorious Executive — are granted to career SES members whose achievements are exceptional and extended. For 1995 and 1994 three SEC officials were chosen to receive the Distinguished Executive Award.

Colleen P. Mahoney, Deputy Director of the Division of Enforcement, and Carmen J. Lawrence, Regional Director of the Northeast Regional Office, were honored by President Clinton as recipients of the Presidential Rank Award of Distinguished Executive for 1995. Barry Goldsmith, Chief Litigation Counsel of the Division of Enforcement, received the Distinguished Executive Award for 1994.

Vice President Gore gave the award to Ms. Mahoney and other 1995 Distinguished Executive awardees at a ceremony held May 16 in the Indian Treaty Room of the Old Executive Office Building. Official duties at the Northeast Regional Office kept Ms. Lawrence from

being present. Mr. Goldsmith received the award last year.

Every year, the President recognizes a select group of the government's senior executives by bestowing the rank of Distinguished or Meritorious Executive on the very best career members of the Senior Executive Service for sustained exceptional performance as public servants. These executives oversee some of the government's most vital programs.

In praising the 1995 award winners, President Clinton said, "They are modern pioneers, redesigning the way we do work and improving service to our citizens. Public servants in the finest sense, they protect our air and water supplies, clean up nuclear waste, defend our nation, and strengthen our economy through international trade. I am pleased to recognize their outstanding efforts with the Presidential Rank Award."

Only 62 members of the SES from throughout government received the Distinguished Executive Award for 1995, while 146 received the Meritorious Rank Award. The awards are given in recognition of career excellence.

Colleen Mahoney received the award in recognition of distinguished service with the SEC for the past 12 years. As Chief Counsel for the Division of Enforcement, Ms. Mahoney worked tirelessly to facilitate Commission action on regional enforcement cases. Her exceptional service in improving the regional office program was recognized in 1992 when former SEC Chairman Richard Breeden honored her with the Chairman's Award for Excellence. Her efforts as Executive Assistant and Senior Adviser to the Chairman produced significant improvements in agency programs highlighted by the streamlining of the regional office structure. In her current position as Deputy Director of the Division of Enforcement, she has initiated numerous reinvention initiatives which have improved agency procedures and expedited enforcement cases.

Carmen Lawrence was recognized

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CONTINUED ON NEXT PAGE

#### Presidential Awards Go To Three In SES

CONTINUED FROM PAGE 3

for her distinguished service with the Commission's Northeast Regional Office for the past 13 years. The many successes the NERO has achieved over the years in the investigation and prosecution of some of the most significant enforcement cases are directly attributable to the dedication and skill of Ms. Lawrence. Under her direction, the NERO's enforcement program has been rated the number one regional program with respect to significance of cases filed. One of the most notable is the case against the Towers Financial Corporation, involving the fraudulent sale of \$450 million in unregistered securities. Among her many awards and honors is the Stanley Sporkin Award. Ms. Lawrence was selected as one of the first recipients of the award for her exceptionally tenacious and insightful contributions to the Commission's enforcement program.

Barry Goldsmith received the Distinguished Executive Award for 1994 in recognition of a continuous record of outstanding performance. As the Commission's Chief Litigation Counsel, Mr. Goldsmith is responsible for the conduct, supervision and management of all enforcement litigation conducted by the agency. Since joining the Commission eight years ago, he has successfully tried several of the most important cases ever brought by the agency and has firmly established-ground breaking new applications of the Commission's remedies used to combat securities fraud. Through Mr. Goldsmith's tireless efforts and successes in the courtroom, more than \$800 million will ultimately be returned to defrauded investors and the government's banking agencies. His leadership, professionalism and outstanding advocacy have been recognized not only by an SEC Special Act Award in 1991, but also by one of the most well-respected federal district judges in the country, who recently described Mr. Goldsmith in open court as "one of the heroes" of the massive securities litigation against Drexel Burnham Lambert and Michael Milken.

#### Goldsmith To Join NASD Regulation

Barry Goldsmith, Chief Litigation Counsel, will leave the Commission in August to join the newly created NASD Regulation as Executive Vice President for Enforcement.

As Chief Litigation Counsel in the Division of Enforcement (b)(6) since 1993, Mr. Goldsmith is responsible for the conduct, supervision and management of all enforcement litigation conducted by the SEC. Through his courtroom successes in cases like those involving Drexel Burnham Lambert and Michael Milken, Ivan Boesky, Dennis Levine, Victor Posner and First

City Financial Corp., more than \$800 million will ultimately be returned to defrauded investors. Mr. Goldsmith joined the Commission as Assistant Chief Litigation Counsel in 1986 and was named Deputy Chief Litigation Counsel in 1990. In recognition of outstanding service, he received a 1994 Presidential Distinguished Executive Award, the highest award given to senior govern-

ment executives.

In announcing Mr. Goldsmith's plans, Chairman Arthur Levitt said, "Barry Goldsmith's tenure at the SEC has proved him among the most talented litigators in the practice of securities

law. He has contributed enormously to our law enforcement program, having represented the Commission in some of the most important cases in its history. He has dedicated himself to the protection of investors, and we will miss his wisdom and intelligence."

Prior to joining the Commission, Mr. Goldsmith was a partner with

Bergson, Borkland, Margolis and Adler in Washington, D.C. He served as law clerk to U.S. District Judge Thomas R. McMillen in the Northern District of Illinois from 1975 to 1976.

Mr. Goldsmith received a BS degree, magna cum laude, from the University of Pennsylvania's Wharton School in 1972. He earned a JD from Georgetown University Law Center in 1975.

#### Institute For Securities Market Development

CONTINUED FROM PAGE 1

BARRY GOLDSMITH

The Institute is the only program of its kind that brings together senior capital market officials from emerging market countries with leading capital market regulators and professionals from the United States. The two-week program featured a full schedule of lectures, panels and workshops focusing on the development, operation and regulation of securities markets, as well as ample time to discuss more specific areas of interest with SEC staff. The Institute, which is organized by the Office of International Affairs, is built around presentations by senior staff in each of the SEC's four operating divisions as well as from the following offices: Chief Accountant, Compliance Inspections and Examinations, Executive Director, General Coun-

sel, Information Technology, Investor Education and Assistance, Legislative Affairs and the Secretary. These are supplemented by presentations by leading U.S. securities industry representatives on topics ranging from corporate governance to clearance and settlement systems to derivatives. This year approximately 50 outside speakers and 60 SEC speakers and workshop leaders participated in the program.

In addition to the generous contributions made to the Institute by SEC speakers, many others on the SEC staff made substantive contributions to the Institute manuals and workshop materials. The Office of Administrative and Personnel Management, including

CONTINUED PAGE 8

#### Chairman Appoints Ombudsmen To Give Small Businesses, Municipal Securities Operations SEC Point Of Contact

#### William Toomey Named Ombudsman On Behalf of Small Business

The Commission announced on June 4 the appointment of William E. Toomey as special ombudsman to serve as the liaison and agency spokesman for the concerns of small business. Recently enacted legislation dictated the establishment of such a position in several government agencies. While the Commission was not one of these agencies, it is proud of its long-standing efforts to foster and further the interests of small business in its rules and regulations when consistent with the protection of investors and the public in general.

The ombudsman will be available to receive general information from small businesses concerning the impact of any Commission proposal, rule or regulation. In turn, he also will help small businesses seeking general information about the Commission find such information. Bill Toomey has more than 30 years of Commission experience helping investors, counselors and issuers and has dedicated the past five years of his career to the area of small business capital formation.

This appointment complements a number of other initiatives recently undertaken by the Commission to assist small business. To cite just a few examples:

- A special new headquarters unit recently was created to specialize in small company filings and the needs of small businesses, including crafting rules to lessen the burden of SEC regulation on these companies.
- Small business liaisons are assigned in each of the Commission's regional offices so there will be an SEC staff member nearby for small businesses to contact.
- A special package of SEC information for small businesses is available on the Commission's Web Site [located at http://www.sec.gov], as well as a special electronic mailbox through which the Commission is seeking ideas as to the best ways it might use and take advantage of electronic technology [e-prospectus @ sec.gov] and other matters.

One final note regarding the Commission's interest in small business: the annual Government-Business Forum on Small Business Capital Formation will be convened for the 15th time this year. This platform for small business is the only governmentally-sponsored national gathering for small business which offers annually the opportunity for small businesses to let government officials know how the laws, rules and regulations are impacting the ability of small firms to raise capital. The sessions will be held in Washington, D.C. on September 26-27. Further information regarding the Forum may be obtained from the Commission's Office of Small Business Review at (202)-942-2750.

For all SEC Employees in the Washington Metropolitan area, information on Transportation, Elder Care, and Child Care and Support is available through Paula Frohman, OAPM, extension 4057.

#### Mary Jo White Named Municipal Securities Ombudsman

Mary Jo White was appointed as special ombudsman within the Office of Municipal Securities on June 20. The appointment is part of the Commission's overall effort to work with issuers of municipal securities to improve practices in the municipal market.

As ombudsman, Ms. White will provide the nation's municipal bond issuers a point of contact and ready access to the Commission. She will offer issuers a means of obtaining general information about the Commission and its initiatives affecting municipal issuers. Ms. White will also be involved actively in outreach to municipal issuers, through educational and informational efforts.

Chairman Arthur Levitt said, "As an Attorney Fellow, Mary Jo has been a tremendous resource to the Commission. I am confident that her knowledge and extensive experience will enable her to offer invaluable assistance to the industry."

Ms. White, an Attorney Fellow in the Office of Municipal Securities, joined the Commission in August 1995. Since her appointment, she has been involved in the Commission's activities in all areas of the municipal securities industry, with a particular focus on working with the various public interest groups in the municipal securities industry.

Prior to joining the Commission, Ms. White was a partner at the law firm of Hunton & Williams, where she was head of the firm's Virginia local government finance practice, specializing in bond counsel representation of state and local issuers.

Ms. White received a BA from the University of North Carolina at Chapel Hill and a JD from the Marshall-Wythe School of Law at the College of William and Mary, where she was Business Editor of the Law Review and a member of the Order of the Coif.

#### 1996 SEC Photo Contest

#### DEADLINE EXTENDED TO JULY 19

Entries will be accepted until July 26 to give Regional employees time to meet the deadline.

#### PHOTO EXHIBIT -- AUGUST 14-28

Hurry to enter the 1996 SEC Photo Contest. Winning photos will be displayed in the Headquarters main lobby and one photo from all other entrants will be exhibited in the lower lobby, 1C level.

For rules, entry forms and details about the contest, see pages 11 and 12 of the April/May SEC Employee News, or call Mary Teel on (202) 942-0027.

Join the fun and give us your best shot!

#### Commission's GPRA Plan Sent To OMB

The strategic plan and related performance measures developed by the Commission's Government Performance and Results Act (GPRA) Task Force was sent to the Office of Management and Budget (OMB) in early June. The Task Force, comprised of senior staff members of the divisions and major offices, has met numerous times during the past year and a half. In addition, the GPRA plan and measures were circulated for review and comment to division directors and selected office heads on two occasions and also received approval from the Chairman's Office.

The GPRA plan includes the Commission's mission, major goals, objectives and subobjectives. The plan's mission statement is "To administer and enforce the securities laws in order to protect investors and maintain fair, honest and efficient markets." The plan's three goals are to:

Protect investors

Maintain fair, honest and
efficient markets

Facilitate capital formation.

Under the goals are 13 objectives and 34 subobjectives, which describe key components of the goals. In addition, 30 performance measures will help the Commission to determine whether goals and objectives are being achieved. The GPRA legislation requires that the plan undergo OMB, Congressional and public review before it is finalized. In addition, OMB has made GPRA implementation progress a key component of their bud-

get evaluation process. The SEC strategic plan will undergo continuing development as work on it moves forward.

The GPRA, Public Law 103-62, was passed by Congress in 1993 for the purpose of: (1) improving the accountability of federal agencies for achieving program results; (2) promoting a new focus on results, service quality and customer satisfaction: (3) providing more objective information on the effectiveness and efficiency of programs and spending and (4) improving internal management of the government. The Congress and the Administration view GPRA as an ongoing process, and it is envisioned to be an integral part of each agency's management process. If you would like more information or copies of the plan, contact Henry Hoffman or Michael Erickson, Comptroller's Office.

#### **OIT NEWS**

#### **Internet Will Expand Outside Communications**

"Send it to me on the Internet" will become a common phrase this summer as SEC staff begin using Internet mail to communicate electronically with individuals outside the Commission. Access to Internet electronic mail (e-mail) was announced in May 1996 in a memo from Executive Director Jim McConnell, with implementation scheduled for July. "Internet mail is playing an increasingly important role in how the government communicates with the public and with other organizations," Mr. McConnell said. "We expect the impact on the SEC to be significant both in terms of the convenience Internet e-mail offers staff in exchanging information with others, as well as the streamlined access it provides the public."

In order to receive access to Internet mail, all staff are required to sign form SEC 2400, which acknowledges they have received a copy of SECR 5-10, the administrative regulation on e-mail. Once the forms have been collected and proper virus scanning software has been

installed in the Commission, access can be provided to an office or division at the discretion of its division or regional director, office head or district administrator. Because Internet mail is accessed through cc:Mail (for both DOS and Windows users), sending and receiving messages will not require special training.

Along with Internet mail for individual users, the Commission recently started establishing group mailboxes with Internet access. The six mailboxes currently featured on the Web site offer the public an opportunity to comment on proposed rules and particular issues facing the Commission, report possible fraudulent securities-related activities or ask for assistance and information. Addresses for the group mailboxes and descriptions of the types of messages they are designed to handle are located on the SEC's Web site: http://www. sec.gov, on the "About the SEC" page. Additional group mailboxes scheduled to come on-line throughout the

#### **New Publications**

The Office of Investor Education and Assistance recently introduced new publications to assist the investing public. They are:

#### Investment Fraud and Abuse Travel To... CYBERSPACE!

(This publication alerts the reader to types of investment fraud and abuse used on-line and suggests ways to avoid becoming the next victim.)

#### Questions You Should Ask About Your Investments.

(This publication suggests questions to ask about investment products, salespeople and the progress of your investments.)

Copies are available in the Publications Section, Room 3C40, Stop C-11 (Phone: 942-4040).

In addition, the Office of Investor Education and Assistance has a flyer entitled How The SEC Handles Your Complaint Or Inquiry, which briefly explains how that office handles complaints.

The flyer is sent to investors who register complaints.

#### OAPM MATTERS

#### Did You Know?

 To transfer health benefits and/or life insurance coverage into retirement, an employee generally must be enrolled in the Federal Employees Health Benefits (FEHB) and Federal Employees Group Life Insurance (FEGLI) programs for five (5) years immediately before retirement (or during all periods of service since his or her first opportunity to enroll, if less than five years). FEHB program participation does not mean that the employee is limited to one particular health plan during the five-year period. Also, OPM may grant a waiver of the five-year FEHB requirement upon request in cases where an employee separates under discontinued service retirement because of job abolishment, reduction-in-force, or directed transfer outside the commuting area. There is no waiver provision for the FEGLI participation requirement.

- Any employee considering retirement is requested to notify Ethel Edwards at 942-4077 at least 60 days prior to the anticipated retirement date. The employee will be given in-depth information on retirement eligibility, survivor benefits, military service buyback, health benefit and life insurance changes, receipt of Thrift Saving Plan contributions, payment for annual leave hours and other topics relevant to his or her particular case.
- An employee may reduce or cancel his or her coverage in the FEGLI program at any time. The reduction/cancellation will become effective the first day of the pay period after the election form has been received by the Processing and Benefits Branch.
- Periods of Leave Without Pay (LWOP) may delay the effective dates of certain personnel actions. Actions subject to delay include within grade increases, completion of probationary periods and career tenure.
- An employee separating from the Commission must schedule an exit

clearance appointment with the Processing and Benefits Branch three to five (3-5) days prior to his or her separation date. Information regarding changes in benefits and the options available upon separation will be provided during the exit clearance session. Please consult your administrative contact for additional information and to obtain a copy of the Employee Clearance Records (SEC 1455).

#### A Valuable Source of Assistance

Do you sometimes wonder what you could do to better handle job stress? Or to deal with those family and financial problems that seem to consume all of your energy? There is a program in the federal government to help employees cope - the Employee Assistance Program (EAP). The EAP is a free, professional, short-term counseling and referral service offered to all employees and their dependents. The SEC has contracted with several providers around the country. In accordance with federal law, the program is confidential: information will not be released to anyone without the employee's prior written consent, except in a medical emergency to medical/psychiatric personnel, or if mandated by a court order.

The goal of EAP is to assist employees with personal problems that may eventually interfere with productivity at work. The counselors are professionally trained to counsel employees on a whole range of problems, such as alcohol and drug-related problems, job stress, marital and other problems centered around relationships, legal and financial problems, child or elder care issues or the loss of a friend or family member. EAP counselors also can refer employees and their dependents to external community counseling and programs to fit their personal needs and budgets.

Managers and supervisors can consult with EAP counselors, in person or by telephone, on a confidential basis about dealing with employees with performance and/or conduct issues, as well as whether and how to refer someone to the EAP.

To set up an appointment, check the Program Information section of the SEC phone book under Employee Assistance

CONTINUED ON NEXT PAGE

#### Farewell To SEC Employees

Employee	Office	Years of Service	Retired
Sylvia J. Reis	CF	32	Jun 3
Ella Mae Black	OMS	31	Jun 28
Dominic Robert Cervera	BDO	21	Jul 3

#### **IN MEMORIAM**

Ervin Jones, Jr., former attorney with the SEC, died on June 8. He was 35.

Mr. Jones joined the Commission in 1986 as a staff attorney in the Division of Market Regulation. He left the Commission in 1989 to work as a staff attorney for the Federal Deposit Insurance Corporation in their Professional Liability Section.

Ervin carned a law degree from Howard University School of Law in 1985 and a BS in Business Administration from the University of Southern California.

b)(6)

## Internet . . . ENF Complaint Center

**CONTINUED FROM PAGE 1** 

"By reporting suspected instances of fraudulent activity relating to securities, a user acts not only to help himself, but also to prevent losses by other investors," Mr. McLucas added. "If you believe that you have been the victim of a securities-related fraud, through the Internet or otherwise, or if you believe that any person or entity may have violated or is currently violating the federal securities laws, we would like to hear from you."

The Enforcement Complaint Center also provides background information about the Division of Enforcement as well as other means of contacting the Division, including the Enforcement Internet Fraud Hottine and a toll-free number.

#### International Institute

CONTINUED FROM PAGE 4

the Print Shop, Desktop Publishing and Facilities, continued to provide invaluable logistical support and other assistance in delivering the program.

Following the Institute, delegates had the option of spending up to five days as interns with self-regulatory organizations, stock exchanges, clearing organizations, investment banking firms or investment management organizations in New York, Chicago, Boston and Washington. This year 70 of the delegates participated in such internships. The staff of the Office of International Affairs arranged the internships, tailoring each to suit the delegates' interests.

The Commission holds the Institute without charge to the delegates. Delegates are expected, however, to arrange and pay for all transportation, accommodation and subsistence expenses. In the past, the U.S. Agency for International Development and other international development organizations have assisted with these expenses.

In addition to the International Institute for Securities Market Development, the Commission offers a one-week program on Securities Enforcement and Market Oversight in the fall for securities enforcement regulatory staff from both emerging and developed markets. The

#### **OAPM MATTERS**

CONTINUED FROM PREVIOUS PAGE

Program to find the appropriate number to call for your location. Accommodations can be arranged for individuals with disabilities.

#### Go For the "Gold"

Play in the SEC Suggestion Olympics! To get a share of the gold (i.e., anything from a certificate to an incentive prize, to a time off or cash award), just submit an innovative idea that will result in measurable cost savings or an identifiable benefit to the government. Suggestors are eligible for 10% of the first year benefits for resulting savings up to \$10,000 and a reduced prorated share for savings greater than \$10,000. With OPM approval, suggestion awards of up to \$25,000 may be paid!

You know the most about how a job is done, so if you have a better, smarter, cheaper, faster or less cumbersome way to do something (beyond the normal expectations of performing the duties of your job), write it up as a SUGGESTION on Optional Form 303 (the form is available in POPPS Chapter 451.A, from your administrative contact or from the Publications Branch). Consult POPPS 451.A for exclusions.

Submit completed suggestion forms directly or through your supervisor to Linda Hunt, Suggestion Program Coordinator, Employee and Management Relations Unit in OAPM at Mail Stop 2-3 or in Room 2123.

#### Support Staff Study Update

The electronic survey questionnaire results are in and are currently being analyzed. Questionnaires for support staff and managers were distributed electronically through the LAN (plus some via diskettes) during April, and the deadline was extended to mid-May because of technical problems in configuring LAN access to the new survey software.

annuat International Enforcement Program was introduced in 1994 in response to the many requests the Commission receives each year from foreign colleagues for intensive training in the Commission's enforcement and Over 61% of support staff and 41% of managers completed the surveys. These were good response rates, particularly given the initial access problems. A similar but more extensive survey conducted on a government-wide sample by the Office of Personnel Management (OPM) in late 1993 and early 1994 had response rates of 45% for support staff and 40% for managers.

Here are some preliminary results. In comparing responses to the personal job satisfaction questions for the SEC support staff to the sample government-wide, SEC support staff expressed generally a higher level of satisfaction. For both surveys, satisfaction was rated on a five-point scale where 5=very satisfied, 4=satisfied, 3=neither satisfied or dissatisfied, 2=dissatisfied and 1=very dissatisfied.

- SEC support staff were generally satisfied (3.73) with the SEC as an employer, whereas the government-wide satisfaction in their organization was more neutral (3.26).
- SEC support staff also were more positive about their immediate supervisors, with a strong satisfied rating (4.0) compared to a government-wide average of 3.68. The groups were about equal in satisfaction with their coworkers (SEC=3.8 and government-wide=3.88).
- SEC support staff were midway between neutral and satisfied (3.50) with the type of work in their jobs, and the government-wide overall satisfaction with their jobs was virtually the same (3.51).

A task force of managers, administrative contacts and support staff began meeting in late June to review the findings of the study and make recommendations to the Executive Director and top management on strategies for enhancing the contributions of the support staff through training and development, position restructuring, upward mobility opportunities and/or other means. As this effort progresses, more information will be forthcoming.

market oversight techniques. It focuses on practical techniques for conducting investigations, market surveillance and inspections of broker-dealers, mutual funds and investment advisers.

## SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

Val. 20, No. 5 Washington, D.C.

EEO Director Victor Tynes (left) thanks Dr. Hernan Padilla, former mayor of San Juan, for educating the Commission about Puerto, its people, its past and its future.

#### 1996 Hispanic Heritage Month **SEC Honors Hispanic Americans**

Doctor Hernan Padilla was the keynote speaker at the SEC's September 25 program in observance of National Hispanic Heritage Month (September 15 -October 15). The headquarters event was opened by Fernando Alegria Jr., Associate Executive Director, Office of Administrative and Personnel Management, after which Chairman Arthur Levitt introduced Dr. Padilla. In closing the program, EEO Director Victor Tynes Jr. thanked Dr. Padilla for educating the Commission about Puerto Rico, its people, its past and its future. More than 150 Commission employees enjoyed the lively Latin jazz of Sonora Borinquena during a reception following the program.

As Chairman Levitt remarked in introducing Dr. Padilla, "The Commis-

sion is delighted to host this celebration of a vital segment of our American family. Indeed, any picture of our nation that does not include the Hispanic contribution is incomplete. Today, Hispanic Americans serve at the SEC and throughout our federal government, including positions at the highest levels.... Prominent among them are two of President Clinton's cabinet members, Henry Cisneros, Secretary of Housing and Urban Development, and Federico Pena, Secretary of the Department of Transportation. Padilla's own multi-faceted career illustrates the many fields in which Hispanic Americans have made valuable contributions. Born in Puerto Rico, Dr. Padilla currently resides (b)(6)

\*CONTINUED ON PAGE 2

#### Employees Clean D.C. Streets

August/September 1996

Fifteen SBC staff members gathered at Commission headquarters at 10 a.m. on the morning of Saturday, August 10, to embark on the first all-SEC volunteer project.

Wearing SEC T-shirts donated by the SEC Rocreation Welfare sociation and armed with brooms, rakes shovels. the employees divided small groups to clean Fourth, Fifth and Sixth

and intc SEC volunteer Culbreath of OIT elbow grease to the job. Streets between

D and P, including the Judiciary Park area.

Papers, cups, bottles, broken glass. and a variety of other debris, including a soggy sleeping bag and a live shotgun

CONTINUED ON PAGE 3 McLucas Receives Award Fleming Receives Award Photo Contest Results SEC Fitness Olympics 2.63 Chairman's Cup Champion

#### 1996 Hispanic Heritage Month

#### **CONTINUED FROM PAGE 1**

where he practices internal medicine and nephrology and is Area Physician in Chief for Montgomery County at Kaiser Permanente's facility in Kensington, Maryland, From 1969-1976 Dr. Padilla served in the House of Representatives of Puerto Rico, and was elected Mayor of San Juan in 1977. He was also President of the U.S. Conference of Mayors (1984) and U.S. Delegate to the United Nations General Mission (1982). In addition to his political career, Dr. Padilla was a member of the faculty of the School of Medicine of Puerto Rico, and he also served in the U.S. Army National Guard and the Army Reserves, receiving outstanding achievement and meritorious service medals for service in support of Operation Desert Storm in 1991.

In his well-received address at the SEC. Dr. Padilla focused on the Commonwealth of Puerto Rico. He explained the history of the special relationship that currently exists between Puerto Rico and the United States. Persons born in Puerto Rico are U.S. citizens. If they reside in the Commonwealth of Puerto Rico, however, they do not have representation in Congress and they do not pay federal income tax. He pointed out some of the benefits and the drawbacks resulting from Puerto Rico's special status, explaining that residents of Puerto Rico remain divided on the question of their Commonwealth's future status. Cit-

ing recent referendums on the matter. Dr. Padilla asserted that, while a small minority of Puerto Ricans favor a break with the United States to become an independent nation, the overwhelming majority favor either full statehood immediately or a temporary continuation of the special status as a transition to statehood in the near future. Dr. Padilla concluded his talk by mentioning the important contributions of a number of Hispanic Americans.

In addition to the September 25 event, a gallery of notable Hispanic Americans remains on display in the SEC headquarters' lobby throughout Hispanic Heritage Month. Hispanic Threads in America features just a few of the countless Hispanic American men and women whose significant accomplishments have helped shape the United States. They include military heroes of the past, such as General Bernardo de Galves, Governor of the Louisiana territory, who aided General George Washington during the Revolutionary War, and U.S. naval officers Captain Jorge Farragut and his son, Rear Admiral David Farragut. Twentieth century Hispanic Americans honored for their achievements include biochemist and Nobel Prize winner in medicine, Severo Ochoa, and Astronaut Franklin Chang-Diaz, as well as many other men and women of Hispanic background who have made their mark in politics, education, the arts and athletics.

#### IN MEMORIAM

Edgar B. Yarumuzi. 61, a Staff Accountant with the Boston District Office, died suddenly on October 3. Edgar began his career with the Commission in 1974 as a Securities Compliance Examiner. Over the course of his years with the Commission. Edgar was responsible for conducting a significant number of.

investment company and investment adviser examinations.

Edgar, a true gentlemen, was a conscientious and dedicated Commission employee and was held in high esteem by his co-workers and by industry représentatives

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#### DEADLINE NEXT ISSUE October 21, 1996

#### SEC EMPLOYEE NEWS

The SEC Employee News is published nimonthly by the Office of Public Affairs Policy Evaluation, and Research, U.S. Securities and Exchange Commission, 450 5th St., N.W., Washington, D.C. 20549. Readers are encouraged to submit articles for publication and should send material to:

Editor . SEC Employee Newe Room 7103

Letters to the Editor are welcome. They should address Issues, not personalities and should be submitted with a name and telephone number.

> Mary Teal, Editor. Donald Kovener, Art Editor Office of Public Affairs, Policy Evaluation, and Research

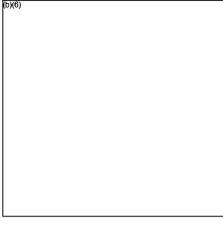
COPY DEADLINE: The deadline for enticles for publication in the SEC Employee News is the second week of the month pror to the month in which the News is published.

Scheduled published.

Scheduled published months are denuary March; May July September and November. Whenever possible accomposition protes should be second.

accompanying photos should be black and white





Left: SEC volunteers are still smiling after their first neighborhood clean-up.

Above: Mark Braswell, Division of Enforcement, and Janell James, Division of Corporation Finance, clean area near Judiclary Square Metro station.

# First All-SEC Volunteer Project SEC Employees Clean Nearby District Streets

**CONTINUED FROM PAGE 1** 

shell, were collected and deposited into garbage bags and left for the District of Columbia's Monday garbage collection. Several passersby noticed the activity and stopped to commend the group on their diligence and community spirit.

At 1 p.m. the clean-up team completed their task. Tired but pleased with their success, the group looked over their accomplishment with pride. They had achieved their goal and had the added pleasure of meeting and working with staff in other divisions and offices.

The project was suggested by Mark Braswell at Chairman Levitt's first brown bag luncheon held May 6. At the luncheon, Mark, an attorney in the Division of Enforcement, asked if there had been any effort at the SEC to encourage volunteerism and, if not, what would the Chairman's approach be. Chairman Levitt indicated that no formalized effort existed, but thought an agency-sponsored effort was a great idea.

With Chairman Levitt's approval, Mark then set about organizing a core of volunteers. Organizational meetings were held, e-mail notices and flyers were sent, and interested staff were asked to fill out surveys on the type of volunteer activities they would find of interest. The clean-up was originally scheduled for July 13 but was postponed by Hurricane Bertha.

The volunteers were assisted by a number of people and offices. District of Columbia Department of Public Works lent a variety of tools to do the job. The agency delivered the tools on August 8 and picked them up on August 12. The SEC Facilities Branch provided a van and driver that followed the working group, providing muchneeded water to the thirsty volunteers. Desktop Publishing (DTP) put together the flyers sent to the staff and colorful posters promoting the project. In addition, Don Kovener of DTP created a logo that will be used in connection with future volunteer projects. OAPM arranged for workers to park in the headquarters building on clean-up day. "Everyone, from the Executive Director's Office to Facilities, from Desktop Publishing to OIT, gave us great support," said Mark; "Fernando Alegria [head of OAPM] spent numerous hours making sure that our effort was a success.

The SEC volunteers hope this cleanup project will continue on a periodic basis and plan to set in motion other efforts in the near future. One of the projects under consideration is a legal assistance program. Briefly, the project would involve SEC attorneys and paralegals in assisting, on a pro bono basis, those unable to afford legal services. A report on that project will be included in the next issue of the Employee News or as soon as the program gets underway.

#### Volunteer Activities B-Board Established

Judiciary Plaza, Operations Center and Annex employees can now fitth out about upcoming volunteer projects by checking their e-mail. In June, a "Volunteer Activities" bulletin board was added to the Commission's cc: Mail system and functions like other bulletin boards such as: "Job Opportunities," "Marketwatch" and "Commission Calendar." Employees who want to publicize their own volunteer efforts should contact. Mark Braswell to post information on the bulletin board,

# Broker-Dealer Examination Training Held At SEC Op Center

#### 1996 LEVEL TWO BROKER-DEALER TRAINING CLASS

Perticipants in the class are pictured from the left. Seated, front row: Francisco Collazo-Diaz, Vyto Jotautus, Caroline E. Forbes, Darlene Rodriguez, Cerole Solloway, Shery Chevez, Janaya Moscony, Joseph Gio, Diane Morelli, Amy Yu, Maxine Yap. Standing, second row: Michelle Royston, Robert Danaher, Michael Kress, Joanne Kendell, Matthew Hawkins, Cindy Permiey, Ruth Warren, Tanya Szczesniek, Yvonne Pina, Bill Martinson, Anthony Pecora, Heidi Pilpel, Jonathan Ngo, Doreen Krause. Standing, lest row: Stephen Clarson, Rhonda Wilson (Moderator), Judy Ferris (Moderator), Annah Kim, Jeri Greenberg, Joanne Behar, Sonam Philip, Michael Froese, Donna Gallagher, Terrence Bohan, Steven Arquilla, James Malo, James Schneider.

Forty of the Commission's finest professionals gathered at the SEC Operations Center from July 15 to 19 to learn about compliance requirements for securities offered and sold relying on '33 Act exemptions, characteristics and compliance issues related to municipal securities and transfer agent operations. The training program was entitled Securities Compliance and Regulation Training-Level Two Broker-Dealer Training Program. Level Two is a one-week training program designed specifically accountants. securities compliance examiners and attorneys whose primary responsibility is the examination of

broker-dealers and related entities. It is offered annually and sponsored by the Office of Compliance Inspections and Examinations Training Development and Delivery Office.

Participants are selected from supervisory nominations. From these nominations, approximately 40 examiners, accountants and attorneys are selected to attend. The 1996 Level Two participants represented nine of our regional and district offices, the Office of Compliance Inspections and Examinations, the Division of Market Regulation and two states and/or U.S. territories. Each participant met certain

basic requirements which include successful completion of Level One training and broker-dealer examination experience. Comprehension of material covered was evaluated in the form of a written test administered on the last day of the training program.

Special recognition is extended to: Steven Arquilla, Midwest Regional Office; Joanne Behar, Northeast Regional Office; Jeri Greenberg, Southeast Regional Office; and Heidi Pilpel, Division of Market Regulation; all of whom completed the course in the top 10% of the class. Congratulations!

#### IN MEMORIAM

On September 25; Martha H. Platt, a Senior Counsel in the Division of Investment Management, was struck by a school bus while jogging at funchtime. She died from the injuries. Martha was a vibrant person who inspired and motivated her ouworkers and friends. She was 35.

Martha began her SEC career in December 1990 as an attorney in the Office of the General Counsel. She worked in the Division of Investment Management since July 1992 as a Semon Counsel in the Office of Disclosure and Investment Advisor Regulation and most recently in the Office of Insurance Products. Prior to joining the Commission, the worked as an associate in a private law firm in Washington, as a judicial clerk in the District of Columbia Superior Court and as a legislative correspondent for Senator Bill Bradley. A graduate of Williams College in Massachusetts, the carned a law degree from the University of Pennsylvania Law

School.

Mariha will be remembered throughout the agency as a dedicated and talented employee, as well as a warm and generous friend. She also was a long-time, active member of the Fitness Center. She will be truly missed by all whose lives she touched.

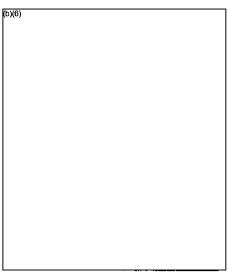
#### McLucas Earns Public Service Award

William R. McLucas has received the 1996 National Public Service Award for his exceptional performance as a federal executive,

Mr. McLucas was one of five recipients chosen from a pool of 65 nominees by a distinguished panel chaired by Elmer B. Staats, former U.S. Comptroller General. The other recipients were the Executive Director of the Metropolitan Washington Council of Governments; City Managers for Dallas, Texas and Hampton, Virginia; and the Medical Director for the Division of Medical Assistance of the North Carolina Department of Human Resources.

The public service awards were presented at a ceremony held July 1 in Atlanta and hosted by the National Academy of Public Administration in conjunction with the American Society for Public Administration.

In a letter of congratulations to the recipients, Vice President Gore said:
"Newspaper and television reports remind us of an increasing distrust in government, and citizens have an increasingly jaundiced view of the public service. That's why in its fourteenth year of honoring excellence, the National Public Service Awards seems



**BILL MCLUCAS** 

more timely than ever. It reminds us that in every corner of society, we find citizens who have dedicated their careers to improving our communities and strengthening our democracy."

In his letter of nomination, Chairman Arthur Levitt said: "Bill McLucas serves as Director of the Commission's Division of Enforcement, one of our key staff positions, and he has a well-deserved reputation as a tough but fair enforcer of our nation's securities laws. In reorganizing the Commission to im-

prove efficiency and accountability two years ago, I expanded his responsibilities to include supervision of the Commission's regional and district offices as well as the Division's staff in Washington. The Commission's reorganization, which places him in charge of more than one-third of our staff nationwide, reflects my high regard for the personal and professional qualities he brings to the job.

"Bill McLucas has demonstrated the commitment and dedication that are in the highest tradition of public service in our nation. His activities over the years reflect great credit on the SEC."

# Hannigan Is Appointed Ethics Counsel

Barbara B. Hannigan was appointed Ethics Counsel on August 18. She was previously Counsel to the Chairman and ethics advisor for the Chairman's Office.

Ms. Hannigan has worked at the SEC for nine years in a number of capacities within the Office of the General Counsel. She joined the Commission in 1987 as an attorney in the Counseling Group and was promoted to Senior Counsel in 1990. Later in 1990, she served the Commission as an Assistant Ethics Counsel. She has served as Counsel to the Chairman since 1994.

Chairman Levitt said, "Barbara's professionalism, judgment and discretion have served the Commission well for almost 10 years, in the General Counsel's Office and most recently in the Chairman's Office. While I will personally miss her guidance and wisdom, I am pleased that the entire Commission will benefit from her service."

Prior to joining the Commission, Ms. Hannigan was an associate with Shaw, Pittman, Potts and Trowbridge, Washington, D.C., practicing in the areas of securities and corporate law.

Ms. Hannigan received a JD degree, cum laude, from The American University, Washington College of Law in 1984. She graduate Phi Beta Kappa, magna cum laude, from Georgetown University and also earned an MA degree in English Literature from Georgetown University.

#### **Burgess Named Associate General Counsel**

Karen Buck Burgess was named Associate General Counsel on July 10.

Serving in the Office of the General Counsel as Assistant General Counsel since May 1992, Ms. Burgess has been primarily responsible for advising the General Counsel and the Commission on legislative issues such as proposed legislation, testimony and providing technical assistance to Congress. Earlier, Ms. Burgess served the Commission in a variety of positions, including Deputy Chief Counsel in the Division of Market Regulation and Special Counsel in the Office of the Chairman.

Chairman Levitt said, "Karen Burgess represents all that is right with the Commission. Her trusted advice and extensive knowledge about the history of securities laws make her an invaluable resource to the Commission. We will all benefit from Karen's experience and skill as she takes on the challenges of her new position as Associate General Counsel."

In addition to her work at the Commission, Ms. Burgess was an Associate with Milbank, Tweed, Hadley & McCloy in Tokyo, Japan from 1984 to 1987. She also served as Executive Assistant in the Bangkok, Thailand office of the United Nations High Commissioner for Refugees from 1979 to 1980 and as law clerk in the offices of Baker & McKenzie in Hong Kong from 1977 to 1979.

Ms. Burgess received a BA from Oberlin College in 1972 and a JD from Antioch School of Law in 1976.

#### OAPM MATTERS

#### Did You Know?

- Open season for the Thrift Savings Plan (TSP) occurs twice each year: from May 15 through July 31 and from November 15 through January 31. During these periods, eligible employees are able to enroll, change the current contributions or reallocate amounts in the three TSP funds. The funds are Government Securities (G fund), Fixed Income (F fund) and Common Stocks (C fund). Participation in TSP can be an important component of your retirement and can help assure a financially sound future.
- The maximum amount of allowable contributions in TSP for 1996 is \$9,500. Contributions may not exceed the following percentage of salary for each pay period:

5 percent for a Civil Service Retirement System (CSRS) employee; or

10 percent for a Federal Employees Retirement System (FERS) employee.

● TSP savings may be redistributed among the three investment funds as often as once each month. Simply complete a TSP Interfund Transfer Request Form (TSP-30), available from the Office of Administrative and Personnel Management, Processing and Benefits Branch, Room 2029, or from a regional/district office administrative contact. You must submit this form directly to the National Finance Center in New Orleans. The complete mailing address appears on the form. All TSP-30 forms received by the 15th of the month will be processed during that month.

- You may elect to irrevocably assign your Federal Employees' Group Life Insurance (FEGLI) to one or more persons. This assignment differs from the designation of beneficiary procedure because once assigned, you are not able to withdraw the assignment. However, the assignee(s) may voluntarily elect to assign the coverage back to you. Assignment rights apply only to Basic coverage, Option A (Standard) and Option B (Additional).
- Viatical assignment allows a terminally ill employee with a life expectancy of up to 24 months to assign FEGLI coverage to a private company in exchange for a percentage of the face value of the coverage. This percentage amount will be received while the employee is still living. Upon the employee's death, the private company will collect the total insurance proceeds. Viatical assignment applies to Basic coverage, Option A and Option B.
- Dependent children of employees enrolled in the Federal Employees Health Benefits (FEHB) program automatically become ineligible for coverage upon reaching age 22, unless they are determined to have a disability at that time. Dependents are eligible to enroll in coverage under the Temporary Continuation of Coverage (TCC) program; however, this election must be made within 60 days of loss of coverage.
- Loss of coverage for a dependent child may mean that an employee no longer needs "family" coverage (with its associated higher premiums). This loss of coverage is a qualifying event for a change in FEHB enrollment; however, it is the employee's responsibility to submit the SF-2809 change request form to the Processing and Benefits Branch, Room

2029, Stop 2-3.

Additional information about any of these issues may be obtained by calling the Processing and Benefits Branch at (202) 942-4080.

#### Personnel Mini-Series: New Courses for Managers

Two of three new supervisory/management short courses have been developed and successfully piloted. These courses are "Managing Attendance and Leave" and "Dealing with Marginal Performers." The third course, which is about to be developed, "Dealing with Conduct and Attitude Problems," should be available in the first quarter of FY 97.

These two-hour courses are designed to provide assistance to managers by clarifying responsibilities, pinpointing discretionary areas and identifying tools to cope effectively with problems and concerns. Although the courses touch upon the pertinent rules and regulations, their major focus is on practical guidance that managers can use in dealing with problem employees.

The courses will be made available to regional and district offices in the first half of FY 97. In addition, some divisions and larger offices have expressed an interest in arranging single office sessions.

#### In-House Federal Securities Laws Course

The SEC's Fundamentals of Federal Securities Regulation, a comprehensive securities laws course, was completed in June 1996. This course, consisting of 24 one-hour lectures, was taught by members of the Commission's senior staff, all of whom are experts in the fields of securities law, ethics and trial practice. The course was open to all employees nationwide, and more than 800 employees registered to take the course.

Arrangements were made for attorneys and accountants who completed the course to receive Continuing Legal Education (CLE) and Continuing Professional Education (CPE) credits, which are being processed through Georgetown University Law Center. Two hundred

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ninety-eight (298) employees, from both headquarters and field offices, are seeking CLB and CPB credits.

The course was presented through live sessions at headquarters, with video-taped sessions available at headquarters and field locations. It was very well received by attendees. Videos of all sessions and reference notebooks of all the course materials are maintained in the headquarters library and in each field office.

## Support Staff Study Task Force Continues

The Support Staff Study Task Force has been meeting every several weeks since June. After reviewing the data and the preliminary findings of the Support Staff Study, the members will be taking on the challenging task of beginning to formulate recommendations to the Executive Director for enhancing the support staff's contributions to the SEC in the future through such means as restructuring of positions, training and/or developmental opportunities.

Members of the Task Force are:
Fernando Alegria OAPM
(task force sponsor)
Jim Clarkson ENF
Jim Corrie OAPM
Steve Crimmins ENF

Jim Donahue OC Sue Engelbrecht OCIB Darren Goebels BEO Denise Green OED Hannah Hall **FOLA** Virginia Jay GC Eugene Johnson OAPM (co-facilitator) Mary Jo Kenney MR Myra Kucero **ADO** Mercedes Mabasa **ENF** Howard Morin CF Jack Murphy IM Michelle Oglesby CF Sandy Speicher CRO

Ann Sykes

(co-facilitator)

The task force was carefully structured to provide a diversified group of senior and mid-level managers, supervisory program analysts and administrative contacts, a graduate of the formal

Bonnie Westbrook OAPM

**OFIS** 

Harry Fleming Receives
Federal Property Manager of the Year Award

Fernando Alegda (left) presents the Property Manager of the Year Award to Harry Reming.

The National Property Management Association selected Harry Framing. Facilities Branch Chief, as one of only ten Outstanding Property Managers for 1998. Mr. Fleming was selected for this important national award based on his outstanding management of the SEC is new property system that has allowed the SEC to more efficiently account for the millions of dollars of property and equipment it has purchased. In addition, Mr. Fleming has been active in implementing new Computer security measures such as improved procedures for issuing and storing ADP equipment; installing new locking mechanisms and taking other measures to safeguard dostly ADP equipment. He also oversees a new SEC program to dorate older computers to local schools throughout the Metropolitan District of Columbia area.

The award was presented on July 12 to Mr. Fleming by Fernando L. Alegria, Jr., Associate Executive Birector of the Office of Administrative and Personnel Management.

Upward Mobility program and various levels of support staff. Members provide a variety of perspectives and experiences here in the SEC and elsewhere. Additional information will be provided periodically about the study and the task force's progress. If you have specific ideas for the task force's consideration that may not have been tapped during the Support Staff Study data collection phase, feel free to contact one of the members.

#### SEC Olympic Suggestion

The SEC Olympic Suggestion Campaign began on July 19 and continued through August 19. The first 100 suggestors to submit eligible suggestions after the beginning of the campaign were offered incentive prizes. Additionally, winners of the top three accepted suggestions submitted during the time period of the Olympic Campaign will receive special gold, silver and bronze certificates in recognition of their most valuable suggestions. The names of the winning suggestors and a brief description of their suggestions will be published in the next newsletter.

The Suggestion Program continues after the Olympics. Employees are always encouraged to submit suggestions to improve the cost effectiveness, efficiency and safety of government operations. If you have a suggestion, please submit it to Linda Hunt, Room 2123, Mail Stop 2-4.

Congratulations to the 25 prize winners and to all who entered the 1996 SEC Photo Contest. The annual photography contest remains popular throughout the Commission and the photo exhibit provides a wonderful diversion from the considerable responsibilities of the staff.

The novice/advanced categories introduced in this year's contest were a great success. This division of photos provided better competition for the many accomplished photographers of the Commission and a better distribution of prizes in the novice category.

To achieve greater competition and better balance between the novice and advanced categories, this year's cash prize winners (1st, 2nd and 3rd prizes) in the novice category are encouraged to enter in the advanced category of the 1997 and 1998 contests.

# 1996 SEC Photo Contest Araujo's "Cuban Smiles" Wins Grand Prize

dan Araujo captured the grand prize in this year's contest with "Cuban Smiles," a charming picture of Cuban school children,

entered in the novice category. It is the first time in the nine-year history of the contest's grand prize that a "living things" photo has won that prize.

The judges said they thought Adan's photo best represented the "living things" category and that it was a celebration of life. Adan commented, "I was walking through the streets of Old Havana when I saw a group of schoolchildren. I took out my camera, and when I did so, the children gathered in front of me, giggling and clowning around. It all happened in a matter of seconds. That is why I like the photo, because it captures a genuine moment. It was not preconceived and the children were just being themselves. The real charm of the picture, of course, is the children and not the photography, but their smiles speak for themselves." Adan, who is on the staff of the Division of Enforcement, received the top prize in the contest, a \$100 U.S. Savings Bond.

One hundred fifty-two photos were entered by 64 photographers, breaking the record of 1992 when 62 photographers entered 136 photographs. Seventy percent were entered in the novice section, almost evenly divided between pictorials and living things. Thirty percent were entered in the advanced category. 26 in the pictorial and 18 in the living things category.

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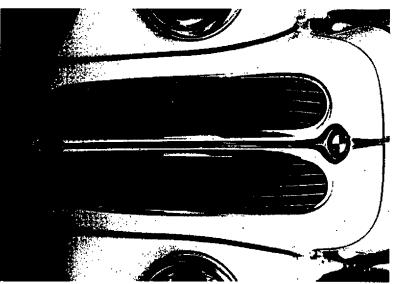
GRAND PRIZE
Cuban Smiles

by Adan Araujo (ENF)

# 

ADVANCED LIVING THINGS
The Walking Man by Patrick Joyce (ENF)





# FIRST PRIZE

First prize is \$40 in each of two advanced and two novice categories.

Richard Pfortho's "328 Roadster" (bottom photo), a shot of a car from the History of German Auto Museum, won first prize in the advanced/pictorial category. The judges admired the clean, sharp lines, the balance and the color of this photo, and were impressed with the automobile itself. Richard remarked, "'Nierenformig' or kidney-chaped radiator grills have been a trademark of BMWs since 1933. The 328, first made in 1937, was the ultimate 2 liter roadster prior to World War II and is recognizable by its narrow kidney grills and leather hood straps. Of the 464 made, fewer than 200 exist today. The photo attempts to capture some of the classic shape and intricate detail of the 328."

Patrick Joyce's "The Walking Man" (top photo) won first prize in the advanced/living things category. The judges commented, "Everything in the photo is essential; there is nothing you could take out." Patrick tells how he got the shot. "This picture is from the town of Cluny, in Burgundy. I used a wide-angle zoom leas, which allowed me to keep a respectful distance from the elderly man. I took this shot after the man walked slowly past me and headed through a medieval gateway to a narrow cobblestone street. I thought the gateway framed the shot nicely, and the shadows contributed to the mood of isolation that I sensed about the man." [Clusy became an important commercial and religious center in the middle ages. The town is well preserved, and its Abbey attracts many visitors.]

Pat Conti's picture of the Grand Canal in Venice titled "Grand Illusion" (page 11) won first prize in the novice/pictorial category. The judges admired the "depth of field, clarity, balance, exposure, array of color and lack of distortion" of this photo. Pat commented, "'Grand Illusion' is a portrait of Venice's Grand Canal just below the Rialto Bridge. The details of the buildings, pilings and gondolas remind me of the timelessness of Venice as seen perhaps in a Canaletto painting rendered hundreds of years earlier."

Michael Wilner's "Sheep Shot" (page 10) won first prize in the novice/living things category. The judges liked the screen atmosphere of the English countryside in this picture. Michael had this personal comment about the photograph. [0)(6)

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There are sheep everywhere — on the roads, in the fields, sometimes wandering through the villages. I bought a wool cap in Ambleside, where I took this photo, but, somehow couldn't bring myself to have lamb for dinner that night."

# SECOND PRIZE

Second prize is \$30 in each of two advanced and two novice categories.

Patrick Joyce's "View From The Bridge" (page 13) won second prize in the advanced/pictorial category. This photo impressed the judges as "a very lean shot." They noted that "everything appears to be there for a reason." Patrick described the acting. "I took this picture in Paris at

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Buttes-Chaumont, a man-made park set in a workingclass neighborhood that few tourists visit. I was crossing a footbridge in the park when I looked down, saw this scene, and took the shot. The young boy seemed fascinated by the yellow hose and the faint artificial rainbow in the sprinkler's mist. The boy's mother, apparently inured to his dawdling, walked on just ahead."

Anne Krauskopf's "Prelude to the Dance" (pages 12-13) won second prize in the advanced/living things category. "The photographer achieves what she is hoping to achieve in a perfect way," the judges agreed. Anne commented on how she took the picture. "Prelude to the Dance" was taken at the studio of a dance school. The photograph was underexposed to emphasize the drama of the light striking the dancer from a skylight in the studio."

Laura Singer won second prize in the novice/
pictorial category for "Masquerade," (page 13) a photo
of a mask shop in Venice. The judges liked Laura's
new way of looking at things and commented, "You're
looking at the picture and the picture's looking back at
you." Laura gave this background of the shot: "Venice is filled with mystery. During the festival of
Carnevale, Venetians celebrate in masks and costumes,
adding to the city's sense of secrecy. Today, mask
stores scatter the city and still sell the traditional black
tricorn hats and black capes. This store sold the best
handmade masks and had the most artistic displays."

Robert Lavery's "Good Catch" (page 13) won second prize in the novice/living things category. The judges liked the natural pose and the child's expression. Robert said, [b)(6)

comes to visit. She is such a 'ham' and so unassumingly funny. The ball was rolled to her and after 'catching' it — in her month it went. We have enjoyed the picture so much as it is so like her."

#### THIRD PRIZE

Third prize is \$20 in each of two advanced and two novice categories.

Derrel Todd's black and white photo titled "Though my surface has been scarred, I keep my eyes on ...." (page 12) won third prize in the advanced/pictorial category. The judges admired the technique shown in this photo and commented on its difficulty. Derrel said, "I love to take pictures of my family, especially [Disc] That's him. Many people





NOVICE LIVING THINGS
Sheep Shot by Michael Wilner (PRO)

who have seen this photo think that's me pictured amongst the clouds. The photo is meant to combine the beauty of nature with the beauty God created in the silhouette of the Black Man. [6](6)

and current surroundings, and yet also recognizes his perseverance to continue striving towards what he feels is the ultimate goal; a comfortable life within comfortable surroundings."

Andrew Glickman won third prize in the advanced/living things category for "Preparing the Parade Route with Flags" (page 12). The judges liked the action of this photo. Andrew commented, "It was an overcast day in the town of Buonconvento in Tuscany, Italy. The town was preparing to dedicate a memorial and had planned a parade. While photographing men working along the parade route, I noticed a boy coming towards us on a bicycle. I waited just until he started to turn down the street directly in front of me and then made this photograph. I used his a Nikon N90 with a 35mm lens and Kodak Lumiere film at 1/125 sec."

Gene "F-Stop" Horwitz won third prize in the novice/pictorial category for "No Salesmen or Solicitations" (page 12). The judges liked the shadows, contrasts and lines of this photo. Gene said: "Centuries ago, in what is now known as Mesa Verde National Park, Native Americans built their villages in the sides of cliffs providing a vantage point for spotting attacking tribes. While these cliff dwellings provided safety, the occupants found it difficult to take much of an after-dinner stroll."

Dorothy Wils won third prize in the novice/living things category for "Ramses the Great .... Dane" (page 12). The judges especially liked the profile portrait of Ramses. Dorothy commented that hers was a lucky shot. She said, "Ramses rarely stands still long enough to photograph. I was fortunate to have a camera at the time." The title suits the pose of the dog, whose distinguished features and classic profile are set off by the picket fence.





NOVICE PICTORIAL

Grand Illusion by Pat Conti (ENF)

#### **HONORABLE MENTIONS**

The judges chose a total of 12 honorable mentions. Titles and photographers of photos receiving honorable mention, the judges' comments and comments from the photographers appear below. Photos are on pages 14-15.

#### Advanced Category

"After The Snow Came The Flood" by Andrew Glickman. The judges liked the photo's "lonesome" quality, composition and lighting. Andrew said, "Taken on K Street under the Whitehurst Freeway [in Washington, D.C.], I made this photograph shortly before the floodwaters crested. I used a Nikon N90 with an 80-200mm zoom on a tripod using Fuji Velvia film taken at 1/30 sec."

"Stock Exchange Club" by James Howell. The judges admired the sharpness, contrast and use of distortion in this photo. Jim commented on the setting: "Kimmerer, Wyoming, is the site of the first J.C. Penny store. It is also a mining and cattle town. Midway between Penny's store and his home on the corner is the Stock Exchange Club. The Club appears to be a state-regulated facility."

"Red Bed" by Gregory Jaffray. The judges thought its "perfect lighting" gave this shot a professional look. Gregory had this comment. "The harsh contrast between the red blanket and the sleeping baby dressed in white prompted me to take this photo. The loud red background would seem to awaken Rip van Winkle, yet the baby sleeps on...."

"Easy Rider" by Anne Krauskopf. The judges admired the innovative and unusual quality of Anne's photo and called it an example of "a new way of looking at things." Anne explained how she happened to take the photo. "Easy Rider was taken at a Fourth of July parade that included a contingent of Harley Davidson motorcycles. This one was outfitted with a small American flag that cast an unusual reflection."

"Gulf Fritillary Butterfly" by Mauri Osheroff. The judges liked the detail of this picture and considered it a perfect picture. Mauri commented, "I enjoy photographing butterflies—it's sometimes quite a challenge to get close enough, and to find one that's sitting still long enough for me to get the picture. This particular one was unusually cooperative!"

#### **Novice Category**

"Dreamscape VII: The Passage" by James Barratt. The judges liked the impressionistic quality and composition of this photo. James relates this experience when taking the photo. "Three days of torrential rains had soaked us to the bone. Exhausted and running low on supplies, we made our way up washed-out trails, hoping to find our way back to civilization. Round a bend, suddenly, a light at the end of the tunnel. Think we're gome make it...."

"Reflections" by Pat Conti. The judges liked this photo as "a nice romantic shot." Pat commented, "'Reflections' captures a moment in a place where even the mundane looks extraordinary. Venice is an ideal place for reminiscing."

"Lighthouse, Portland Head" by Carol Foelak. One judge said this photo was "technically best in its category." Carol commented, "I took this shortly before I left my previous job in Portland, Me. The lighthouse is surely one of the most beautiful and accessible of the many scenic spots in Maine. It's at the entrance to the Portland Harbor in a park that has views of Portland, islands in Casco Bay, passing ships and boats, and the ocean."

"Shipshape After A Day's Work" by Martha Pulford. The judges liked the photo's color, clarity and contrast. Martha added this information about the scene: "The fishing boats return to the village at dawn, strewn with the nets holding the night's catch. Before the rest of the village begins to stir, the fish have been removed from the net and sorted, the nets neatly piled and covered, the desks swabbed and the morning sun catches the boat at rest again."

"Intertwined Flowers" by Martin Kimel. The judges liked the colorful flowers and composition of the photo. Of the setting, Martin said, "The photo is taken from Monet's garden in Giverny, France, which inspired many of his well-known impressionist paintings."

"Traveling With A Russian Blue" by Ruth Sanders. The judges admired the lighting and composition of Ruth's picture of her cat. Ruth had this comment. "I liked the pose, so I took the picture. I think she actually likes traveling fast down I-95."

"Pueblo House" by Douglas Scheidt. The judges liked the sharpness of the photo and thought the treatment suited the subject. Doug said, "This small house is located atop the mesa that forms the heart of the Acoma Pueblo, one of the oldest, continuously inhabited settlements in the United States. I took the photo in an attempt to capture the contrast of the deep, rich blue of the New Mexico sky with the dry, hard life on the mesa."

PHOTOS CONTINUED TO PAGE 23

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1996 SI SECOND

THIRD PRIZE - ADVANCED LIVING THINGS

Preparing the Parade Route With Flags
by Andrew Glickman (OGC)



THIRD PRIZE

NOVICE PICTORIAL No Salesmen

Solicitations
by Gene
"F-Stop"
Horwitz
(PRO)





SECOND P

THIRD PRIZE - ADVANCED PICTORIAL Though my surface has been scarred, I keep my eyes on... by Derrel Todd (MR)



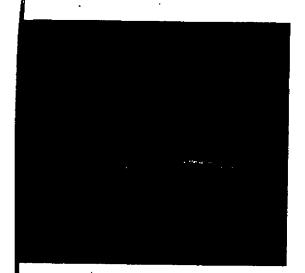


THIRD PRIZE -NOVICE LIVING THINGS

Ramses the Great.... Dane

by Dorothy Wils (PDO)

# C Photo Contest & THIRD PRIZES JED FROM PREVIOUS PAGE



IZE - ADVANCED LIVING THINGS he Dance by Anne Krauskopf (CF)





SECOND PRIZE

NOVICE LIVING THINGS

Good Catch

by Robert Lavery (OCA)





SECOND PRIZE - ADVANCED PICTORIAL A View From The Bridge by Patrick Joyce (ENF)

SECOND PRIZE - NOVICE PICTORIAL Masquerade by Laura Singer (ENF)



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# 1996 SEC Photo Contest HONORABLE MENTIONS



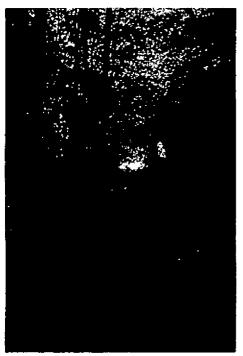




NOVICE - Traveling With A Russian Blue by Ruth Sanders (IM)



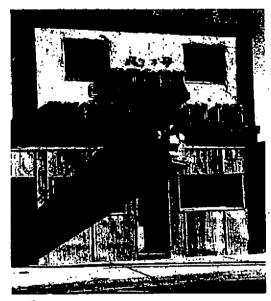
NOVICE - Lighthouse Portland Head by Carol Foelak (OALJ)



NOVICE - Dreamscape VII: The Passage by James Barratt (ENF)







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ADVANCED - Stock Exchange Club by James Howell (PRO)



ADVANCED - After The Snow Came The Flood : by Andrew Glickman (OGC)



ADVANCED
Gulf
Fritillary
Butterfly
by Mauri
Osheroff (CF)

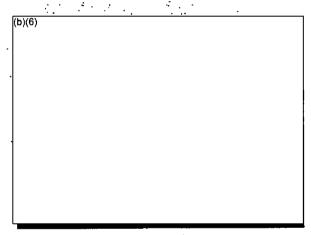






ADVANCED - Easy Rider by Anne Krauskopf (CF)

## 1996 SEC Photo Contest HONORABLE MENTIONS





ADVANCED - Red Bed by Gregory Jaffray (IM)









ADVANCED - Keyeking The Crinkled See by George Conril Brown (OGC)

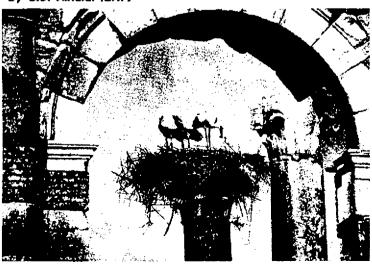


ADVANCED - Factory Window by David Powers (OIEA)





ADVANCED - Untitled (Volubulis, Morocco) by C.J. Rinaldi (ENF)



1996 SEC Photo Contest
ADVANCED COMPETITION

ADVANCED - Glacier View At Dawn by Christopher Gilkerson (OGC)



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**ADVANCED** 

The Baker

by Frank Zarb (CF)



ADVANCED - Untitled (Monument Valley) by James Howell (PRO)

#### The Judges

This year Alan Lee, proprietor of Falls Camera, and Alexander Arce, of fdylwood Photo Studio, judged the SEC Photo Contest. Also has taken pictures since he was four and succeeds his father in operating a camera store. Alex has run the Idylwood Photo Studio, which specializes in wedding photos, for well over 10

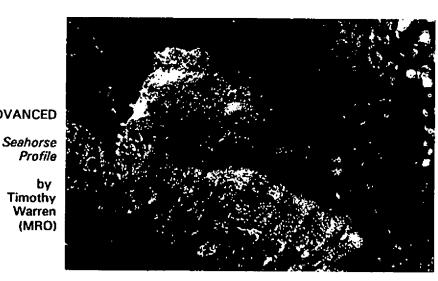


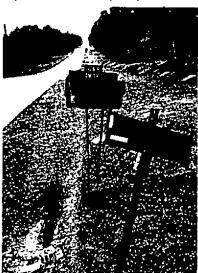
ADVANCED - Banded Coral Shrimp by Timothy Warren

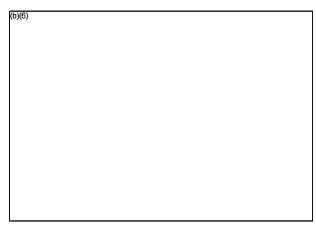
ADVANCED - Mail Pickup by Walter Smith (Ret.)

**ADVANCED** 

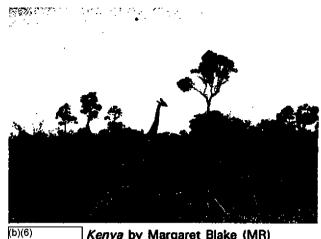
by Timothy Warren (MRO)



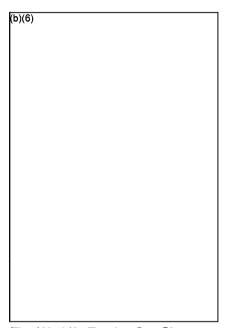




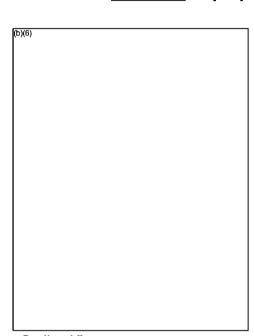
Olympian Home Run by Wayne Pestone (OCIE)



Kenya by Margaret Blake (MR)



The World's Torch...Our City by John Nolan (CF)



Cyclist, Vietnam by Gerri Walsh (ENF)



Waterfalls I (Niagara Falls) by Tamara Bayley (NERO)





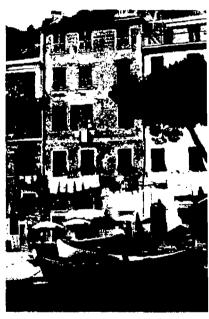
Smokestacks In The Distance by Penny Somer (CF)



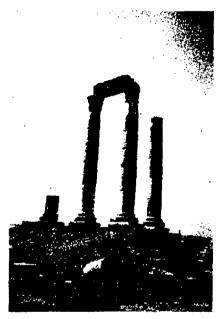


View From The Volcano (Bali, Indonesia) by Sharon Zamore (ENF)

1996 SEC Photo Contest NOVICE COMPETITION



Fishing Village (Verrazzo, Italy) by David Shillman (MR)

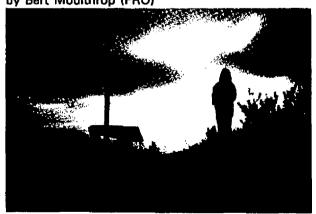


Triumphant Arch (Jordan) by Paula Frohman (OAPM)



Untitled (Rose) by Elizabeth MacGregor (MR)

Serenity (Catalina Island) by Bert Moulthrop (PRO)



Heidelberg At Sunset by Mavis Kelly (OCIE)



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Pops by Ramon Collins (OIT)	"What's Up Doc?" by Gary Fontaine (OAPM)	Good Morning Holy Spirit by Catherine Jones (ENF)
	by Gary Fontaine (OAPM)	by Catherine Jones (ENF)
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	Untitled I (Badia	ands. S.D.I
On the Original by Patrick College	(FNF) Untitled I (Badia by (b)(6)	(iM)
Pup In Boots by Robert Gulack	(ENF)	•
district of the Observation District	Young Wor	man from Otavalo guiguren (OAPM)
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South Pacific Sunset (FIJi) by Peter Geraghty (MR)



Emerald Bay (Lake Tahoe) by Stacy Flax (OCIE)



"We Have No Further Questions At This Time...." by Greg Faragasso (ENF)

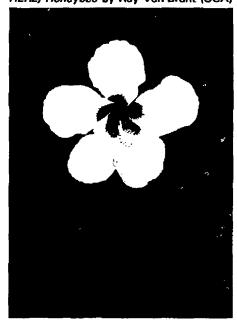


Martin Kimel (OIA)

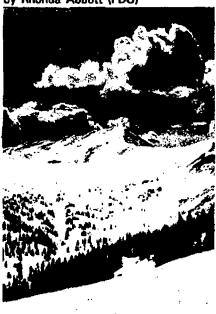




HERE, Honeybee by Roy Van Brunt (OCA)



Copper Mountain by Rhonda Abbott (PDO)



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Bunny Hug by Darlene Williams (ENF)		
Hiding From Mommy by Joni Hiramoto (SFDO)	(b)(6)	y by Rebecca Alberts (NERO)
	by Gerald Ma  Whaddya Mean, Fold The Laundry?  by Gerald Massie (MR)	Pure Sunshine by Teresa Graham (CF) (b)(6)
	On The Golf Course by Kenneth	
	Liebl (NERO)	

#### 1996 SEC Photo Contest

#### NOVICE COMPETITION

#### Photo Tip

The elimple with is that shooting during the day, when the sun is highest in the sky, is not the best way to make photographs, especially color shots. Bright sun can do for color photos what it does for clothes on the line-bleach out the very color that you are trying to preserve. That's one reason serious photographers will wait for the 'magic light' just after dawn or just before sundown to make their color photographs.

Frank Van Riper, Washington Post.

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Which Way To The Sand Bar? by Nancy Rappa (IM)

The Rush (Niagara Falls, Can.) by Patty Miller (ENF)



# 1996 Fitness Olympics

The SEC Fitness Center held its own 1996 Olympic games from July 22 through July 26. Seven teams made up of three members each participated in the games. Each individual competed in two separate events. The events included the best times for rowing 2500 meters, biking 500 calories, climbing on the Stairmaster for 500 calories, the highest number of push ups and abdominal-crinches and the greatest flexibility. The gold, silver and bronze winners were:

Gold: Team Pulsu (Rubert Osberger, Tom McGowan and Kim Do)

Silver: Team Boliva (Tom Lloyd, Ellim Corey and Jim McHale)

Bionze: Team Woodland (Tem Sanders, Kathy Smith, and Jim Mayo)

The Fitness Center also held the 'Bust the Bench' contest during the Olympic festivities, Members competed to see who could bench press the highest weight one time Winners were:

Men's Open Division: George Villasana 365 lbs Mens's Masters Division: Gordon Alexander 315 lbs; Women's Open Division: Virginia Jay 100 lbs.

An awards ceremony was held for all Olympic competitors on August 20 in the Fitness Center. Awards included certificates of achievement. T-shirts, workout towels, sports wallets and special SEC Fitness Center key chains. Congratulations to all competitors of the SEC Fitness Olympics. A great time was had by all.

SEC STAFFER CARRIES OLYMPIC TORCH

Robert Osberger (CF) carried the Olympic torch as part of the 84-day relay through the United States to the Olympic Garries in Atlanta. Photo entered in the photo contest by Greg Faragesso (ENF)

## Morrison Heads Enforcement, SFDO

Helane L. Morrison, a partner at the San Francisco law firm of Howard, Rice, Nemerovski, Canady, Falk & Rabkin, was appointed to head the enforcement program of the San Francisco District Office.

Ms. Morrison graduated from Boalt Hall Law School of the University of California, Berkeley in 1984, where she was editor-in-chief of the Law Review. Upon graduation, she became a judicial law clerk to the Honorable Richard A. Posner of the U.S. Court of Appeals for the Seventh Circuit. She then was a judicial law clerk to Justice Harry A. Blackmun on the U.S. Supreme Court. In 1986 she joined Howard, Rice, Nemerovski, Canady, Falk & Rabkin, where she became a partner in 1991. Ms. Morrison has specialized in federal securities law litigation, and has experience in both SEC investigations and private litigation.

# Ralph Buie, ADO Attorney, Retires

Ralph H. Buie, an attorney with the Atlanta District Office, retired on September 3 after almost 30 years of federal service, most of it with SEC.

Mr. Buie joined the Chicago Regional Office as a Securities Compliance Examiner in 1977 after several years in the securities business. He graduated from John Marshall Law School in 1982 and was admitted to the Illinois Bar shortly thereafter.

In 1983, Mr. Buie uncovered the misappropriation of customer funds and securities by the managing partner of Bell and Beckwith, a Toledo, Ohio broker-dealer. The failure of Bell and Beckwith resulted in the largest SIPC payout in the Trust Funds' history and led to significant changes in its customer protection provisions.

In 1984, he joined the ARO, where he was active in the prosecution of broker-dealer and investment fraud cases. Since 1987, he has been involved in the regulation of registered investment companies and investment advisers.

On retirement, Mr. Buie intends to establish his own consulting firm offering administrative and regulatory services to SEC registered investment advisers and broker-dealers.

# Above: Corp. Fin. team champions hold the Chalman's Cup. From Jeft, team members are Lou Carlent, Mark! Thomas: Bot Seabolt and Chuck Ballard Top Jeft: John Olsen, winner of the Jack & JII. avent. Bottom Jeft: William Fuller, Low Gross winner.

On Monday, July 29, the third annual Chairman's Cup Golf Tournament was held at Lake Arbour Country Club in Landover, Md. The competition had its deepest field in the fournament's brief three-year history. Special thanks go to Ron Long, Bill Fuller, Gail Marshall, Matt Hughey and Ed Macdonald, who did a lot of background work that enabled the tournament to run smoothly despite weather forecasts predicting that even NOAH (and his Ark) might pass on the tournament.

The results are in. A new Chairman's Cup champion has been crowned: Congratulations to Corp Fin!! The Corp Fin teamiled by captain Mark "The Shark" Thomas narrowly beat out the IM team (which had assistance from two ringers from OCIE, John "Where's the 19th hole?" Olsen and Peggy "the Temp" Boyd) despite incredible lack of talent and leadership on the part of the IM captain Barry "Double Bogey" Mendelson. Six teams were represented in the tournament.

The following is the list of winners in each specific competition: These winners take on additional significance this year; as the best team in each category will be asked to form an "all-star" squad to represent the SEC in any povernment-wide tournament.

government-wide	tournament.				
	Event Winn				
Jack and Jill	John Olsen & P	eggy Boyd 🛚	(IM)		
Best Ball	Edsel Guydon &	k Chuck "Se	nator" Ballar	d (CF)	
Scramble	Enc Hansen &	Énc Ribelin	(BNP)		
Low Net	William "Sandb	ag" Fuller (	MR)		and the residence
Low Gross	Mark Thomas	(CF)	r Saddilling yal was iti	androckers	on Mark
			* 38.5		
	Team Resu	lts	178		
Corporation 1	Finance (CF)		11.5		
Investment M	(IM)		12.5		
Enforcement	The second secon		:::16		
Market Regu	lation (MR)		16.5		
	nspections and Ex	aminations	22.5		
6th Floor		100 M	26		
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# SEC EMPLOYEE NEWS

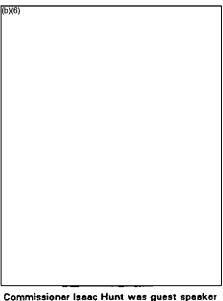
United States Securities and Exchange Commission

Vol. 20, No. 6

Washington, D.C.

October/November/December 1996

# SEC Small Business Town Meetings Draw Favorable Reviews Across The Country



Commissioner Isaac Hunt was guest speaker at the town meeting in Evanston, Illinois.

Over the past few months, the Office of Small Business Review in the Division of Corporation Finance conducted a series of Small Business Town Meetings across the country.

The purpose of the meetings is to convey basic information to small businesses about some of the fundamental requirements that must be addressed when they wish to raise capital through the sale of securities. In addition, the Commission is learning more about the concerns and problems

facing small businesses in raising capital in the securities markets so that the Commission can design programs that will meet their needs, consistent with the protection of investors. The programs have included speeches by various SEC representatives as well as extensive rounds of questions and answers.

The first town meeting was held in Los Angeles on September 13, 1996 at the Biltmore Hotel. Chairman Arthur Levitt was the guest speaker and the program included representatives from Mayor Richard Riordan's Office of Economic Development and the Regional Administrator from the Small Business Administration. There were more than 250 attendees representing numerous small businesses in the Los Angeles агса. as well various service providers.

The second town meeting was held in Minneapolis, Minnesota, on September 30. Brian Lane, the Director of the Division of Corporation Finance, was the featured speaker for the program, which also included the Securities Commissioner for the State of Minnesota. Approximately 125 entrepreneurs and others attended the program.

The next town meeting was held on October 9 at the John M. Olin School of Business, Washington University, in St. Louis, Missouri. The featured speaker was Commissioner Issac Hunt, Jr., who

was introduced by the dean of the business school. Approximately 250 persons, including students from the business school, attended the program.

Commissioner Hunt was also the guest speaker at the fourth town meeting, which was held on October 17 in Evanston, Illinois, at the Omni Orrington Hotel and was hosted by the Northwestern University/Evanston Research Park. Over 250 persons attended the event.

Chairman Levitt was the featured speaker at the next town meeting, which was held in the Sun-Sentinal Auditorium in Fort Lauderdale, Florida, on November 6. Florida Atlantic University hosted the event, which had approximately 100 attendees. Chairman Levitt was introduced by the president of the Fort Lauderdale Chamber of Commerce.

The sixth town meeting was held in conjunction with the MIT Enterprise Forum and was held at MIT on November 13. The guest speaker was Commissioner Steven Wallman, who addressed over 500 persons, including many entrepreneurs and some faculty and students at his alma mater.

The Office of Small Business Review plans to hold similar town meetings in the near future at other locations throughout the United States. The program has been

a very effective method of sharing the Commission's concerns about small business capital formation with various small business constituencies across the country.

## 1996 SEC Annual Awards Ceremony

will be held on January 29 at 10 a.m. in the Commission meeting room, 1C30

Everyone is invited to attend.



# 1996 Combined Federal Campaign Help Hope Take Shape

The generosity of the staff of the Securities and Exchange Commission was displayed once again in connection with the 1996 Combined Federal Campaign (CFC). When the Campaign ended on December 13, 1996 over \$180,000 was raised, exceeding our goal of \$170,000. The majority of the Agency's employees contributed to this year's campaign.

The CFC offers each federal employee a meaningful opportunity to help others who need a helping hand. In existence for over 30 years, the CFC has helped millions of people to act voluntarity to build a stronger, better society. This year's contributions will help over 2,500 participating charities, divided into national, international and local groups.

For those of you who don't know, the CFC is a coordinated effort that provides federal employees an opportunity to give, through payroll deductions, to volunteer agencies of their own choosing.

The theme of this year's campaign was Help Hope Take Shape. The CFC's Chairman was Arthur Levitt and the Vice Chairman was Brian Lane, Director of the Division of Corporation Finance. Wayne Carnall, Associate Director, and Christine Davine, Associate Chief Accountant in the Division of Corporation Finance, were Campaign Manager and Deputy Campaign Manager, respectively.

Thank you to all at the SEC who contributed and who Helped Hope Take Shape.

# **U.S. Savings Bonds--New Interest Rates**

The Bureau of the Public Debt announced on November 1 that the short-term interest rate for Series EE U.S. Savings Bonds is 4.56 percent. The 4.56 rate is 85 percent of the average of six-month Treasury security yields for August through October 1996. A new rate is announced each May 1 and November 1. Series EE bonds issued on or after May 1, 1995 earn the short-term rates for semi-annual interest accrual periods beginning on or after each announcement date for the first five years.

The long-term interest rate on Series EE bond is 5.53 percent. The long-term rate is 85 percent of the average of five-year Treasury security yields for May 1996 through October 1996. Series EE bonds issued on or after May 1, 1995 earn long-term rates from 5 years through 17 years. The long-term rate in

this announcement is provided only for reference.

Series E savings bonds continue to reach final maturity and stop earning interest. Bonds issued between May 1941 and October 1956 and December 1965 and October 1966 have stopped earning interest. Bonds with issue dates shown below will reach final maturity in the next six months.

Bond Issue	Bonds Stop
Dates	Earning Interest
11/56-5/57	11/96-5/97
11/66-5/67	11/96-5/97

The latest United States Savings Bonds/Notes Earnings Report and other useful information about savings bonds are available at Public Debt's Internet Home Page (HTTP://www.ustreas.gov/treasury/bureaus/pubdebt).

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#### DEADLINE NEXT ISSUE January 6, 1997

## SEC EMPLOYEE NEWS

The SEC Employee News is published bi-monthly by the Office of Public Affairs, Policy Evaluation, and Research, U.S. Securities and Exchange Commission, 450 5th St., N.W., Washington, D.C. 20549. Readers are encouraged to submit articles for publication and should send material to:

Editor SEC Employee News Room 7103

Letters to the Editor are welcome. They should address issues, not personalities and should be submitted with a name and telephone number.

> Mary Teel, Editor Donald Kovener, Art Editor Office of Public Affairs, Policy Evaluation, and Research

COPY DEADLINE: The deadline for erticles for publication in the SEC Employee News is the second week of the month prior to the month in which the News is published.

Scheduled publication months are January, March, May, July, September and November. Whonever possible, accompanying photos should be black and white.

# **ADO Hosts Mongolian Securities Official**

The Atlanta District Office was delighted to welcome Ms. Bazariin Ayush, Head of the Finance and Investment Department for the Securities Commission of Mongolia, to its office on November 13. Ms. Ayush's trip to the United States was sponsored by a program underwritten by the World Bank and USAID, among others. As a newly emerging democracy, the Republic of Mongolia has had a stock exchange for only five years. Approximately 500 companies are now public and all are listed and traded on the Mongolian Stock Exchange. The Securities Commission of Mongolia was created two years agn; Ms. Ayush oversees the regulation of public companies and investment companies.

Ms. Ayush expressed an interest in learning about the Commission's functions and responsibilities, especially with respect to the issuance and sale of securities. Ms. Ayush initially met with Richard Wessel, District Administrator, and

Ronald Crawford, Associate District Administrator. Mr. Wessel presented an overview of the work of the Commission, including those responsibilities arising from the principal statutes the staff administers. Of particular interest to Ms. Ayush was information on how to educate the Mongolian public about investing. Mr. Wessel discussed several methods which have proved successful in the United States, including the use of written materials such as pamphlets, town hall meetings and elementary and secondary school curricula on investing and the markets. Ms. Ayush also met with several members of the ADO staff who addressed the questions she had regarding the regulation of the markets, the dissemination of information to the public about public companies and broker-dealers, and the types of sanctions that are imposed for violations of the federal securities laws, chiefly for violations by broker-dealers.

# **Mixter Named Chief Litigation Counsel**

Christian Mixter has been appointed Chief Litigation Counsel for the Division of Enforcement. At the time of his appointment, Mr. Mixter was Assistant Chief Litigation Counsel.

Mr. Mixter has worked at the SEC for more than five years in the Division's Trial Unit. During that time he played a critical role in a number of the Commission's most significant cases, including the recent financial fraud case against Comparator, the fraud case against First Jersey Securities and Robert Brennan and the insider trading cases arising from transactions related to Rochester Community Savings Bank. In 1995, he served as the Acting District Administrator for the Fort Worth District Office.

Prior to joining the Commission, Mr. Mixter was an Associate Counsel to Independent Counsel Lawrence Walsh in the investigation of the Iran/Contra

matter. He began his legal career at Davis Polk & Wardwell.

Mr. Mixter received a BA in history summa cum laude from Ohio State University in 1974. Three years later, he was awarded a JD with distinction by Duke University School of Law, where he was an Article Editor for the Duke Law Journal.

In announcing the appointment, Chairman Levitt said, "Chris has proven himself a talented litigator with exceptional judgment. He is a prosecutor who combines the best qualities of tenacity and fairness."

Bill McLucas said, "Chris is a great advocate. During the years that Chris has done battle for the Commission in court, he has earned the respect of his adversaries and his colleagues. He will do an outstanding job leading the Commission's trial team."

# Dwyer To Establish Oversight Division For Brokerage Firm

Carrie Dwyer, Senior Counselor to Chairman Arthur Levitt, left the Commission to join Charles Schwab & Co., beginning December 1. Ms. Dwyer is the first Executive Vice President of Corporate Oversight, responsible for global regulatory oversight at the firm.

Ms. Dwyer joined the SEC in September 1993 as the Chairman's Senior Counselor. Over the past three years, she was instrumental in many of the most significant actions the SEC undertook. She was a key staff member and the Chairman's representative in the Commission's work on many initiatives, including the reforms in the over-thecounter market and the municipal debt market. Ms. Dwyer coordinated the Commission's oversight of the securities industry's Derivatives Policy Group, and was involved at a senior level in all market structure issues and Commission rulemaking.

Prior to Ms. Dwyer's work at the SEC, she served as Senior Vice President and General Counsel of the American Stock Exchange with responsibility for legal and regulatory affairs.

Chairman Levitt said, "Since I arrived at the SEC, Carrie Dwyer has been my most valued adviser on many of the difficult and important initiatives undertaken by the SEC. She is one of the brightest, most dedicated professionals with whom I have ever worked. Her expertise, outstanding judgment and hard work on reforming the over-the-counter market, as well as the municipal securities market, will benefit investors for years to come. The public interest has been well served by her tenure and I will miss her greatly."

Ms. Dwyer earned her undergraduate and law degrees from the University of Santa Clara in 1973 and 1976, respec-

tively.	(b)(6)			
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#### A MATTER OF ETHICS

#### A New Year--A New Ethics Era!

by Barbara Hannigan, Ethics Counsel

I am delighted to have this opportunity to bring back the ethics column as a regular feature in the newsletter and introduce myself as the new Ethics Counsel. I'll also tell you about a number of ethics program initiatives.

As many of you know, the Commission has had a long tradition of advocating the highest ethical standards for its staff. As a result, the Commission has been considered a standard bearer in the ethics area. Other federal agencies frequently seek our advice, and foreign securities regulators have looked to the Commission's Conduct Regulation for guidance in drafting their own ethics codes. The Commission's sterling reputation is largely attributable to the fact that the Commissioners and staff have made ethical conduct a top priority. I feel very fortunate to be at the helm of our exemplary ethics program.

In the interest of fostering the Commission's commitment to ethical conduct, the ethics staff is adopting a more "userfriendly" approach to providing guidance to staff at all levels. The key components of this approach include:

- A new on-line Ethics Bulletin Board;
- Officer of the Day System;
- Ethics Liaison System;
- Ethics Training, Question-and-Answer Sessions, and Regional Office Visits;
- Rule Revisions; and
- Ethics Handbook.

#### Ethics Bulletin Board

As a new and exciting part of our effort to provide access to plain English ethics advice, we have recently established an Ethics Bulletin Board on the LAN. We will use the Ethics Bulletin Board to update and simplify the guidance in your ethics handbook and advise you of rule changes and other new developments in an easy-to-read format. We also hope to work with individual offices to circulate electronically advice specifically tailored to their staff.

#### Officer of the Day System

The officer-of-the-day system in the Ethics Office has been developed to pro-

vide effective ethics guidance to Ethics Liaison Officers and Deputies, senior staff and former employees.

The volume of requests for ethics advice continues to increase quite dramatically. The small Ethics Office now handles roughly 20 new inquiries per week -- or over 1,000 new ethics matters per year! Many of you are already familiar with our officer-of-the-day system, in which each attorney in my office takes a turn at answering all of the calls to the Ethics Office on a particular day. The officer-of-the-day system allows us to respond as quickly as possible to non-routine inquiries from Ethics Liaison Officers and Deputies, senior staff and former employees. As a general rule, employees should first seek advice from their Ethics Liaison Officer or Deputy, who will consult with us as necessary. However, in order to protect their privacy, employees may wish to consult with the Ethics Office directly with respect to their outside employment negotiations or other sensitive issues. The Ethics Office keep all such requests for advice about future conduct completely confidential. We greatly appreciate your cooperation in following these procedures.

Presently, our staff consists of very experienced Assistant Ethics Counsels Audrey Carter Bredhoff, Virginia Canter, William Lenox and our newest member, Anita Purcell, who recently served so effectively as the Division of Enforcement's Deputy Ethics Officer. In addition, Cheryl Smith is our Ethics Paralegal Specialist and Vania Erlwein and Tammy Smith serve as support staff.

#### Ethics Liaison System

The best place to start when you have an ethics question is your ethics handbook. If you cannot find the answer to your question in the handbook or need further guidance, you may contact the Ethics Liaison Officer or Deputy for your division or office. A list of the Ethics Liaison Officers and Deputies and their telephone numbers appears in the SEC telephone book at the Program Information tab under the heading, "Ethics Liaison Officers and Deputies."

The Ethics Liaison Officers and Deputies are qualified individuals who have been carefully selected by top management. Please be assured that Commission ethics officials will keep your inquiries confidential, except that they are required to refer to the appropriate authority information concerning past

ethics violations. If your Ethics Liaison Officer or Deputy is unable to answer your questions, he or she will contact the Ethics Office.

# Ethics Training, Question-and-Answer Sessions and Regional Office Visits

By the time this article is published, some of you will have recently attended an ethics training session and others will soon be scheduled to attend annual ethics training conducted by Assistant Ethics Counsel Bill Lenox. The topics addressed in these sessions are: seeking and negotiating for employment, and postemployment restrictions. To the extent possible, Bill will target training to the concerns of your particular office. We hope you find the sessions helpful and welcome your feedback.

The Ethics Office has also conducted informal question-and-answer sessions with several offices. The response to these sessions has been quite positive, and we plan to meet with various offices and the Ethics Liaisons Officers and Deputies in the near future. In addition, initial planning is underway for visits and special sessions with the regional offices.

#### Rule Revisions

The Commission's Conduct Regulation is presently being revised to correspond with the new governmentwide U.S. Office of Government Ethics Standards of Conduct. Information and guidance regarding future rule changes will be posted on the Ethics Bulletin Board.

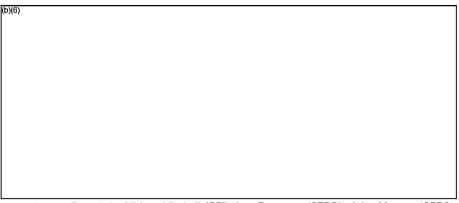
#### Ethics Handbook

Every Commission employee should have a copy of the Ethics Handbook (Second Edition). If you do not have an ethics handbook, please request one from your Administrative Officer.

The ethics handbook contains copies of Commission and government-wide ethics rules and plain English memoranda on various issues including conflicts of interest, employees' securities transactions, nonpublic information and outside employment and activities. The ethics handbook also contains copies of financial disclosure forms and other frequently used sample forms. The ethics handbook is currently being updated and revised.

Finally, my staff and I happily look forward to working with you in 1997. A new ethics era has begun!

#### **SERO Conducts Exams With Puerto Rico**



Front Row: From left, Miriam Mitchell (CFI), Lou Dempsey (SERO), John Morgan (SERO), Asdrubal Aponte (CFI), Edgardo Roque (CFI), Francisco Collazo (CFI) and Roger Miranda (SERO). Back Row: From left, Tim Steerns and Patricia Flynn (SERO), Joseph O'Neil (CFI), and Randy Cupples, John Mahoney and Bart Gancher (SERO). Not picture are: Charles Hochmuth (SERO) and Darlene Rodriguez (CFI).

On August 26, the staff of the Southeastern Regional Office (SERO) met with the Commission and staff of the Commissioner of Financial Institutions Office for the Commonwealth of Puerto Rico (CFI). In a joint examination effort, the SERO and the CFI completed four investment adviser examinations, two broker-dealer examinations and one transfer agent examination.

Nine SERO staff members and four CFI staff members participated in the fieldwork.

Puerto Rico has benefited from over \$15 billion in U.S. tax sheltered funds invested in Internal Revenue Code (IRC) Section 936 Corporations (936 Program). As a partner in the Caribbean Basin Initiative (CBI), Puerto Rico has been instrumental in financing significant infrastructures and commercial projects throughout the Caribbean and Central America.

Puerto Rico directs over \$300 million in 936 Program funds each year to the CBI program. Overall, the 936 Program has accounted for much of Puerto Rico's corporate finance growth for broker dealers. With recent U.S. legislation that will phase out the benefits of IRC Section 936, Puerto Rican registrants may shift their focus from the corporate arena to retail investors. The SERO's examinations discovered an apparent increase in retail selling efforts, public seminars and cold calling.

The scope of future joint examinations will address this changing environment.

#### Michael Mann Joins Law Firm

Michael D. Mann, Director of the Office of International Affairs, joined the law firm of Richards, Spears, Kibbe and Orbe as a partner effective November 1. Mr. Mann is in charge of opening the New York City law firm's Washington

office and establishing its (b)(6) international securities practice.

Mr. Mann joined the SEC in 1981 as an attorney in the Division of Enforcement. In December 1989, while an Associate Director in the Enforcement Division, he was appointed as the first Director of the Commis-

sion's Office of International Affairs. In this capacity, Mr. Mann was responsible for initiating, directing and coordinating the Commission's international capital markets program.

In announcing Mr. Mann's departure,

Chairman Arthur Levitt said,
"Michael Mann has played an
instrumental role in leading
and developing the SEC's
international program. He is
the world-recognized expert in
the areas of international
cooperation and regulation.
With Michael as our Director
of International Affairs, we
have broken through the
barriers of foreign secrecy
laws and blocking statutes.

MICHAEL MANN

# Hoerl Appointed Chief, Denver Office

Donald M. Hoerl was appointed the Associate Regional Director (Enforcement) of the Central Regional Office in Denver. As Associate Director, Mr. Hoerl will oversee the enforcement program in Denver and will coordinate enforcement efforts within the region, which includes the Fort Worth and Salt Lake district offices.

Mr. Hoerl was the District Administrator of the Philadelphia District Office, a position he has held since August 1993. Prior to that time Mr. Hoerl was the head of the Salt Lake District Office for six years and the Chief Trial Counsel in the Commission's Denver Regional Office for five years. He joined the Commission in 1982.

CONTINUED ON PAGE 12

The number unprecedented international agreements understandings that Michael has negotiated has provided us the ability to investigate and prosecute some of the Commission's most significant cases. Moreover, with Michael's leadership we have dramatically increased the listing of foreign companies on the American markets and, at the same time, worked to open foreign markets for American business. Finally, Michael has played the leading role in the SEC's effort to establish the premier technical assistance program for emerging securities markets. This program has helped officials from countless nations in developing their markets' regulatory and enforcement procedures. I am certain that he will have success in his new endeavor and I know I speak for the entire Commission in wishing him well."

Mr. Mann earned his BA degree in 1975 from Hampshire College and his JD from Antioch School of Law in 1981. In 1990, he received the Chairman's Award for Excellence. In 1993, Mr. Mann was awarded the rank of Distinguished Executive in the Senior Executive Service by President Clinton. He is a member of the Council on Foreign Relations.

#### Tow Retires As CF Assistant Director

Richard Tow retired as Assistant Director of the Division of Corporation Finance on August 2. Mr. Tow joined the Commission as the Division's Special Counsel in 1961, rose to Branch Chief in 1971 and Assistant Director in 1981.

As Assistant Director, he headed the Division's disclosure program in the area of thrift and banking companies. During the crisis beginning in the late 1980s, he oversaw a task force of accountants assigned to his section to handle the tremendous volume of work involved in closely reviewing the financial filings of thrifts and banks that then were struggling against possible insolvency. For his outstanding work,

Mr. Tow received the Byron D. Wood-

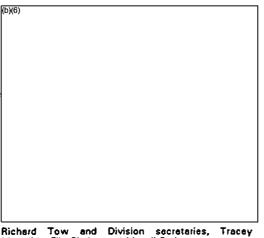
side Award in 1987.

Mr. Tow joined the SEC on the same day as Stanley Sporkin, former Director of the Division of Enforcement. "We've been friends ever since," he said. "In the 1960s Stanley borrowed me for 'one-half day' to assist in the investigation of Fifth Avenue Coach Company, the firm which then operated the bus system in New York City, and Roy Cohn, an officer and director of the company. That half day lasted two years during which he worked as a member of the investigative and trial team.

Before joining the Commission, Mr. Tow was Deputy Director of the Iowa Department of Public Safety, the largest department of the Iowa State Government. During three years in the position, Mr. Tow helped initiate the nation's first point system for drivers licensing. After the point system resulted in over 150 fewer traffic fatalities the first year of its operation, Iowa successfully installed the system, Mr. Tow assisted other state governments in initiating their own point systems.

Mr. Tow received a JD from Drake University Law School in 1958. In 1955 he received an undergraduate degree in business administration from Drake University, where he was president of the Student Council.

Mr. Tow	is a <sup>(b)(6)</sup>



Richard Tow and Division secretaries, Tracey Meredith, Ella Phelps and Mozell Padgett.

the late 1980s, he and his partner won the Maryland Senior Olympics Men's Tennis Doubles Championship.

He plans an active retirement, and he's fortunate to have found someone to share his enthusiasms. Last year, at the first college reunion he has ever attended, (b)(6)

(b)(6)

# Simon, OGC Sr. Special Counsel, Retires

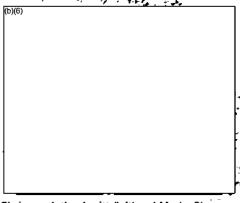
On July 17, at a retirement party attended by an unprecedented number of family members, Commission staff bade farewell to R. Moshe Simon, most recently Senior Special Counsel in the Adjudication Group of the Office of the General Counsel. Present for the event were Mr. Simon's (b)(6)

(b)(6)

Chairman Levitt graciously thanked Mr. Simon for his "exemplary" service "to the Commission, to the securities mar-kets and to the nation," his "humane, benevolent perspective" and his "wonderful sense of priorities that led (him) to choose positions that...allowed (him) to balance and fulfill his responsibilities as a lawyer, parent and community member." Mr. Simon officially retired on August 2 after 30 years SEC service.

Mr. Simon graduated from Rutgers University in 1961 with a BA degree and from the University of Maryland Law School in 1966.

As Mr. Simon relates, the Commission's selection process for new attorneys was exceedingly rigorous: "Together with five other candidates, I was given a single question on securities law and two hours to write an answer. My law school, as was true of most, did not then offer a course in securities law. During the lunch break, our answers were typed and distributed to members of a committee composed of representatives from each of the five major divisions. The



Chairman Arthur Lovitt (left) and Moshe Simon in conversation at his retirement party.

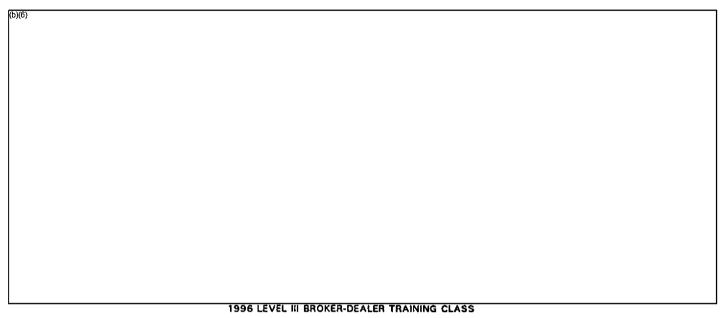
committee met with each candidate for periods of 15 to 30 minutes. After defending my answer, which was strongly challenged by the panel members, I was shocked to learn that I had four referrals. My shock was multiplied when I realized that I had answered the question incorrectly."

Mr. Simon began his Commission career in the office that administered the Public Utility Holding Company Act in the early 1970s. In 1973, he was promoted to Assistant Director for Public Utility Regulation. He later transferred to the Office of Opinions and Review, which until the late 1980s had responsibility for resolving appeals to the Commission. In 1992, Mr. Simon became a Senior Special Counsel in the General Counsel's Office.

Mr. Simon and (b)(6)

(b)(6)

# **Broker-Dealer Training Held At SEC Operations Center**



Participants are listed from left, beginning with the scated front row. First row: Michael Allen (FWDO), Gregory Harris (ADO), Lembert Rehmann (MRO), Antonita Caraen (MRO), Betty Poltz-Rubino (PDO), Loudon Fraser (SFDO), Tamara Dove (PRO), Sue Sipes (CRO), Scott Frost (SLDO). Second row: Jannie Fung (SFDO), Marie Dondero (NERO), Theo Ngo (SFDO), Sabrina Rubin (NERO), Julie Sperling (SLDO), Richael Ponce (PRO), Francois Cooke (SERO), John Simmons (ADO), Charles Szurgot (OCIE), Beth Kiesewetter (OCIE). Third row: Steven Kirberger (NERO), Anthony McNeel (FWDO), Michael Malone (MRO), Charles Savage (BDO), Gaoffrey Morman (MRO), Kevin Coughlin (NERO), John Morgan (SERO), John Morrow (MRO). Fourth row: Jeseph Zito (MRO), Craig Carlson (MRO), Bruce Walter (MRO), Steve Vitulano (NERO), Stanley Yang (PRO), David Elzinga (ADO), Ron Warton (PRO), Randy Cupples (SERO), Philip Oettinger (OCIE), Toby Leonard (FWDO), James Cullen (MRO), Julio Mojica (Instructor from OCIE), John Marton (PRO), Judith Ferris (Moderator from OCIE), Rhonda Wilson (Moderator from OCIE).

During the week of September 15 through 19 approximately 40 accountants, securities compliance examiners, and attorneys from all of the Commission's regional and district offices as well as individuals from the Office of Compliance Inspections and Examinations attended the Level III broker-dealer training program. The topics covered included Derivative Products, Electronic

Resources and Surveillance Systems, Basic Investment Adviser Training, Overview of Variable Insurance Products and Related Sales Practice Issues, Best Execution, Insider Trading/Chinese Walls, Ethics and Market Manipulation. Representatives from the Chicago Board Options Exchange, the Public Securities Association, Bloomberg, NASD Regulation, Inc., and one private consultant

complimented the following SEC staff who served as instructors: Joe Cella, ENF; Brian Hourihan, OMS; Victoria Hulick, OCIE; Mavis Kelly, OCIE; Kenneth Knudson, OCIE; Susan Lee, OCIE; Bill Lenox, GC; John McCarthy, OCIE; Jean Minarick, OCIE; Julio Mojica, OCIE; John Olsen, OCIE; John Stark, ENF; Mark Tellini, ES; Kathleen Ujvari, OCIE; and Jackie Youngblood, OCIE.

# **EEO Office 1996 Training Program For Supervisors**

The Office of Equal Employment Opportunity is presenting a new training program to keep all SEC supervisors informed about their EEO responsibilities and recent developments in EEO laws. The 1996 EEO Supervisory Training covers all aspects of supervisors' responsibility for making fair employment decisions and ensuring a non-discriminatory work environment. Supervisors in several offices at headquarters and in the northeast and midwest regions already have attended the training. All SEC supervisors are required to

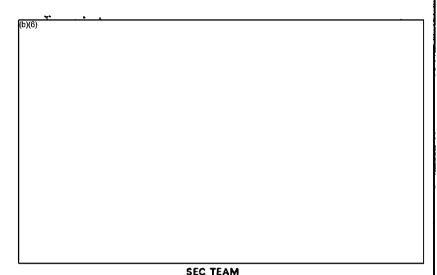
attend one of the sessions that will be given throughout the 1996-97 performance year.

Victor H. Tynes, Jr., the EEO Director, explained the need for current and continuing supervisory EEO training in a memorandum to division directors and office heads, "We all share responsibility for insuring that the Commission's employment policies and practices comply with federal laws and Equal Employment Opportunity Commission regulations that prohibit employment discrimination. That responsibility is the basis for the

EEO component in the performance elements of every supervisor and manager at the SEC. It is my belief that continuing education is necessary to equip us with the basic information we need to comply with the EEO laws."

The format for the two-hour program is lecture with questions and answers. In addition to Mr. Tynes, the seminar speakers are attorneys from the EEO Office who have years of experience in the field of federal employment discrimination law

CONTINUED ON NEXT PAGE 18



Standing, from left: Atan Reed, Daroy Flynn, Brian Hourihan, Dick Walker, Bill McLucas, Glen Barrentine, Ethan Corey, Bob Colby, Elizabeth King and Joan Benoit, champion of the first women's marathon. Kneeling, from left: Tom Cimino, Jamie Chan and Steva Youhn.

## SEC Sends Three Teams To Annual Nike Capital Challenge

On September 18, the SEC fielded three racing teams for the Annual Nike Capital Challenge. The race is a three-mile race for the benefit of the D.C. Special Olympics and pits the best five-person running teams of the Federal Government against one another. The three captains for the SEC were Richard Walker, the General Counsel; William McLucas, Director of Enforcement; and Robert Colby, Deputy Director of Market Regulation. Robert Colby, Gerri Walsh and Alan Reed finished first in their categories among SEC captains, women and men, respectively. The SEC finished 7th and 10th in our division of about 45 teams.

#### EEO Training Program

CONTINUED FROM PAGE 7

and policy.

The seminar content includes a basic overview of four federal employment discrimination laws and related Equal **Employment Opportunity Commission** regulations with discussion of the current case law and standards for defining different forms of discrimination under these laws. Speakers give practical examples relating these developing legal standards to the work environment at the SEC. The purpose of EEO counseling and formal investigations of EEO complaints is explained, as well as supervisors' and employees' rights and responsibilities during both phases of the complaint process. Finally, significant recent developments in the area of law generally known as "affirmative action" are covered. In 1996, the Department of Justice issued new guidance to federal agencies based on recent Supreme Court decisions. The impact of these developments on the SEC's approach to recruitment, hiring and upward mobility programs as set out in its current Affirmative Employment Plan is explained, and some of the popular myths about affirmative action are dispelled.

For more information about the 1996 EEO Supervisory Training, or to register to attend a session, contact the EEO Office at (202) 942-0040

PHOTO 1996 LEVEL TWO BROKER-DEALER TRAINING CLASS: Participants in the class are pictured from the left. Seated, front row: Francisco Collazo-Diaz, Vyto Jotautus, Caroline E. Forbas, Darlene Rodriguez, Carole Solloway, Shary Chavez, Janaya Moscony, Joseph Glo, Diane Morelli, Amy Yu, Maxine Yap. Stending, second row: Michelle Royston, Robert Danaher, Michael Kress, Joanna Kendall, Matthew Hawkins, Cindy Parmiey, Ruth Warren, Tanya Szczesniak, Yvonne Pina, Bill Martinson, Anthony Pocora, Heldi Pilpel, Jonathan Ngo, Doreen Krause. Standing, last row: Stephen Clarson, Rhonda Wilson (Moderator), Judy Ferris (Moderator), Annah Kim, Jeri Greenberg, Joanne Beher, Sonem Philip, Michael Froese, Donne Gallagher, Terrence Bohan, Steven Árquille, James Melo, James Schneider.

This photo, not the Level III Training photo featured, should have accompanied the Broker-Dealer Examination article on page 4 of the August/September Employee News.

# SEC DIAC Committee Sponsors Forum On Communication

In honor of National Disability Employment Awareness Month, the SEC's DIAC, the Disability Issues Advisory Committee, held a forum at headquarters entitled: "Sharing through Communication." Disability experts Paul Meyer, Deputy Executive Director of the President's Committee on

Employment of People with (b)(6)(6)
Disabilities, and Art
Rochrig, Coordinator, Special Services, Office for
Students with Disabilities of
Gallaudet University, participated in a panel discussion with four SEC employees.

Paul Meyer opened the program with a preview of cutting-edge developments in technology. Mr. Meyer described new computer-based devices which have the potential to open more jobs to a wide range of disabled persons, including those who require accommodation for effective communication. He also urged SEC managers to make use of a recruitment program run by the President's Committee, which is an excellent source for referrals of highly-motivated individuals with solid academic credentials in many different fields.

Mr. Roehrig, the second guest speaker, has Usher Syndrome, a degenerative disorder which resulted in congenital deafness and progressive loss of vision. Mr. Roehrig, who presented his lecture in American Sign Language, holds a BS degree in Mathematics and an MS degree in Rehabilitation Counseling. His work as Coordinator of Special Services at Gallaudet University depends on his excellent communication skills and

extensive knowledge of adaptive and assistive technology used by deaf-blind individuals to break through barriers to communication. The technical tools he described include Braille telecommunication devices for those unable to read conventional TTY/TDD screens, special-

ized computer programs which convert various text formats to Braille, adaptive hardware such as Braille printers and large video displays for people with limited vision.

The SEC panel members for the forum on "Sharing through Communica-

sonal experience about the importance of accommodating sensory disabilities to facilitate effective communication. Ms. Schneider is blind and hard-of-hearing; she spoke frankly about dealing with these conditions every day, but she also made it clear that her disabilities are only one aspect of who she is. She described her profes-

member of DIAC who spoke from per-

is. She described her professional life at the SEC and some of her personal activities, such as sculpting. Mr. O'Hanlon, Assistant Chief Counsel, noted that he had not had experience supervising an individual with a disability prior to supervising Ms. Schneider and had not known what to expect. When asked what most impressed him about Ms. Schneider, Mr. O'Hanlon said that it was her phenomenal memory which makes her an invaluable source of accurate legal information, particularly about past SEC decisions.

Also participating in the panel discussion were Shelly Franks, Disability Support Specialist (OAPM), and Karen MacRae Smith, Senior Attorney (EEO Office). Both belong to DIAC and are. the liaisons from their offices. Ms. Smith's duties include training and advising managers and supervisors about their legal responsibilities under the Rehabilitation Act, which prohibits employment discrimination against persons with disabilities. She described the role of the EEO Office on issues of disability and employment. In addition to working cooperatively with OAPM in sponsoring the DIAC, the EEO Office re-

views SEC personnel policies and practices to ensure that the Commission complies with EEO laws. EEO staff mediate disability-related disputes raised by employees or applicants. When informal

Top Photo: From left; Paul Meyer, Irom the President's Committee on Employment of People with Disabilities; Art Roehing from Gellaudet University, and sign language Interpreter.

Bottom Photo: From left; Linda Schneider, Shally France, Karen MacRae Smith and John O'Hanton, all from the SEC.

#### LEARN ABOUT DIAC

DIAC meets at headquarters from noon to 1 p.m. on the first Tuesday of each month. DIAC members include persons with and persons without disabilities. The mission of DIAC is to promote equal job and advancement opportunities for all persons with disabilities by advising the Commission on issues affecting or of concern to DIAC members. Through education, training and dialogue, the DIAC endeavors to improve communication and understanding within the work environment, thereby benefiting the Commission and all SEC employees. SEC employees at headquarters interested in learning more about disability and employment issues are encouraged to attend one of the monthly open DIAC meetings.

tion" were Linda Schneider (IM), John O'Hanlon (IM), Shelly Franks (OAPM) and Karen MacRae Smith (EEO). Ms. Schneider is an attorney whose duties include providing information concerning international issues and assistance to members of the public. She is a

CONTINUED ON PAGE 10

#### OIT NEWS

#### **Edgar Update**

The SEC's Electronic Data Gathering, Analysis, and Review (EDGAR) system continues to function well in receiving, processing and disseminating electronic filings. Although EDGAR is currently in the last year of an eight-year contract, there is no slow down in activities associated with the project.

#### 10-Q Peak

The November 10-Q filing peak set new records for electronic filing. On November 13, records for the most number of filings received and processed in an hour were set and broken in three consecutive hours. Between 4:00 and 5:00, 666 filings were received, processed, and disseminated. On November 14, over 6,500 test and live filings were received. Even though this set a record for the number of filing received in a single day, the processing times for those filings were in the one-to-two minute range (normal processing time) and messages on the status of the filings were sent to the filer's CompuServe mailbox within five minutes after the filing was processed. Ample telephone lines were available to filers who were submitting their filings to the EDGAR system during the peak.

The November 10-Q peak marks the third quarterly filing peak after all domestic registrants were phased into the EDGAR system on May 6 of this year.

#### RFP

The contract to design, build, maintain and operate the EDGAR system will be re-competed within the next few months. A Request for Proposals (RFP) for the next EDGAR system was published and distributed to potential offerors on October 30. The RFP was developed with guidance from Congress to focus on the pri-

vatization and modernization of the EDGAR system. Although the EDGAR system is, to some extent, privatized already with the entire Dissemination Subsystem being paid for by private companies who subscribe to the service, the RFP allows offerors to propose a completely new structure to allow the broadest possible interpretation of the term "privatization." Offerors can even envision, and make a part of their roposal, changes in legislation that would be necessary to create an environment in which their view of privatization could be realized. Responses to the RFP are due in January and will be evaluated by a team of SEC staff members from the offices and divisions. Results of this initial review will be shared with Congress, who will provide further guidance on "privatization" and legislative concerns. Those offerors whose proposals are in the competitive range will be asked to provide another, detailed proposal for final evaluation.

#### **Disaster Recovery**

A disaster recovery site has been constructed and is available to filers. SEC staff and users of SEC filing information in the event that EDGAR cannot be run on the primary equipment. The disaster recovery site is located in SEC headquarters building and consists of incoming telephone lines and sufficient computer equipment to receive, process and disseminate electronic filings in the event of an emergency. Should there be a failure which necessitates use of the backup system, filers will still be able to submit their filings to the EDGAR system, and staff members will have access to both new and previously submitted filings. At the present time, filers would have to dial a new number to make a filing into the backup system, but work is underway which will make that unnecessary. When all of the refinements to the Disaster Recovery system are complete, most users will not be aware that processing is being done on another computer.

# **DIAC Sponsors Forum On Commications**

CONTINUED FROM PAGE 10

EEO counseling on mediation cannot resolve a dispute involving alleged disability discrimination, the EEO Office investigates the resulting EEO complaint. The EEO Director has the authority to order a remedy if he concludes that disability discrimination has occurred.

Ms. Franks is responsible for coordinating the SEC's contract for sign language interpreting services and scheduling interpreters for appointments at Headquarters. She works directly with managers and supervisors as well as with employees and applicants who have disabilities. Ms. Franks described the services available through OAPM for accommodation of

disabilities. OAPM processes employee requests for specialized communication equipment such as TTYs (TDDs), strobe lights, and vibrating pagers. Her branch also provides information about procedures for making accommodation requests, determines whether requests meet applicable guidelines, and maintains confidential medical records supplied by employees to support these requests. In addition, Ms. Franks is responsible for recruiting qualified applicants with disabilities and recommending training for supervisors of employees with dis-

CONTINUED ON PAGE 12

# **OAPM MATTERS**

## Support Staff Study Update

The task force (see previous issues of the SEC Employees News) is nearing completion of its deliberations and writing its recommendations for top management. Discussions have centered around identifying:

- skills needed by support and paraprofessional staff in the future;
- how positions can be defined/ restructured and projections of the right "mix" of positions;
- alternative methods to develop employees to meet these new needs;
- how selections for developmental opportunities should be made; and
- programs to be developed or modified to achieve the transition from current to future support workforce.

## Plain English Training Initiative

In support of the Chairman's plain. English initiative, OAPM is offering a variety of training courses to help SEC staff enhance their writing styles and oral communication skills. Watch the electronic cc:mail Training Bulletin Board for these and other course announcements!

#### Retirement Planning Seminars

OAPM sponsored a pre-retirement planning seminar for headquarters Civil Service Retirement System (CSRS) employees within 10 years of voluntary retirement eligibility on Oct. 30 and 31, 1996. A similar seminar for Federal Employees Retirement System (FERS) employees will be offered after the first FERS employees in of the year. headquarters who are eligible for voluntary retirement within 10 years will receive invitations to the seminar by email. Interested field office employees with similar eligibility should check whether local courses on federal retirement planning are available through the USDA Graduate School or other sources and may apply through normal training request submission channels.

#### Did You Know?....

Open Season for the Federal Employees Health Benefits program ran from Nov. 11 through Dec. 9, 1996. During open season, you could: change your current health plan; change options within you plan; or, if you have never elected health benefits coverage, enroll in a health plan. All open season enrollment changes will be effective on Jan. 5, 1997 and new payroll deductions will appear on the Jan. 28, 1997 earnings and leave statement.

The Thrift Savings Plan (TSP) Open Season runs from Nov. 15, 1996 until Jan. 31, 1997. During this period, eligible employees may enroll, change current contribution amounts of real-locate contributions in the three funds: Common Stock or C fund, Fixed Income or F funds and the Government Securities or G fund. To obtain up-to-date TSP information such as plan news, rates of return and account balances, call the TSP ThriftLine at (504) 255-8777.

Employees may continue health benefits and life insurance coverage into retirement if enrollment has been for a minimum of five years prior to retirement.

Eligibility for voluntary retirement from the Federal Government is based on age at retirement and total years of service. The retirement eligibility formula has not been changed, and is as follows:

Min	imu	m	Age	Y	'ear	s of	f Se	ŕvi	cē
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The following provisions apply only to CSRS employees. If you are not sure of the retirement system in which you are enrolled, check your pay and leave statement to see where your retirement deductions are credited.

CSRS employees can use an unofficial short-cut formula to estimate their basic annuity. Estimate your total years of service at retirement, subtract 2, and multiply the result by 2. The result is an estimated percentage of your high three average annual salary (basic pay, which does not include awards, overtime or holiday pay).

Example: If you will retire with 30 years of service, multiply 28 by 2 to get 56%. If your estimated high three average salary is \$50,000, then your estimated maximum basic annuity would be \$28,000.

Accumulation of sick leave always is important to protect you from a loss of salary in the event of a major illness or operation. However, for CSRS employees, unused sick leave at retirement is added to service time to increase their basic annuity for life. Accumulated sick

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F11	T. CFO	r	
rareweu	10 SEC	Employees	
Employee	Office	Years Service Retir	
John L. Smith	OAPM	30 Oct	
W. Alan Jorgensen	CRO	_ 23	
John J. Bayes	ENF	36 Nov	1
Kathleen Stewart	FWDO	31 Nov	29 *
Eleanor R. Whitley	OIT	21 Dec	3
Herbert V. Efron	GC	39 Dec 5 Dec	
Concluta Largoza	PRO	5 Dec	51

#### **OAPM MATTERS**

CONTINUED FROM PREVIOUS PAGE

leave cannot be used to meet the basic length of service requirements for retirement. It is credited at the rate of approximately six hours of sick leave for one day of additional service.

Example: If you are the CSRS employee in the previous example and have 1,040 hours of accrued sick leave at retirement, your basic annuity (on which any future cost of living increases would be based) would be increased by \$500 per year (by multiplying 28.5 by 2 to get 57% of your high three salary, or \$28,500).

If additional information is needed on any benefit issues, please call the Processing and Benefits Branch, Office of Administrative and Personnel Management at (202) 942-4080.

#### Hoerl Appointment

**CONTINUED FROM PAGE 7** 

Mr. Hoerl worked seven years for the Department of Justice. For six of those years, he was an Assistant United States Attorney for the District of Colorado in Denver, three years in its criminal and three in its civil division. He spent one year at Justice assisting in drafting a trial advocacy course for agency attorneys. The course was designed to teach trial advocacy skills to government attorneys who did not have trial experience. SEC and FTC attorneys were among those taking the course. Early in his career, Mr. Hoerl served one year as counsel for the Denver, Rio Grande and Western Railroad, where he handled bank robbery and other criminal cases and federal tort claims and other civil suits.

He received his juris doctorate degree from the University of Colorado School of Law in 1972 and his BA from the University of California at Los Angeles.

#### IN MEMORIAM

#### Bemard Wexler, Retired

Bernard Wexler, 70, attorney and co-author of the SEC's 1966 report on mutual funds, died on October 8 at the Hospice of Washington, He had

(b)(6)

During 16 years at the Commission. Mr. Wexler was Assistant Director of the Division of Corporate Regulation, Counsel to Chairman William J. Casey and Director of the Office of Opinions and Review, Two years after joining the Commission in 1962, he assumed a leading role in writing and editing the SEC's mutual fund study. The mutual fund study led to reforms in the industry's early days. The 346-page study asserted that mutual funds charged excessive management fees and sales charges and greater safeguards were needed to protect investors. It eventually resulted in a reduction of fees and sales charges.

After leaving the Commission, Mr. Wexler joined the Federal Energy Regulatory Commission (FERC): He retired as special counsel to the solicitor of FERC in 1986. He then joined the law firm of Gordon, Hurwitz, Butowsky, Shalov and Wein in Washington, where he continued until his retirement in 1994. Mr. Wexler began his career as a corporate lawyer in New York.

Mr. Wexler received his undergraduate degree from the Wharton School at the University of Pennsylvania and his law degree from the University of Pennsylvania.

(b)(6)

#### Anthony P. Antonelli, Retired

Anthony P. Antonelli died suddenly (D)(6) on October 31. At the time, he was staying at the home of (D)(6)

Mr. Antonelli worked in the SEC's former Office of Records for more than 35 years. He headed the Service Branch for 10 years until his retirement in 1973. He began his SEC career in 1938 as an assistant messenger in the Office of Records and Service.

(b)(6)

#### Lorine Williams, Retired

Lorine H. Williams died on November 14 after (D)(G)

She was a Records Analyst in the Office of Filings and Information Services.

Lorine began working with the Commission on March 12, 1967 and continued until her retirement on March 11, 1989. She had a total of 27 years of federal service.

(b)(6)

# **DIAC Sponsors Communication Forum**

CONTINUED FROM PAGE 10

abilities. The program concluded with a question and answer session moderated by Katie Nix, DIAC's 1997 Chair. Ms. Nix recognized the efforts of the DIAC

subcommittee, co-chaired by Linda A. Schneider and Makini Galloway (CF), which planned and produced this year's event.

# SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

Vol. 21, No. 1

Washington, D.C.

January/February 1997

# Chairman Praises Staff For Productive Year Martha Platt, IM, Is Remembered With New Award

CHARMAN'S AWAR	membere from leit. (hidden), Christine N Flüne: Scott Cook D	or right presents the Che are Sullan McCreeky as Anny Cohen: Dayer out Withouth Chemnal of Unideny, Darne Daye	effrey Swartz, Laure Cepen-Kana, Lemnard V Levitt, Hardy Calicott	Noveck Michell Coe Very lactepung his i and Few Certach No	Mark Talina ward Deroy sectored are

Chairman Arthur Levitt attended his third Awards Ceremony on January 29. An overflow crowd that included SEC staff, alumni and family members attended the ceremony, which was held for the first time in the newly renovated public

meeting room. The subdued colors of the decor, improved acoustics, TV monitors and convenient layout greatly improved viewing and hearing the ceremony.

This awards ceremony was the occasion for several other "firsts." The plain English Award was given for the first time. It was the first time teams received the Capital Markets and

DISTINGUISHED SERVICE AWARD Chairman Arthur Levitt presents the Distinguished Service Award to Mary Koofe for her outstanding accomplishment as Director of the Midwest Regional Office.

Law and Policy Awards. It was the first time an award honoring a former staff member was given to anyone outside the Commission. And Chairman Levitt announced a new award honoring Martha Platt, a young SEC attorney killed last

summer while jogging.

Chairman Levitt opened his address with words of appreciation to the staff: "My thanks go to the entire staff for their support and their hard work during 1996, which was an extraordinarily productive year by almost any measure," he said. "It is one of the great privileges of my life to lead this group of extraordinarily talented people. I thank all of you for your commitment on behalf of America's investors."

CONTINUED ON PAGE 6

Two bundred and forty kids showed up at the Commission afternoon of December 19 for the Chairman's holiday party. The event, first sponsored by

Chairman Levitt four years ago for the children of staff members, has become an SEC holiday tradition.

Children, accompanied by at least one parent, were entertained from 2;p.m. to 3:30 p.m. with holiday songs by the SEC Carolers accompanied by Dan Nathan at the piano, performing clowns, the New Beginnings Dance troupe directed by Michelle Walker and Bob Brown's Puppets, who performed Corkey's Holiday Circus.

After the kids checked in with Leslee Addison, they received a bag containing cookies and punch. They had their faces painted by talented SEC employees headed by Jackie Walket and Eve Carney and talked toys with Santa Claus: For the second year, the kids painted a



miral, as their gift to the children at Children's Hospital. The kids with the help of Don Kovener also prepared a big "Thank-you" card for Chairman Leviti. Special thanks for

a great kids' party go to Chairman Levitt and to all the volunteers who helped make the event a big success. Kathy Smith oversaw organization of the party and her committee chairmen organized individual events.

In addition to those mentioned above, special thanks go out to Carlene Akins, Jake Fien-Helfman, Sharon Preeman, Sue Golden, Hilda Harding, Mary Houle, Dick Kanyan, Melissa Kimps, Glyms Long, Ron Long, Victor Types and to the many volunteers who worked behind the scenes, a big hand for volunteering your time and skills and for your tireless efforts to make the holiday season special at the SEC. The Commission hopes you will be able to set aside time to help make next year's party a great success as well:

# 1996 Savings Bond Campaign Awards

The Office of Information Technology and the Office of the Comptroller tied for first place as winners in the 1996 Savings Bond Campaign. The Office of Information Technology won for the greatest increase in the number of bonds sold and the Office of the Comptroller won for the greatest increase in the percentage of bonds sold. The Fort Worth District Office was the winner for the regions with the greatest increase in the percentage of bonds sold.

From left, 1996 Savings Bond Campaign officials, Louise Hoskins, coordinator, Michael Bartell, Vice Chairperson, and Keesha McNeal, Office of the Comptroller canvasser. Not pictured: Joyce Milton, OIT canvasser, and Kathleen Klitzke, Fort Worth District Office canvasser.

#### IN THIS ISSUE Annual Award Caremony Chairman's Party for Kids Three Investors' Town Meetings Schlein Joins Smith Bernay Scerding Appointed Chief of Staff Goss Jaine MuniFinencial, Inc. PDO Provides Presticel Experience for Eighth Graders Money Matters 72 Filness Center News 7. OAPM Matters 15 ADO Holiday Toy Drive 16 SEC Sportswear/Gifts for Sale 15

#### DEADLINE NEXT ISSUE March 9, 1997

# SEC EMPLOYEE NEWS

The SEC Employee News is published by monthly by the Office of Publis Affairs, Policy Evolution and Research, U.S. Securities and Exchange Commission, 450 5th St., NW, Washington, OC 20549: Readers are encouraged to submit erricles for publication and should send material to: send material to

> Editor SEC Employee News

Room 7103
Letters to the Editor are welbome.
They should gadfees issues, not personelities and should be submitted with a name and telephone number.

Mary Teel, Editor Donald Kovener, Art Editor (OAPM) Office of Public Affeirs, Policy Evaluation and Research

COPY DEADLINE: The deedline for erucies for publication in the SEC Employee News is the second week of the month prior to the month in which

the News is published.

Scheduled publication months are January, March May, July September and November, Whenever possible eccompanying photos should be black

# Three SEC Investors' Town Meetings Held Last Fall

The Commission conducted three more investors' town meetings across the country this fall, as part of the investor protection program announced in October 1994. The investors' town meetings were held in Fairfax, Virginia; Fort Lauderdale, Florida; and San Francisco, California.

At the Fairfax Town Meeting on September 29, Chairman Levitt spoke to a capacity crowd of nearly 1,000 individual investors at the George Mason University Center for the Arts. He fielded diverse investment questions from the audience and gave them information on how to make informed investment decisions, monitor their investments and avoid problems. Explaining the importance of these town meetings, Chairman Levitt said, "As more investors put their money in the market, they must be informed and must understand their investments. Our town meetings are an excellent way to educate the public on the questions they should ask to help them make wise investment decisions and better protect themselves from fraud or abusive practices."

The Commission's next town meeting was held on Wednesday, November 6, at the Fort Lauderdale Airport Hilton and attracted an audience of about 900 investors. Co-hosting this meeting with

Chairman Levitt was Don Saxon, Director of Florida's Division of Securities, and Florida's Comptroller, Robert Milligan. Approximately 25 industry, investor and consumer organizations were involved in planning eight investor education seminars as well as hosting numerous investor education booths. The SEC's town meeting team is headed by Deputy Director of the Office of Investor Education and Assistance Chris Niedermeier, Investor Education Specialist April Keyes and Investor Education Specialist Katherine Philipp in Washington. They made the arrangements for this meeting with the enthusiastic support of the SEC's Southeast Regional Office Director Chuck Senatore, Associate Regional Director Rose Schindler, Senior Counsel Lisa Roberts and the regional staff. The OIEA staff in Washington, D.C. assisting on the town meetings includes Katherine W. Robinson, Tonia Harley, Cecelia Howell, Carmine J. Zeccardi, Marsha Reynolds, Ruby Nelson, Brenda Stanfield, Rochelle Lawson, Amy Rieger and David Powers.

The SEC's latest town meeting was held on Monday, November 18, in San Francisco. Chairman Levitt co-hosted the town meeting with California's U.S. Senator Barbara Boxer and Commissioner Keith Bishop. David Bayless, District

Administrator of the SEC's San Francisco Office, and his staff, especially Susan and Andrea C. Camilleri, assisted in coordinating this event.

During last spring, the Commission held two town meetings. Each meeting offered eight seminars on timely investment topics with a standing room only crowd of about 700 at the seminars in each location.

Town meetings continue to attract record audiences of about 1,000 people each. To date, these meetings have reached over 12,130 investors directly. And through CNN and local television coverage of these meetings, the Commission's investor education message has reached over 5.1 million more Americans nationwide. It is expected that future SEC town meetings will be hosted by Commissioners Wallman, Johnson and Hunt as well.

In addition to these investors' town meetings, Chairman Levitt co-hosted an hour-long satellite broadcast, "It's Your Money: Saving and Investing," on Saturday, November 9. Along with Federal Reserve Vice Chair Alice Rivlin and a panel of financial experts including Tyler Mathisen, Executive Editor of Money Magazine, Chairman Levitt reached

CONTINUED ON PAGE 4

# Michael Schlein Joins Smith Barney

Michael Schlein, Chief of Staff to Chairman Levitt since March 1995, left the Commission early in 1997 to join Smith Barney in a new position as Senior Vice President, Director for Corporate Development and Planning.

Mr. Schlein, 35, joined the SBC in February 1994 as Counsel to the Chairman. In this capacity, Mr. Schlein worked on the Chairman's sales practices initiative, which included increased enforcement, sweeps of brokerage firms, broker compensation, continuing education for registered representatives and investor education.

As Chief of Staff, he was responsible for managing much of the work of the Commission. Specific projects included the recently passed National Securities Markets Improvement Act of 1996, making corporate data available on the worldwide web and the profile prospectus among other plain English initiatives. In 1995, Mr. Schlein received the Chairman's Award for Excellence, the highest award presented by the SEC.

Chairman Levitt said, "Michael Schlein defines intelligence, creativity, judgment and leadership. Over the past two years, Michael has managed every major initiative of the Commission: long-term planning and budgeting as well as short-term crisis management; leading the Commission's legislative agenda including the securities litigation reform debate and the National Securities Markets Improvement Act of 1996 and managing specific initiatives such as the Commission's website and plain English programs. And as he leaves more than 10 years of public service, we know he will succeed in all his endeavors."

Prior to joining the Securities and Exchange Commission, Mr. Schlein served as Chief of Staff to the New York City Deputy Mayor for Finance and Economic Development, where he was responsible for designing and implementing the city's economic development and finance policies. Previously, Mr. Schlein worked as an associate in the Public Finance Division of Smith Barney.

Mr. Schlein graduated Phi Beta Kappa from the Massachusetts Institute of Technology with a Master's degree in political science and a Bachelor's degree in economics.

# Scardino Appointed Chief of Staff

Jennifer Scardino was appointed Chief of Staff, effective December 23. Ms. Scardino replaced Michael Schlein, who left the Commission to join Smith Barney as Senior Vice President. Ms. Scardino served as the Commission's Director of Public Affairs, Policy Evaluation and Research since July 1993.

As Director of Public Affairs, Ms. Scardino, 29, was responsible for managing the Commission's media relations and communications. She has served as the Chairman's chief spokesperson and adviser on public affairs.

Chairman Levitt said, "For almost three years, Jennifer Scardino has filled her responsibilities as the Commission's chief public affairs liaison with the highest level of professionalism and grace. I have relied on her judgment and intelligence and am excited to work with her as my new Chief of Staff. She has been one of my chief advisers on the widest possible range of issues and initiatives since the beginning of my chairmanship."

Prior to joining the Commission, Ms. Scardino served as Press Secretary to Deputy Mayor for Finance and Economic Development in New York and Assistant Press Secretary to Mayor David N. Dinkins.

Ms. Scardino graduated, cum laude, from Barnard College of Columbia University in 1989.

# Goss Appointed Director of Municipal Disclosure

Frederick B. Goss, Assistant Director in the Pacific Regional Office, left the Commission on November 8 to become the Director of Municipal Disclosure at MuniFinancial, Inc., a national municipal bond administration and services company. In his new position, Mr. Goss will head MuniFinancial's newly formed Department of Municipal Disclosure, which will provide assistance to municipalities in the preparation of their disclosure documents.

Mr. Goss had been with the Commission since November 1980 and was most recently in charge of the Full Disclosure Program in Los Angeles.

#### Lost and Found

For items lost or found at SEC headquarters, please contact the Facilities Branch, Room 2C11, or call that office on (202) 942-4110. The office is open from 8 a.m. until 6 p.m.

## Three Investors' Town Meetings Held Last Fall

CONTINUED FROM PAGE 3

thousands of Americans participating from hundreds of satellite locations around the country in this unique teleseminar. His remarks covered such topics as understanding risks, setting investment goals, making investment choices and asking the right questions about your investments and your investment advisers.

It was a busy fall for Nancy Smith and the staff of the Office of Investor Education and Assistance.

For all SEG employees in the Washington metropolitan area; information on transportation, elder care and child care and support is available through Paule Frohman, OAPM, X4057

# PDO Provides Practical Experience For Eighth Graders

# Chairman Levitt Honors Their Teacher At Investors' Town Meeting

The Philadelphia District Office has set up a special work study program for students from the Julia de Burgos Middle Magnet School, 90 percent of whose students live below the poverty line. The school is located in a federally designated empowerment zone in North Philadelphia. Students are 82 percent Latino and 18 percent African-American.

The work study program allows two students to work at the PDO for one day a week for three weeks. After the first three weeks, two new students may repeat the process, and the cycle continues until the end of the school year. The students assist the PDO staff in a variety of jobs that include photocopying, shredding sensitive documents, typing, filing, creating computerized databases and assisting with the preparation of closed enforcement cases for shipment to the "The students PDO Records Office. take particular delight in shredding documents and in working on the computer," commented Cynthia Hoekstra, an attorney at the PDO who has coordinated the office's participation in the program.

In addition to the work study program, PDO staff members will participate in classroom sessions with the students, presenting a variety of topics including insider trading and broker sales practice abuses. The Philadelphia Federal Reserve Bank and the Smith Barney Trust in Wilmington have also set up work study programs for the Julia de Burgos students.

The work study program is one part of the Julia de Burgos Program for Economic Development (PED). The PED is an economics-based learning initiative incorporating computer-simulated studies, stock portfolios, mentoring and work study programs with the use of consumer education materials provided in part by the SEC.

The PBD grew out of the efforts of David Kaplan, a Julia de Burgos physical education teacher, with the support of the school's principal Jose Lebron. The PBD goal is to teach economically disadvantaged kids how to overcome the effects of poverty, low expectations and urban deterioration and decay.

Chairman Arthur Levitt honored Mr. Kaplan and four other Pennsylvania teachers at the SEC investors' town meeting held in Philadelphia on June 11 for their advocacy of the importance of the stock market in our economy. Awards were also given to five students who achieved academic growth and developed a greater understanding of the stock market through the Stock Market Game.

David Kaplan began in 1991 to involve five able students in the Stock Market Game, a tool developed by the Securities Industry Foundation to teach grade school students how the American economic system works.

The Stock Market Game is played by teams of from three to five students and works this way. The game covers a 10-week period for the fall semester and is repeated in the spring semester. Each team is given an imaginary \$100,000 to invest during the period. The team buys and sells stock that has a minimum \$5 price and is listed with the Nasdaq or a major exchange. Teams may also sell stock short or trade on margin. For purposes of the game, the commission is two percent and trades are based on the

closing market price. Teams work on the game before and after school.

The need to pay for trips, textbooks and newspaper subscriptions led to the creation of The Commodities Corner Cafe. The student-run cafe is a stock corporation that has become the keystone of the PED. Each of some 130 students enrolled in the program is a stockholder. The mid-1996 value of each share was \$8. In 1995, the enterprise had sales of \$50,000. The Cafe has given the students a sense of responsibility, maturity, experience and pride.

According to the Philadelphia Business Journal dated May 31-June 6, 1996, "Julia de Burgos' economic development program has proved so promising it has attracted state and federal grant money and the support of several corporate sponsors, including the Smith Barney Trust, PaineWebber Inc., Frito Lay Corp. and Pepsico Inc., as well as Temple University and the Philadelphia Pederal Reserve Bank. It is emerging as a model program for other school districts throughout the state and the nation."

Learning how the stock market and the American economy work apparently can make better students, better citizens and wiser investors.

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# Chairman Announces New Awards,

Keefe Receives Distinguished Service Award; Legislative Team Receives Law & Policy Award;

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PLAIN ENGLISH AWARD

Chairman Arthur Levitt presented the Plein English Award to Ann Wallace.

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**LAW & POLICY AWARD** 

Chairmen Arthur Levitt (right) presented the Lew & Policy Award to members of the Legislative Team for the National Securities Markets Improvement Act. The team is plotured from the left: Kenneth Berman, Calte McGuire, Meredith Cross, Robert Plaze, Keren Burgess and Keye Williams, (Michael Schein is not pictured.)

Turning to the Commission and its work, Chairman Levitt reviewed the Commission achievements during the past year and gave the audience a preview of Commission endeavors during 1997.

#### 1996 Accomplishments

Chairman Levitt noted the accomplishments of the Commission and its staff and some of its important cases during the past year:

- Conclusion of a major case against the National Association of Securities Dealers.
- Conclusion of the pilot project of the fund profile [a summary that supplements the mutual fund prospectus].
- Conclusion by the Task Porce on Disclosure Simplification of an exhaustive study of SEC rules and forms related to corporation finance. The study recommends the elimination of modification of a quarter of the rules and half the forms they reviewed, " Chairman Levitt said. "We've done away with 44 rules and 4 forms, and the work of that task force was completed within 90 days as requested."
- \* Completed by the Advisory Committee on Capital Formation of its work under the extraordinarily able leadership of Commissioner Wallman. "They offered a thoughtful report on new directions in registration the Commission is now considering," Chairman Levitt said.

- An unprecedented commitment to the community by the SEC staff with a host of volunteer projects.
- Set another record for foreign listings 870 commanies from abroad now list in U.S. markets.
- Continued the series of town meetings held to answer questions and to provide helpful advice to investors and small businesses in cities across America.
- Pioneered a new effort in small business town meetings. "Those sessions have taken place in a number of cities that really enlisted the enthusiastic support of small businesses all over the country who are now requesting the Commission to bring that program to their communities," Chairman Levitt said.
- Upgraded the SEC worldwide website that downloads an average of about 20 million pages of text per week.
- Passage of the National Securities Markets Improvement Act, a sweeping revision of the federal securities laws. Working closely on this Act over the course of the year "developed a consensus between the Congress and the Commission," Chairman Levitt said.
- Released the plain English rule and writing guide.
   Chairman Levitt suggested that disclosure documents written in plain English will "speak clearly to investors and to the market place."
- Continued work with the FBI and Justice Department "to bring charges against those who prey upon America's investors."

# Reviews '97 Agenda In Keynote Address

Nasdag Team Receives Chairman's Award For Excellence Capital Formation Committee Receives Capital Markets Award

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REGULATORY SIMPLIFICATION AWARD

Commissioner Steven Wallman (second from left) presented the Regulatory Simplification Award to members of the Disclosure Simplification Tesk Force. Pictured from left are Tesk Force members: Larry Bargmann, P.J. Himelfarb, Commissioner Wallman, Brian Lane, Frank Zarb Jr., Kathleen Heller, Catherine Dixon, Kenneth Berman and Nancy Sanow. Not plotured: Abigail Arms, Douglas Tanner, Elliot Staffin and John Albert.

Concluding his review of the SEC's 1996 achievements, Chairman Levitt lauded the agency's accomplishments in the enforcement area. "I especially want to single out the productivity and achievement of Bill McLucas and the Enforcement Division this year, Chairman Levitt said, noting there were fewer small cases, but that major investigations over the last two years included cases involving Orange County and Nasdaq.

Enforcement Division under Bill's able direction and leadership has been more effective and truly remarkable in my judgment in sending out messages to important areas of the community in terms of protecting public investors and protecting U.S. markets. I cannot say enough about the pointed and effective focus by the division," Chairman Levitt

Chairman Levitt expressed the Commission's sadness at the sudden death of Martha Platt, Senior Counsel in Investment Management's Office of Insurance Products. \*The constellation of highly talented and motivated SEC staff lost

> one of its brightest stars with sudden and senseless death of Martha Platt, Senior Counsel in the Division of investment Management's Office of Insurance Products. We are honored to have her husband (b)(6) here for the ceremony. We miss Martha very very much today Chairman and every day," Levitt said.

> "In her honor, I am announcing the establishment of a Martha H. Platt Memorial Award, which will be presented, starting next year, to a member of the staff of the Division αf Investment Management who personifies her great intellectual capacity and curiosity, integrity, love of people and above all dedication to the public interest," Chairman Levilt said.

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SUPPO (From left) Victor Addison Jr., Regina Baker, Mi Cha Staff Award of Excellence. Commissioner Norman Jo	Grewey Viting I	RD Of EXCELLENCE ohnson, Brighte Matthews and Sylvia Miranda received the Supp
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AND CONTROL OF THE CO		SUPERVISORY EXCELLENCE AWAR (Clackwise, from bottom left) Wayne Car Katherine England, Gloria, Fentroy, Rob Itartaglio, Eugene, Johnson, Barry Mil Norman Walsh III and Ronald Wood. Co
EXAMINATION AWARD OF EXCELLENCE (Top row) Fen-Ching Weinstein and (bottom row) from left Gary Hopkins, Mavis Kelly and Joseph Di Maria receive the Examination	n d n	missioner Norman 210hnson presented awards Joseph McDonald Jr. is not pictur
Award of Excellence. Commissioner Stever Wallman presented the awards.		
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CUAL EMPLOYMENT OPPORTUNITY AND COMMUNITY SERVICE AWARDS from set; EEO Award Ribbin Gestine: received the EEO Award. A Special Award for EEO Special Awards for Economically Service Awards. Wards Bussivell and Olsan Wright, received awards for Community service. Community Service Awards.	(b)(G)
PRODUCTIVITY IMPROVEMENT AWARD  Commissioner Isase Hunt presents this award to the Office of Compliance Inspections and Examinations: From latty OCIE Director Lini Richards; Mary Ann Gadziala and Doris Bamford accept the award.  IS YEARS FEDERAL SERVICE AWARD  Top row, from left! Donald Chumian, Mary Middleton, Doris Richards and Doris Sayoy and Dottom row, from left! Minnie Williams and Josetta Yes receive awards for 35 years of ederal services. Five others who received awards are not pictured. Commissioner Isaac Hunt	35 YEARS SEC SERVICE: AWARD  From left; top row) Louis Beeks and Paul Collect! and Bottom row! Richard Karlyen and Sohn Mortis Jr. received swards for 25 years of SEC solvides. Two others who repetived award are not pictured. Commissioner Isaac Hunt presented the awards.
D)(6)  30 YEARS SEC SERVICE AW  Top row, from left; Mary A  Anderson and Hahnah Hall sold Tio  Tow from left; Altred Rusch and Sec Service. Seven others were let  to be present. Commissioner type:  the emerge.	goes tom gifty m-of



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#### Preview of 1997 Agenda

Turning to the new year. Chairman Levitt shared with the staff and visitors the following topics on the Commission's 1997 agenda:

- Implementing the new order handling rules:
- Facilitating and encouraging greater use of communications technology by companies, brokers, dealers and investors
- Completing our mutual fund disclosure initiatives; including fund profiles and more clearly written and presented mutual fund prospectuses.
- Extending plain English to corporate prospectuses.
- ■Relesigning the EDGAR electronic filing system:
- Securing more foreign listings and signing more cooperative agreements with foreign regulators.
- Conducting an aggressive effort to police internet fraud.
  - Enhancing derivatives disclosure.
- Spotlighting the use of soft dollar payments through examinations of investment advisers, institutional investors and broker-dealers.
- Completing a re-evaluation of the get capital rule.
- Granting qualified immunity to firms for disclosures made on the Porm U.5.

"We are also going to reach another milestone in the municipal bond market as dealers put in place procedures that will result in the reporting of retail price and trade information by next January. Nearly four years ago we started this effort to bring the transparency and openness of the municipal market; of our debt market, to the level of our equity

markets. We'll take a major step forward at the end of this year, \*Chairman Levitt said.

On behalf of the Commission, I say to all the staff wherever they may be that none of this could have been possible were it not for your extraordinary ef-

#### AWARDS HONORING FORMER COMMISSIONERS AND JUDGE SPORKIN

(Cinck Was from top lieft) Reasistant are:
strong Pollack Award.
Gregory won Scheumburg.
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forts, your dedication, your willingness to take chances, your obvious desire to push the envelope, to make suggestions and to make this a better place for investors," Chairman Levitt remarked. "I congratulate all who receive awards today, and I wish all of you continued success diring the year ahead," Chairman Levitt concluded.

In brief remarks at the awards cere-

mony, Judge Stanley Sporkin of the U.S. District Court for the District of Columbia, praised the SEC and its staff: "I see in my work practically every agency of government on a daily basis and I can report to you without qualification that the Commission is the best

Other agencies try to mirror the SEC by adopting the programs the SEC has put into place and used for many years." Judge Sporkin cited the compliance program, which forced "every brokerage firm to bring in a compliance organization, to shift compliance from the government to the private sector where it should be and noted that "that concept has now been adopted virtually throughout the whole United States. How proud you should be, how important you have been in living up to a great objective, the only objective of your agency — the protection of investors. I am very proud to have an award presented in my name," Judge Sporkin concluded:

#### Chairman's Award for Excellence

The Chairman's Award was created in 1991 to recognize the Commission staff whose special accomplishments produce significant improvements in the agency's programs of mangement.

Chairman Levitt presented the 1996 award to the Nasday team in recognition of superior accomplishments.

William McLroas; Leonard Wang and Paul Gerlach led the Nasdaq-Team; whose other members are: Enforcement: Scott Cook, David Whitcomb; Michael Coe, Amy Cohen, Elizabeth Coombe, Darcy Flynn, Adrienne Hyat; David Kagan-Kans, Deborah Levine Susan McCready, Christine Neal, Laura Novack and Jeffery Swartz; Chairman's Office-Carrie Dwyer and Mark Tellin; Market Regulation: Richard Lindsey, General Counsel. Hardy Callcott; Economic Analysis: Peter Algert and Lois Lightfoot.

#### Distinguished Service Award

The Distinguished Service Award honors those who have made major contributions to the work of the Commission or to the administration of the federal securities laws for a period of at least five years. It is the award with the longest tradition at the SEC. Chaleman Levitt presented the Distinguished Service Award to Mary Keefe in recognition of 14 years of distinguished service and exceptional leadership skills as Director of the Midwest Regional Office.

#### Law and Policy Award

This award was created in 1991 to recognize individuals or groups who develop legal theories that respond to the nation's changing capital markets and who demonstrate dedication to the goals of the securities laws through their untiring efforts on legislative issues.

Chairman Levilt presented the Law and Policy Award to the seven-member Legislative Team for the National Securities Markets Improvement Act of 1996. Kaye Williams, Karen Burgess, Meredith Cross, Caite McGuire, Robert Plaze. Kenneth Berman and Michael Schlein made up the Legislative Team. Michael Schlein was unable to be present at the ceremony.

#### Capital Markets Award

This award recognizes the tireless efforts of individuals to strengthen the capital markets in the United States and, thereby, the contributions these markets make to the economic future of the nation. Strengthening capital markets remains one of the main goals of this Commission.

Chairman Levitt presented the Capital Markets Award to the five-member Advisory Committee on Capital Formation and the Regulatory Processes. Members of the Advisory Committee are Robert Comment, Catherine Dixon, Meridith Mitchell, David Sirignano and Luise Welby.

#### Regulatory Simplification Award

This award recognizes offices, divisions or individual employees who have initiated measures which will reduce the burden on persons who must comply with the Commission's regulations.

This award was presented to the SHC Task Force on Disclosure Simplification. The Task Force reviewed approximately 700 corporate finance rules and 80 forms and made bundreds of recommendations that, if implemented will, eliminate or modify one-quarter

# AWARDS HONORING FORMER ACCOUNTANTS AND JAY MANNING

Award recipients water Barr Award: (top left) Scott Bayless Orthich Award: (centre) Melanis Dolan Manding Award: (sottom) Nandy Stanow

of all rules and half of the forms. Members of the task force are: Brian Lane, Abigail Arms, Catherine Dixon, Douglas Tanner, P.J. Himelfarb, Frank Zarb Jr., Kathleen Haller, Elliot Staffin, John Albert, Kenneth Berman, Larry Bergmann and Nancy Samow. Commissioner Steven Wallman made the presentations.

#### Examination Award

The Examination Award, established in 1990, honors the compliance examination staff who during the year make a significant contribution to the examination program, to the Commission and to investors.

Commissioner Steven Wallman presented the award to (b)(6)

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#### Plain English Award

This new award recognizes employees who have made significant contributions to the Chairman's initiative on plain English. The goal is to encourage firms to write all disclosure documents in a style that investors can better understand. The initiative also includes using the plain English style for SEC letters, memorands, orders and rules. Chairman Levitt presented the first Plain English Award to Ann Wallace.

#### Awards Honoring Former SEC Commissioners

Four awards honor former Commissioners Irving M. Pollack, Manuel P. Cohen, Philip A. Loomia, Ir., and Byron D. Woodside. Each of the honored Commissioners served in positions such as Division Director and General Counsel. These awards recognize outstanding contributions to the SEC and qualities such as the legal ability, acholarship, integrity and professional expertise of the recipient.

Gregory von Schaumburg received the Irving M. Pollack Award. Richard Jacobson, president of the Association of the SEC Alumni, made the presentation.

Lina Reid Ragen received the Cohen Award, and William Kuchnie received the Loumis Award. Meyer Eisenberg presented the awards on behalf of the Federal Ber Association.

Joseph Letizia received the Woodside Award: John P. Olson of the Executive Council of the Pederal Bar Association presented the award.

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#### Sporkin and Manning Awards

Two awards honor former Commission staff members Stanley Sporkin and Jay Manning.

The Sporkin Award honors the Honorable Stanley Sporkin, a distinguished Pederal Judge for the District of Columbia: Judge Sporkin was the Director of the Division of Enforcement from 1974 to 1981. The award recognizes employees who have been exceptionally tenacious and made insightful contributions to the SEC's efforts to enforce compliance with the federal securities laws and the Commission's rules.

Chairman: Levitt joined Judge Sporkin in presenting the two awards honoring Judge Sporkin. The first recognized Leonard Wang for his creativity, dedication and tenacity on the Nasdag case.

A second Sporkin award was presented to Reid Figel, Chief of the U.S. Securities and Commodities Fraud Section of the U.S. Attorney's Office of the Southern District of

New York, for excellence in the prosecution of significant criminal securities fraud in the that office. "Like Judge Sporkin, Reid's approach to law enforcement has been tough and it has been imaginative." Chairman Levitt said. It is the first time this award has been bestowed on a person outside the Securities and Exchange Commission.

The Jay Manning Award honors the memory of the late Jay Manning, who joined the SEG in the Division of Corporation. Finance and rose to Assistant Director of the Division of Market Regulation. The award was created by the Friends of Jay Manning, an organization of Mr. Manning's former SEC colleagues. It recognizes lawyers in the Division of Market Regulation as key contributors to the fulfillment of the Commission's goals and helps preserve the memory of an exemplary and much admired former collections.

Nancy Sanow received the Manning Award. Commissioner Steven Wallman made the presentation.

#### **Awards Honoring SEC Accountants**

Two awards recognizing the contributions of SEG accountants to the Commission bonor Andrew Barr, former Chief Accountant, and Sydney C. Orbach, former Chief Accountant of the Division of Corporation Finance. The Barr Award recognizes accountants who display outstanding ability in accounting and analysis, critical judgment and creativity. The Orbach Award is limited to GS-14 accountants or lower.

Scott Bayless received the Andrew Barr Award: Melanie Dolan received the Sydney Orbach Award. Robert H. Herz, Chairman of the SEC Regulations Committee, American Institute of Certified Public Accountants, presented the awards on behalf of the AICPA.

#### EEO Award and Special Award For EEO Service

The EEO Award recognizes the efforts of individuals who have made outstanding contributions to and have enhanced the

principles of equal employment and promotion opportunities at the SEC.

Commissioner Steven Wallman presented the HEO Award to Ruben Gechter for his efforts in training a group of deaf or hard of hearing intern students and demonstrating his confidence by assigning high profile projects.

The Special Award for EEO Service is a one-time award presented to Juan Marcelino for exceptional service and outstanding

contributions to the Black Employment Program While serving as its first chairman. As a result of his efforts, the Commission has been able to expand the pool of qualified minority applicants. Commissioner Wallman presented the award:

From left. Chairman:Levitt and Judge Sporkin present the Stenley Sporkin Award to Reid Figel of the U.S. Attorney's Office for the District of New York, While Mary

Jo: White, U.S. Attorney for New York, looks on

#### Productivity Improvement Award

The Productivity Improvement Award recognizes individuals or groups who have measurably improved productivity at the Commission by means such as reducing the cost to perform a function or by improving the quality and timeliness of service to the Securities and Exchange Commission or the public

Commissioner Isaac Hunt presented the gward to the Office of Compliance Inspection and Examination. Accepting for the Office staff were Lon Richards, Mary Ann Gadziala and Doris, Bamford.

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#### Supervisory Excellence Award

The Supervisory Award is granted annually to individuals who have demonstrated outstanding performance in fulfilling both people and program responsibilities

From left, Commissioner Norman Johnson presents the Supervisory Excellence A ward to Ronald Wood.

Nine supervisors received the award for their outstanding performances: Commissioner Norman Johnson presented the award to Wayne Carlin, Katherine England, Gloria Fantroy, Robert Itartaglio, Eugene Johnson, Barry Miller, Norman Walsh III and Ronald Wood. Joseph McDonald Jr. was mable to be present.

#### Support Staff Award of Excellence

The Support Staff Award recognizes outstanding employees ranked GS-5 through GS-9 whose exceptional competence, productivity and diligence in the performance of duties have had a significant impact on the success of a division or office

Commissioner Norman Johnson presented the award to Victor Addison Jr. Regina Baker, Mi Cha Goewey, Vitina Johnson, Brigitte Matthews and Sylvia Miranda

#### Community Service Award

The Community Service Award, created in 1990, is presented to individuals who have contributed to the quality of life in their neighborhood or community through voluntary service. Commissioner Hunt presented the award to two SEC employees, Mark Braswell and Diane Wright.

Mr. Braswell organized a group of 60 volunteers whose services included a Judiciary Square cleanup and an arrangement to babysit children for homeless and battered women who live in a homeless sheller. He also developed a pro-bono policy for attorneys at the SEC.

Ms. Wright organized volunteers in the BDO to donate time in the Boston Food Bank and participate in the annual "Making Strides Against Breast Cancer Walk." She has donated time, money and items needed by homeless shelters, and headed a drive to purchase Christmas gifts for children of prisoners:

#### 40, 35 and 30 Year SEC and Federal Service Awards

William Toomey received an award for 40 years of SEC service, but was unable to attend the ceremony. Louis Becks, Paul Gonson, Richard Kanyan and John Morris Ir. received awards for 35 years of SEC service. Two others received 35-year SEC awards but were unable to be present. Mary Agnes Anderson, Hannah Hall, Alfred Rusch and Shirley Wallace received awards for 30 years SEC service. Seven others who received awards could not be present.

Donald Chumley, Mary Middleton, Doris Richard, Doris Savoy, Minnie William and Josetta Yee received awards for 35 years total federal service. Five others who received awards could not be present. Linda Brooks, Lawrence Cohen, Pearl Nichols Kellar, Robert Quigley, Estelle Ware, David Wills and George Young received awards for 30 years total federal service. Eight others who received awards were unable to be present.

Commissioner Isaac Hunt presented all of the length of service awards

Three hundred and ten SEC employees were also honored with awards for from 10 to 25 years of SEC service and/or federal service. These awards were presented to the recipients in their respective offices.

In closing the 42nd Annual Awards Ceremony, Executive Director Jim McConnell thanked the many people who made the program possible, particularly acknowledging the special contribution of Linda Hunt for her effort in putting together the program.

#### The Association of SEC Alumnia

For the past two years, it has been my privilege to be the president of the SEC Alumni organization, a chantable organization composed of former members and professional staff, of the Commission, numbering over 500 persons nationwide which it have some day all of your will anin

which I hope some day all of you will join.

One of our principal purposes is to support continuing legal education in securities law and related disciplines. We have endowed a scholarship at Georgetown, taw Center, which is awarded annually to a member of the staff engaged in graduate tegal studies, and we are funding a scholarship to be awarded annually by the Commission to detray the educational expenses of a member of the staff at any school in the country in any discipline.

In addition to these annual awards; we have recently decided that we will from time to time award a scholarship in honor of recently departed colleagues. The first such award will be given this year in honor of Bernie Wexter, who as many of you know passed away a few months ago. Bernie had a legendary career at the SEC, serving for many years as a very independent Director of the Office of Opinions and Review.

ASECA funds mess scholarships primarily from the proceeds of our annual dinner given in conjunction with SEC Speaks, at which we bestow on a deserving member of the SEC community who has had a notable career serving the SEC and the financial community the William D. Douglas Award, hamed for the former Supreme Court Justice and seventh Chairman of the SEC This year bining Stanley Sporkin Irving Pollack, Kevin Duffy and Al Sommer es William O. Douglas Award recipients will be an Mathews of Wilmer Cotler Pickering. The dinner will be an February 2B at the Capital Hilton and J. hope you can Join us there to hope Art and hear an address by Dick Walker.

Comments of Richard Jacobson, President, SEC Alumni Association at SEC's Awards Ceremony

#### MONEY MATTERS

# More Responsibility for Travel Approving Officials

The FTR has also been revised to allow travel approving officials more responsibility in reviewing travel reimbursement claims. Commission "travel approving officials" are now responsible for a review of the following conditions:

- Recurring claims for amounts equal to or just below the \$75 receipt level;
- Excessive local transportation claims for the cost of local transportation or personal vehicle mileage between known points, or for numbers of taxi trips from or to any single location;
- Recurring use of non-contract carriers, premium class fares, or actual expenses;
- Excessive numbers of or charges for official phone calls;
- Excessive numbers of days claimed on official travel; and,
- Existence of proper documentation when official travel is mixed with personal travel, and of authorizations and approvals for special classes of common carrier accommodations or actual expenses.

Changes to the FTR will be updated for the SEC Travel Handbook. Please address any inquiries to Sandra Anderson, Accounting Section Chief, Office of the Comptroller, at (202) 942-0381 or her staff at (202) 942-0360.

# Rules Change for Per Diem of Partial Day Travel

An amendment to the Federal Travel Regulation (FTR) has abolished the quarter-day method of computing the meal and incidental expense (M&IE) allowance for a partial day of travel, and replaces it with payment of a flat threefourths of the applicable M&IE rate on a partial day of travel. The three-fourths rate applies to any day of official travel more than 12 hours long, but less than 24 hours. The old rule required the quarterly proration based on a minimum of 10 hours of official travel. Additionally, arrival and departure times are no longer required on travel vouchers for any trip more than 24 hours in duration. Start and end of trip times are required

for any complete trip less than 24 hours long. Departure and arrival dates are required on all vouchers.

#### Travel Receipt Guidelines Revised

Under recent revisions to the FTR, travelers are no longer required to furnish receipts for miscellaneous expenses up to \$75. Examples of expenses covered under the new policy are official long distance phone calls (SEC policy for personal phone call reimbursement outlined in the telephone directory is unchanged); commercial car rentals; baggage transfer, checking, and storage charges; and cash payments for passenger transportation

services. Receipts or other documentation are required for all expenses over \$75. The new guideline does not change the requirement, regardless of amount, of the need for all applicable lodging receipts, passenger coupons for common carrier costs, unused tickets, and any refund applications.

#### **TMC Travel Role**

Travelers who have questions regarding the federal travel regulations or Commission travel guidelines should contact the Office of the Comptroller, rather than their Travel Management

CONTINUED ON NEXT PAGE

#### FITNESS CENTER NEWS



February is National Heart Month. Set time aside for your heart! Have a professional check your blood pressure, test your cholesterol levels and assess the stress in your life. Remember... an ounce of prevention is worth a pound of cure.

Thanks and congratulations to all our fitness center members who participate in Fitness Monopoly, a game of fitness, chance and money. Jackie Butler, Kim Do, Rob Duncan, Julie Dupuy, Chris Ehrman Bill Ford, Irene Halpin, Brian Hourihan, David Ignall, Kitt Jones, Donna Knapton, Lisa Lewis, David Link, Vince Mathis, Bobby Osberger, Lauren Poper, Tom Sanders and Celeste Yeager.

Good health isn't just about being physically healthy. There are more components that many people forget about, such as emotional and mental health, spiritual health and intellectual health, as well as physical health. The optimal goal for the new year should be to achieve the highest level of wellness possible for you. If this becomes your new year's resolution, then

# WATCH FOR THE TEN WARNING SIGNS OF GOOD HEALTH AND WELLNESS:

- Chronic positive expectations, tendency to frame events in a constructive light.
- 2. Persistent presence of support network.
- 3. Episodic outbreaks of joyful, happy experiences.
- 4. Sense of spiritual involvement.
- 5. Tendency to adapt to changing conditions.
- Rapid response and recovery of stress response systems to repeated challenges.
- 7. Increased appetite for physical activity.
- 8. Tendency to identify and communicate feelings.
- 9. Repeated episodes of gratitude and generosity.
- 10. Persistent sense of humor.

Source: Mind/Body Newsletter

## OAPM MATTERS

#### Did You Know?...

(The first two bullets apply only to employees in the FERS Retirement System; the last issue of the newsletter contained information applicable to CSRS employees.)

- Employees under the Federal Employees Retirement System (FERS) are eligible for retirement at age 55 with a minimum of 10 years of prior federal service. This is referred to as the "MRA + 10" retirement. Employees who retire with MRA + 10 will have a reduction in their annuity of 5 percent for each year they are under the age of 62.
- FERS employees who leave federal service may receive a refund of their retirement contributions from FERS. An Application for Refund of Retirement Deductions (SF 3106) must be completed. Since the refund may not be redeposited if the employee later returns to federal service, employees cannot receive retirement credit for any service for which a FERS refund has been made.
- Legislation that became effective Sept. 30, 1996 removed the restrictions under which FERS and CSRS employees may borrow from their Thrift Savings Plan (TSP) accounts. There are now two types of loans: general purpose and residential. A general purpose loan can be used for any reason, and the repayment period is from one to four years. A residential loan may only be used for obtaining a primary residence, and the repayment period is from one to fifteen years. Documentation is required only for the residential loan, not for the general purpose loan.

If additional information is needed on any of these matters, contact the Processing and Benefits Branch at (202) 942-4080.

#### Chairman's Plain English Initiative

In support of the Chairman's plain English initiative, the Office of Administrative and Personnel Management (OAPM) has conducted eight seminars to enhance the staff's oral and

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written communication skills. Another 10 seminars are scheduled for the first few months of 1997. Since most of these sessions are fully subscribed, OAPM plans to conduct additional sessions before the end of fiscal year 1997. The dates will be announced on the Training Announcement Bulletin Board.

A goal of the Chairman's plain

English initiative is to encourage public filers to write all disclosure documents --prospectuses, annual reports and periodic filings—in easy to understand language. However, to ensure that the SEC staff practice what they preach, training is being provided to teach SEC staff to write internal letters, memoranda, orders and rules in a style that replaces legalese and bureaucratic gobbledegook with clear language.

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#### MONEY MATTERS

#### CONTINUED FROM PREVIOUS PAGE

Center (TMC), e.g. OMEGA World Travel. The TMC must follow established guidelines in areas such as transportation upgrades and use of contract carriers; as a result, travelers should respect the limitations under which the TMC operates. In addition, the TMC's first priority is to provide transportation and lodging services for official government travel, and thereafter, to assist in personal travel as time permits. Travelers who have questions regarding this guidance should contact Sandy Anderson in the Office of the Comptroller at (202) 942-0381. Specific requests for upgrades or special accommodations should be addressed to John Oliver (202) 942-0361.

#### New Per Diem:Travel Allowances

The General Services Administration (GSA) assued new travel per diem rates affective Jan. 1, 1997, including a new standard rate of \$80 (up from \$56) for travel to locations in the continental United States. The new \$80 rate allows travelers to be reimbursed a maximum of \$50 per day for lodging and \$30 for meals and incidental expenses. For those locations not covered by the standard rate, examples of updated GSA figures for the "higher cost location" category include:

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Travel Coordinators have been provided with an updated list of the per dienrates for all locations. If additional copies are needed, contact the Commission's Publicational Section.

# ADO Toy Drive . . . A Big Success

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Once more the staff of the ADO united to make Christmas a very special time of year for some of the less fortunate children of Atlanta. Toys were collected by both current and former staff members prior to the office's annual holiday party.

The toys were then distributed to needy children by the Shriners of Nabbar Temple #128. Receiving the toys always makes the holiday season a more joyous occasion for these kids at Christmas time.

#### **IN MEMORIAM**

Patricia Haas Smith, a former SEC staff accountant, died on February 10, after a long illness. Ms. Haas retired from the Office of Compliance Inspections and Examinations in September 1996.

Ms. Haas began her SEC career in 1966 as a clerk typist in the Division of Corporation Finance. She was promoted to records clerk and resigned in 1968.

She returned to SEC in 1971 in a support staff position and was eventually promoted to Securities Compliance Examiner. For a time, she also worked at the Philadelphia Regional Office and in the Division of Market Regulation.

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#### SEC-Insignia Sportswear and Gifts (SEC Recreation & Welfare Association) January 1, 1997 Use this form to purchase authentic SEC-Insignia apparel. Send check to SEC Recreation & Welfare Association; Room 7198; Stop 7-8, in Washington. ADULT S'M L XL OTT EACH TOTAL Golf Shirts \_\_\_\_\_\_@ \$19.00 \_\_\_\_\_\_@ 19.00 \_\_\_\_\_\_@ 19.00 Golf Shirt (While) Golf Shirt (Blue) Golf Shirt (Yellow) Golf Shirts, Blue, 60th Anniv. @: 15.00 Golf Shirts: #100%-Cotton Golf Shirt (White) @ 23.00 @ 23.00 Golf Shirt (Blue) > ... Golf Shirt (Yellow) @ 23,00 Tee Shirts: 100% Cotton @ 8.00\* = @ 8.00\* = Blue @::15.00 Night Shirts Shorts Blue ... @ 14.00 Gray Sweatpants dine Gray @ 14.00 Sweatshirt-Crew Blue Gray @ 19.00\* Sweatshirt-Hooded \_\_\_\_@ 19:00<del>\*</del> @ 19.00\* Sweatshirt-Embroidered Beige @ 22.00 Windbreaker, Bluc Caps, One-Size @ 8.00 Blue Red White Watches Men's Women's 20:00 15.00 Portfolio - Black: Mugs - Blue Golf Balls (3) Goldplated Ball Marker Cufflinks - Gold Cufflinks - Silver 55,00 2,00 Patch: Brass Medallion Paperweight @ 12.00 **@**: \* SIZE XXL AVAILABLE FOR AN ADDITIONAL 43:00 AMOUNT PAID WITH THIS ORDER \$

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# SEC EMPLOYEE NEWS

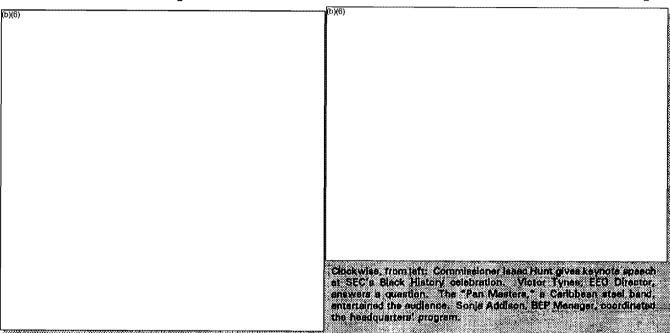
United States Securities and Exchange Commission

Val. 21, No. 2

Washington, D.C.

March/April 1997

# Black History Celebrated Around The Country



Every February, the SEC highlights the contributions of African Americans to life in America with educational and cultural programs. In 1997, SEC head-quarters and offices in New York, Atlanta and Los Angeles held special events sharing a common theme. This year, the Commission honored the accomplishments of contemporary African Americans in the field of education and focused on the importance of education as the country looks ahead to the challenges of the 21st Century.

#### Commissioner Hunt, Keynote Speaker

Commissioner Hunt spoke from first-hand knowledge of the importance of education. He described his experience when he began his legal career as a staff attorney at SEC headquarters in 1962. Commissioner Hunt recalled that African American attorneys were not employed in significant numbers at SEC headquarters and that this reflected the demographics at the time. Commissioner Hunt stressed that electronic informa-

tion technology has increased the importance of education in competing for employment opportunities.

The event was planned by Sonja Addison, BEP Manager, and the Black History Month Planning Committee, whose members include Todd Cranford, LaShone Goodman, Franklin Jones, Geri Stewart and Vic Tynes.

#### Harlem Cultural History At NERO

Regional Director Carmen Lawrence opened the program in New York City with introductory remarks. This year the focus was on African American art and culture. Cynthia Moore and Shannon Lawless recited poetry inspired by important historical events. Then, the staff saw "Portrait of an Area: 50 Years of Harlem on Film." Other employees participated by lending personal items to a cultural display. These included textiles (kente cloth), statues, folk artifacts, booklets and articles. The event was organized by Cynthia Moore (BEP Coordinator for NERO).

#### **ADO Hosts School Superintendent**

Dr. Joe Hairston, Superintendent of Clayton Country Schools, presented a dynamic address to employees at the Atlanta District Office on "Education, the Key to the 21st Century." The staff enjoyed a musical presentation by Ms. Letha Boykin. The event was organized by Marvin Barge (BEP Coordinator for ADO), with the help of Associate District Administrator Ron Crawford and ADO staff, including Howard Dennis, Bellamary Graham, Wanda Gray, Claudette Williams, Gregory Harris. Deloris Rankins. Gordon Robinson, Lillian Wilcox and Desra Williams.

#### Los Angeles Staff Learn About Ebonics

The Pacific Regional Office heard a presentation on "Ebonics" by Subira Kifano, a noted local educator, author and broadcast media personality. Ms. Kifano explained her view of what "Ebonics" is,

CONTINUED ON PAGE 10

## A Message To All Employees

I heartily endorse President Clinton's message of support for federal workers: (b)(6)

and spoke often of his enormous respect for those in public service. My experience at the SEC has only confirmed this - indeed, the professionalism of the staff here has exceeded even the high expectations I had when I arrived: A talented, dedicated, and extremely effective staff is an SEC tradition, a tradition in which you share. I am deeply grateful for your contribution, your initiative, and your tenacious protection of our nation's investors.

Arthur Levitt

THE WHITE HOUSE February 6, 1997

#### A MESSAGE TO FEDERAL WORKERS

As I begin my second term as President, I want all of you to know how proud I am of your hard work and accomplishments during the past four years. I came to Washington with a high regard for civil servants, and you have only confirmed that opinion.

And I'm not the only one who has been impressed. Four years ago, public confidence in the federal government was at an all-time low. But you have begun to change that attitude. Even in a time of leaner budgets and smaller staffs, you have amproved service to the public, forged effective partnerships with communities and private businesses, and discarded oldfashioned management systems. Now, for the first time in decades, public opinion of federal agencies is markedly on the rise. Congratulations - the credit for this stunning turnaround goes to you.

Vice President Gore and I are excited and optimistic about the prospects for America in the next four years. We are on the right track to the twenty-first century and are picking up speed as we continue to work with you to reinvent government. It believe that our nation will enter that new century stronger, more confident, and more capable than ever before. And I believe that a large part of that success will be achieved because of the energy and talent of each of you - the men and women of the federal government.

Thank you for all you do on behalf of your fellow Americans.

William J. Clinton

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# DEADLINE NEXT ISSUE

April 21, 1997

# SEC EMPLOYEE NEWS

The SEC Employee News is published bi-monthly by the Office of Public Affairs Policy Evaluation and Research U.S. Seculities and Exchange Commission, 550-5th St., NW, Washington, DC 20549. Readers are encouraged to submit articles for publication and should send material to

> SEC Employee News 800m 7103

¿Letters to the Editor are welcome. They should eddress rissues, not personalities and should be submitted with a neme and relephone number

> Mary Teel, Editor Donald Kovener, Art Editor Office of Public Affaire, Pollay Evaluation, and Research

COPY DEADLINE: The deedline for articles for publication in the SEG Employee News is the excend week of the month prior to the month in which the News is published.

Scheduled publication months are January March, May July, September and November, Whenever possible accommendate, photos, should, by high

accompanying photos should be black and white.

# Lago Appointed Director, Intl. Affairs

Marisa Lago was appointed Director of the Office of International Affairs on February 2. Ms. Lago was Chief Reonomic Development Officer, one of eight cabinet positions in Boston city government, at the time of the appointment. Simultaneously, Chairman Levitt announced that Paul Leder will continue as the office's Deputy Director, and in addition will become the Senior Adviser to the Chairman for International Issues.

As Boston's Chief Economic Development Officer, Ms. Lago also served as the Director of the Boston Redevelopment Authority. Some of her recent initiatives included: obtaining passage of a state bill to alter the tax structure for the mutual fund industry to ensure job growth, creating the "Enhanced Enterprise Community" and co-authoring the Port of Boston Economic Development Plan. She oversaw the merger of Boston's Economic Development & Industrial Corp. into the Boston Redevelopment Authority, shrinking a \$14.5 million annual operating budget to \$7.5 million and eliminating a \$7 million budget deficit.

Chairman Levitt said, "Marisa's proven record as an effective manager,

communicator and leader is an ideal match for our Office of International Affairs in a decade marked by tremendous globalization of the financial markets. As the SEC continues to work to protect American investors and the preeminence of U.S. markets, Marisa and Paul will be an effective team representing the SEC. I look forward to working with them, and am certain that they will bring new successes to the agency."

The Office of International Affairs has primary responsibility for negotiating and implementing information-sharing arrangements with other countries as well as developing initiatives to facilitate international cooperation. The office also assists the Commission in its various contacts with international agencies and individuals.

Prior to joining the City of Boston, Ms. Lago worked for four years at the New York City Economic Development Corporation as General Counsel. Previously, she was in private practice at Nutter, McClennen & Fish, where she practiced in the Real Estate and Finance Department. She received a JD, cum laude, from Harvard Law School in 1982.

# Ronald Long Heads Philadelphia Office

Ronald C. Long was named District Administrator of the Commission's Philadelphia District Office in early April. The office has jurisdiction over both enforcement and regulatory programs in five mid-Atlantic states and in the District of Columbia.

Mr. Long joined the Commission in 1990 as an attorney in the Division of Enforcement. In 1994, he assumed a position as Counselor to Chairman Arthur Levitt. In that capacity, Mr. Long provided guidance to the Chairman on all Commission enforcement matters as well as various regulatory issues.

Prior to joining the Commission, Mr. Long was an associate at Hoge, Fenton, Jones & Appel, Inc., a San Jose law firm, where he conducted civil litigation in both state and federal courts. Mr. Long graduated from Williams College in 1977 and received his law degree from the Georgetown University Law Center in 1983.

Chairman Levitt said, "I am very pleased that Ron Long will take over the leadership of the Commission's Philadelphia District Office. Ron is a lawyer with considerable talent, whose judgment and counsel I have relied on for the past two and a half years. I am confident that he will bring both tremendous energy and experience to this position and to the Philadelphia office."

# Christopher Ullman Named Director Of Public Affairs

Christopher W. Ullman was appointed Director of the Office of Public Affairs, Policy Evaluation and Research, effective April 7.

Mr. Ullman, 33, will serve as the spokesman for the SEC and will coordinate public awareness of the Commission's actions through the media. He replaces Jennifer Scardino, who was recently appointed Chairman Levitt's Chief of Staff.

Chairman Levitt said, "Chris' background ideally suits his new position at the SEC. Between his work in the U.S. House of Representatives as press secretary for the Budget Committee and his efforts in the private sector as director of communications for the American Electronics Association, Chris has consistently proven his talents. His ability to grasp complicated issues and create clear explanations will be a tremendous asset here at the Commission."

Mr. Ullman was a congressional press secretary from 1994 to 1996, most recently for the House Committee on the Budget, where he interacted daily with national print and broadcast media and developed grassroots media strategy for budget field hearings. Before joining the Commission, he was director of communications at the American Electronics Association, where he developed and implemented communications strategies and served as spokesman. Earlier, Mr. Ullman was communications manager for Citizens for a Sound Economy from 1991 to early 1994 and Vice President of Dudek & Company from 1987 to early

Mr. Ullman received a BA degree in political science from the State University of New York at Binghamton in 1986.

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#### A MATTER OF ETHICS

# New Procedures For Referrals Of Professional Misconduct To Appropriate State Authorities

by Barbara Hannigan, Ethics Counsel

As some of you may have read in the "SEC News Digest," the Commission recently delegated to the General Counsel authority to refer matters concerning possible professional misconduct by lawyers and accountants to state bar associations and other state professional boards or societies. This authority has been subdelegated to the Ethios Counsel, subject to review by the General Counsel. This article provides some background on the new delegation and explains the corresponding new procedures for making professional misconduct referrals.

# SEC'S TRADITION OF HIGH ETHICAL STANDARDS

Before I explain the new procedures for professional misconduct referrals, I'd like to say a word about the Commission's history in this area. As many of you already know, the Commission has always strongly advocated the highest ethical standards for lawyers and accountants practicing before the agency and on its staff. In keeping with our agency's long tradition of advocating ethical professional conduct, the Commission has from time to time referred information concerning possible professional misconduct to state bar associations and other state professional boards or societies. The purpose of the new delegation and corresponding new procedures is to ensure that our referrals are appropriate and made on a uniform basis throughout the Commission.

# DELEGATION OF AUTHORITY TO ETHICS GOUNSEL

Recent rule amendments clarified that professional misconduct referrals should be made through the Ethics Counsel, subject to review by the General Counsel. In any case where a referral presents any unusual or noteworthy issues, the delegation would not be exercised and the matter would be submitted to the Commission for approval. Moreover, the Ethics Counsel will keep the Commission apprised of all referrals made pursuant to the delegation.

# NEW PROCEDURES FOR REFERRALS

To ensure that referrals of possible professional misconduct are handled in a consistent manner and expeditiously brought to the attention of the proper professional organizations, the Ethics Office is establishing the following new procedures for reviewing and processing referrals

#### Deciding to Make a Referral

- If you have reason to believe that a lawyer or accountant has violated the applicable rules of professional conduct, you should immediately inform your supervisor of the situation.
- If you and your supervisor agree that the matter warrants referral, the next step is to prepare a memorandim concerning the matter to be reviewed by the Ethics Office. As discussed below, the Ethics Office will send the referral memorandum to the appropriate professional organization.

## Referral Memorandum Captions

- The title and "re:" line for referral memoranda should read:
- Memorandum Prepared by: [Name of Your Division or Office; Not Your Name]. United States Securities and Exchange Commission.
- RE: Referral of [Name of Lawyer or Accountant] to the [Name of the Bar Association or

#### Other Professional Organization

#### Scope of Referral Memorandum

• Referral memoranda should include a brief summary of the matter and the reason for referral; and the facts relating to the possible misconduct. Also, it would be helpful to attach to the memorandum any available documents or materials concerning the possible professional misconduct (i.e., appropriate excerpts of testimony).

#### Review Process

Please send the referral memorandum in a sensitive envelope with a brief cover note to the Officer of the Day in the Ethics Office (Stop 6-6). After consultation with the Ethics Counsel, the Officer of the Day will contact you to discuss the matter and advise you whether we concur that that referral is appropriate. If we agree that the matter should be referred, the Ethics Counsel will transmit the referral memorandum to the appropriate bar association or other professional organization. We will, of course, promptly apprise you of any action taken on the referral:

This newsletter article will be alectronically transmitted to all employees shortly via the Ethics Bulletin Board. You may wish to insert a copy of the above new referral procedures in your Employee Ethics Handbook for future reference.

We appreciate your cooperation in working with us on this new referral system. If you have any questions or feedback on the new procedures, please call the Ethics Office and ask for the Officer of the Day (202) 942-0970):

# Carnall Returns To Price Waterhouse

Wayne Carnall left his position as Associate Director of Accounting Operations in the Division of Corporation Finance on March 1 to accept a partnership at Price Waterhouse in the National SEC Services Group.

As Associate Director, Wayne oversaw all accounting issues affecting foreign registrants. With Corp Fin Chief Accountant Robert Bayless, Wayne oversaw the entire accounting program of the division.

He joined the Commission in July 1991 as a staff accountant in the division. Four months later, he was named Associate Chief Accountant, and in February 1993 he became Deputy Chief Accountant and Associate Director in February 1996. During his SEC account-

ing career, Wayne developed working relationships with other regulators and standard setters around the world, drafted several rule changes to simplify the registration and reporting process for foreign issuers and assisted in drafting a number of other releases. Before joining the Commission, Wayne worked for ten years at Price Waterhouse in Rochester, New York, where he rose to Senior Manager. He earned a BS degree in Accounting at Alfred University in upstate New York. He is a member of the American Institute of Certified Public Accountants and the New York State Society of CPAs.

# Jim Birchby Retires From The CRO

James E. Birchby retired from the Central Regional Office in Denver on January 3. He was an Assistant Regional Administrator (Regulation).

As Assistant Regional Administrator, Jim oversaw three program areas: broker-dealer and transfer agent examinations, investment company and investment adviser examinations, and full disclosure. Examinations in these areas continuously uncovered fraudulent schemes that resulted in high profile enforcement actions. During Jim's tenure, he witnessed the decline of the infamous penny stock market in the Rocky Mountain region.

Jim began employment with the

Commission in the Division of Enforcement in 1970 as a trial attorney. He transferred to the Denver Regional Office as a trial attorney in 1974, rose to Branch Chief (Enforcement) in 1977 and to Assistant Regional Administrator (Regulation) in 1980. Jim was awarded the Commission's Supervisory Excellence Award in 1988.

Originally from Sheridan, Wyoming, Jim earned his undergraduate and law degrees from the University of Wyoming.

# Balancing Work and Family Life Resource Fair

The Office of Administrative and Personnel Management plans to sponsor a

"Balancing Work and Family Life Resource? Fair from 10/a.m. to 4 p.m. po June 3 in Room 1630

Watch for announcement posters and your e-mail for details.

# 1997 SEC PHOTO CONTEST ENTRY DEADLINE JULY 15

Entry forms are on Page 12.
A guide to contest categories is on Page 11.

# Gene Horwitz Retires From Pacific Regional Office

Gene Horwitz retired on March 31 as Chief, Branch of Enforcement Accountants in the Pacific Regional Office and has taken a position in the NASD's enforcement program. Gene worked for the federal government for 30 years, the first 10 with the General Accounting Office and the last 20 years with the Commission.

Gene joined the Commission's Los Angeles office in 1976 and had the rare distinction of serving as branch chief two times, interrupted by a period in private practice. His work involved investigation of major accounting frauds. As he prepared to leave the staff, Gene was wrapping up the two biggest cases of his career, nameless here because they are still being investigated. In 1995, in recognition of outstanding work as an SEC accountant, Mr. Horwitz received the Andrew Barr Award, the Commission's top honor for accountants.

In addition to his work with the Commission, for the last five years Gene was part-time instructor at the University of Southern California and the University of California at Los Angeles. For the last four years, Gene taught a course, for the California CPA Society, designed to help auditors detect fraud. He expects to continue teaching on a part-time basis.

Gene received a Bachelor's degree in accounting and a Masters degree in management from California State University.



# OAPM MATTERS

#### Do You Know Whom to Call?

Do you always know who can answer questions about the SEC, personnel programs, ethics, or other areas of importance to you? The Program Information Guide of the SEC Telephone Directory contains appropriate points of contact on a variety of topics. The alphabetical arrangement of the list makes it easy to determine who can answer your questions.

To find the appropriate point of contact about a particular personnel program or your office's servicing personnel specialists, check the listings under Office of Administrative and Personnel Management (OAPM).

#### Availability of POPPS Manual

Employees are reminded that Personnel Operating Policies and Procedures (POPPS) Manuals are available for review from their administrative contacts. OAPM currently is working on an extensive reorganization and rewrite of the POPPS Manual to make it more user-friendly. OAPM also plans to make the revised manual available to all employees through the SEC's new "Intranet" once it becomes operational.

#### New Legal Opportunities Brochure

OAPM is pleased to announce the publication of a new and improved Legal Opportunities at the SEC brochure. The brochure features a new cover designed by our own Desktop Publishing Branch. Inside, there's a description of each legal office, as well as information on how attorneys and graduating law students can apply for positions with the agency. In addition, there's a section on law student opportunities throughout the agency.

Copies of the brochure are available in the mini-personnel office at headquarters in room 2130 or by calling the Personnel Hotline at (202) 942-4150. Attorneys are encouraged pick up a copy so that they will be familiar with application procedures.

If you have any questions or comments about the brochure, please call Liz Persell, Attorney Recruitment Coordinator, at (202) 942-4069 or send an e:mail to PersellE.

# Senior Executive Service (SES) Forum Series

The SEC is participating in an interagency SES Forum Series, coordinated by the Department of Labor and geared toward career and personal development. The remaining sessions in the 1997 program are "Dealing with Difficult People" on April 18 and "Bringing Out the Best in People" on May 28. SES members in the Washington metropolitan area are encouraged to take advantage of this developmental opportunity. If you are interested, please contact Jean Burton, Training Officer (X4984).

#### Tips for Upcoming Performance Appraisals

The 1996-1997 performance appraisal cycle ends on April 30. Here are some reminders about the appraisal process.

- Employees must be under the same standards for 120 days to receive a rating. If an employee is under different standards for any reason (e.g., promotion, reassignment) after Jan. 1, 1997, but before April 1, 1997, the rating must be delayed until 120 days after the date that the standards were communicated to the employee. If standards change after April 1, the employee is to be rated according to standards in place prior to April 1.
- Performance appraisals should be reviewed by reviewing officials prior to being given to employees. (Note: If the rating official is a division or office director, he or she also serves as the reviewing official). Supervisors then review performance appraisals with employees, explaining how they performed in each element and obtaining employee signatures prior to sending the appraisals to OAPM.

- If an employee disagrees with a rating, he or she may request reconsideration by the reviewing official. If the employee is not satisfied with the reviewing official's decision on the request for reconsideration, he/she may formally grieve the rating (see POPPS Chapter 771.A).
- Employees may not receive both a performance award and a Quality Step Increase (QSI) for performance during the same rating period. Office awards budgets cover both performance and special act awards. Funding for QSIs is not included in the awards budget, since QSIs increase an employee's salary. Awards are not entitlements; employees may not submit grievances based on receiving/not receiving an award or its amount.

#### Secretaries' Week Seminar

National Secretaries' Week is the week of April 21. As part of our observance of this occasion and in recognition of how important secretaries are to the SEC team, OAPM is sponsoring a course for secretaries and support staff on Tuesday, April 22. The one-day course, entitled "How to Create an Atmosphere of Efficiency," will cover topics such as creating an atmosphere of professionalism, sharing and distributing work among colleagues and managing your boss' schedule.

# Understanding Leave: Alphabet Soup

During the past three years, two different regulations involving the use of leave, the Family Friendly Leave Act (FFLA) and the Family and Medical Leave Act (FMLA), were finalized. Because of some similarities in their names and frequent overlap in appropriate use, it is easy to confuse the benefits and/or entitlements.

The FFLA allows full-time employees to use up to 40 hours of their sick leave (in lieu of annual leave) during each leave year to care for a sick family member, to accompany a family member to a doctor or dentist appointment, to make arrangements for a funeral, or to attend the funeral of a family member. If the employee maintains at least an 80-hour balance, an additional 64 hours of sick leave may be used.

The FMLA, on the other hand, allows covered employees to use up to 12 administrative workweeks of leave without pay (LWOP) during any 12-month period (accrued paid leave may be substituted for LWOP as appropriate, including FFLA sick leave). FMLA leave can be used for four purposes:

- childbirth and subsequent care for the child until the child's first birthday;
- adoption and/or foster care, up to one year after placement;
- care of an immediate family member who has a serious health condition;
- the employee's own serious health condition.

The U.S. Office of Personnel Management (OPM) recently issued final regulations on the FMLA. For most employees, the changes from OPM's interim regulations will not affect how the FMLA is applied. OAPM will issue an updated Personnel Management Advisory on the FMLA to all employees; however, if you have questions about these Acts or other leave-related policy issues, please contact Esra Ozben, Employee Relations Specialist, on (202) 942-4092.

#### Individualized Employee Benefits Statement

OAPM's Processing and Benefits Branch plans to send each permanent SEC employee (who was on board as of February 28) a Benefits Statement that provides individualized information about certain benefits. The projected distribution is in June 1997.

#### Did You Know?...

- Employees eligible for Medicare may transfer from one plan or option to another at any time, beginning 30 days before their Medicare eligibility date.
- Loans now can be obtained from the Thrift Savings Plan (TSP) for any reason. Previously, loans were available only for the purchase of a primary residence, educational or medical expenses, or financial hardships. The interest rate for the life of the loan is the amount earned by the G fund at time of appli-

cation. Remember that you will be losing earnings (that you otherwise would have received) on that portion of your TSP account you borrowed. If you are interested in obtaining a TSP loan, obtain a TSP Loan Application (TSP-20) and the Thrift Savings Plan Loan Program booklet from the Processing and Benefits Branch.

• The maximum employee contribution into the TSP fund for 1997 is \$9,500.

The following provisions apply only to FERS employees. If you are not sure of the retirement system in which you are enrolled, check your pay and leave statement to see where your retirement deductions are credited.

● The estimated retirement annuity for a FERS employee who is younger than age 62, or who is age 62 or older with fewer than 20 years of total service, is based on 1% of the High-3 average salary times the years and months of service. For an employee at least age 62 with 20 or more years of total service, the formula is 1.1% of the High-3 average salary times the years and months of service. Employees in FBRS generally also receive Social Security Old Age pensions as part of their total retirement package.

Examples: (1) If a 62-year old employee retires with 19 years 3 months of service, the estimated annuity is 19.25% of the High-3 salary (\$50,000). The computation would be

.1925 X \$50,000, or \$9,625.

(2) If a 64-year old employee retires with 25 years, 0 months of service, the estimated annuity is 27.5% of the High-3 salary (\$50,000). The computation would be

.275 X \$50,000, or \$13,750.

• Accrued sick leave earned while under FERS may not be used as creditable service upon retirement. However, if an employee transferred from CSRS to FERS, any amount of sick leave equal to or less than the amount on record as of the effective date of the transfer may be credited.

If additional information on these and other benefits issues is needed, please call the Processing and Benefits Branch, Office of Administrative and Personnel Management at (202) 942-4080.

#### IN MEMORIAM

Brent R. Kamien, Senior Counsel in the Division of Enforcement, died March 23 of (b)(i) at Georgetown University Hospital: He was 32:

Mr. Kamien joined the division in 1994 as a staff attorney. While bere. Brent worked on several investigations; including a significant financial fraud investigation that resulted in three Commission enforcement actions and four criminal indictments. In recognition of the assistance he. provided to the U.S. Attorney's: Office for the Northern District of Texas and the Federal Buresu of investigation in their parallel investigation. Brent received a letter of commendation from the Honorable Louis J. Freeh, the Director of the FBL

Brent had many loyal friends and co-workers at the Commission and was considered one of the Enforcement Division's brightest lights.

Bafore joining the Division of Baforcement, Brent practiced in the District of Columbia at Akin, Gump, Strauss, Hauer and Feld Harlier, he clerked for the Honorable James C. Turk, Chef Judge for the U.S. District Court, Western District of Virginia.

in 1990, he received his law degree with honors from George Washington University, where he was a member of the law review and vice chancellor of an award winning most court team. He received his andergraduate degree from Temple University in 1987

#### OIT NEWS

#### QS/2 Warp Upgrade

During the coming months the Office of Information Technology (OIT) will be upgrading the hardware and software on all EDGAR workstations throughout the SEC. Each new workstation will consist of a DELL OptiPlex GXpro with Intel Pentium Pro 200 processor, a SVGA Panasonic 17-inch monitor, a IOX CDROM drive and a communications adapter. This computer will support the new WARP 4 Operating System and all users how running WARP 3 or OS/2 version 1.21 will be upgraded to the new platform.

The new version of OS/2 Warp offers superior computing power, links to the Intranet (the internal SEC web service) and an improved ability to rain DOS and Windows programs. The standard office applications will sinclude Microsoft Office (Word, Excel, Access and Powerpoint, a true graphical version of co: Mail and a Windows version of Lexis and Westlaw. As the Commission moves to a graphical desktop; the older DOS software will be phased out:

To insure a successful transition to the new system, training will be provided. Most users will attend a training class a week prior to their hardware upgrade. Instructors from State-of-the-Art Training will be offering classes to familiarize students with the basic features of the new desktop and cc: Mail. Additional classes in specific applications, such as Microsoft Word and Microsoft Access, are being offered by the SEC's Training Branch in OAPM. The new state-of-the-art hardware and powerful software will give our EDGAR users the tools to perform more efficiently and productively.

#### Year 2000 Challenges

As many of you know, the year 2000 presents a challenge for many computer systems and software packages. In many programs and systems, dates were created and stored in a format that records the year as a two-digit number, e.g. 1996 is stored as 96. The year 2000 ending in 00, will also be stored as a two-digit number, and therefore calculations done on that number will not be accurate.

A simple example of the problem would be in the calculation of interest. The standard equation to calculate interest on a 20-year bond purchased in 1996

includes interest calculations for the four years from 1996 to the year 2000 and then an additional sixteen years until the year 2016. Unfortunately, the way most of the nation's computer systems are set up with two-digit years, interest calculations on these bonds may be calculated from the year 1900 to 1916, obviously creating completely erroneous results:

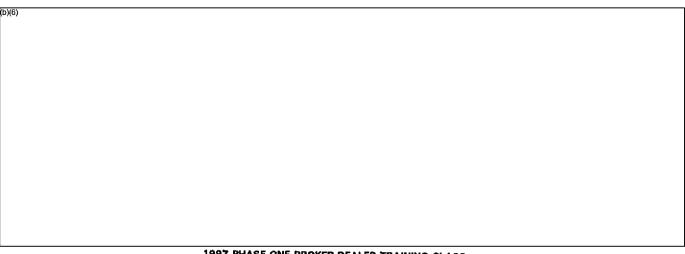
To meet this challenge, all organizations that process transactions and other events in their automated systems based on storing two digits for the year of activity must modify their software to accommodate new date formats come midnight on Dec. 31, 1999. There are many legitimate reasons for the common practice of using two digits, but this situation is now presenting all organizations with a major research and redevelopment burden.

The OIT has established a year 2000 project team and has begun a complete application and data inventory. to assess the potential impact on the Commission's computer systems. In addition to applications developed by OIT, a complete inventory of data and applications developed within divisions and offices throughout the Commission is underway. To assist in this effort, OIT developed a brief questionnaire that will be used to gather the information relating to any internally developed applications maintained by Commission offices other than The questionnaire was distributed to the ADP OIT liaisons who provided input from the specific offices. At the same time, OIT is requiring vendors to certify in writing that all software and hardware currently in use is: year 2000 compliant.

Once the application inventory is completed, OIT will provide assistance to the divisions and offices to adjust their applications to become year 2000 compliant. Priors to spending time and resources changing the date format for all applications, the staff should consider the following three alternatives: (1) retire applications whose functionality is no longer needed; (2) replace applications that are technically obsolete but whose functionality is still critical and (3) conventapplications that are still vital to Microsoft Access or some other current tools.

In addition to examining internal equipment and applications, the SEC has established a task force to assess the year 2000 (Y2K for you computer types) readiness for companies, self regulatory organizations; investment companies, investment advisers and broker/dealers. The Commission is required to report to Congress on this issue by June 1, 1997.

# Phase One Broker-Dealer Training At Op Center SEC Regional, Distict, Headquarters Staff Participate



#### 1997 PHASE ONE BROKER-DEALER TRAINING CLASS

Participants with office affiliation are listed from left, beginning with the first front row. First row: Anne Hernandez (PDO), Ellan Hersh and C. Kit Yuen (NERO), Eric Cheng (PRO), Luisa Lipins (SERO), Susan Markel (ENF), Brenda Arroyo and Mayra Pagan (Puerto Rico), Jernal Touba (SFDO), Gline Bailey (ADO) and Faye Chin (SERO). Second row: Jim Draddy (OCIE), Lorraine Ricci (MRO), Lila Evangelista (FWDO), Felipe Cruz (Puerto Rico), Patricia Flynn (SERO), Samuel Engelson, Jeannine Perniciaro, Ronald Krietzman, Albert Poon and Anthony Bundy (all NERO), Frank Thomas (PDO). Standing row three: Ronald Sukhu (NERO), Tom Baudhuin, Jose Santiago and David Taylor (both FWRO) Phillip Kosmala and Ann Hoving (both MRO), Lisa Hunt (OCIE), Christine Bove and Lourdes Vega (both NERO), Stephen Jung (OCIE), Carclyn Kurr (OCIE), Mark Pacioni (MR), Shannon Holladay (OCIE), Cindy Permiey (BDO), Susan Young (CRO), George Buhai-Jacobus (Speaker from MRO), Ed Stolle (Speaker from OCIE), Frederick Sackett (CRO), Edward Power (BDO), Philip Oettinger (OCIE), Gregory Chatman (BDO), Jennifer Grumbecht (NERO), Gary Hopkins (Speaker from MRO) and Rhonda Wilson (Speaker from OCIE).

Phase One, held this year from Jan. 27 - Feb. 7, is an annual training program offered by the Office of Compliance Inspections and Examinations. The two-week training program is designed specifically for broker-dealer examiners, accountants and attorneys who have direct responsibility for conducting financial/operational and sales practice examinations of broker-dealers. Subjects covered include brokerage accounting/books and records, customer account review, net capital, customer protection and a summary of the financial responsibility rules.

Phase One has been designated as a professional training program for which certified public accountants may earn continuing professional education (CPE) credits. Instructors who are certified public accountants are eligible to receive CPE credits for a portion of preparation time and for the presentation time.

The Office of Compliance Inspections and Examinations is registered with the National Association of State Boards of Accountancy as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards have final authority on the acceptance of

individual courses. Complaints regarding registered sponsors may be addressed to NASBA, 380 Lexington Avenue, New York, NY 10168-0002 (phone: (212) 490-3868 — No course information may be obtained at this number).

OCIE is pleased to recognize the following persons for their participation as speakers during Phase One: Paula Jensen, Christine Dear, Carol Charnock, Sandy Sadwin, Amy Yu. Robert Love. Julie Preuitt, John Mahoney, John Morgan, Scott Holz (Federal Reserve), John Walsh, Glen Barrentine, Susan Lee, Clint Stearns, Rick Johnson, Robert Colby, Barry Mendelson, Doris Bamford, Cathy Sabo, Mary Ann Gadziala, Jim Foster (UVa), Vince Marvic, Stephen Harbeck (SIPC), George Buhai-Jacobus, Gary Hopkins, Mike Jamroz (Deloitte & Touche), Richard Lee, Ed Stolle and Rhonda Wilson. Each of the approximately 50 persons who completed the training received a certificate of completion, presented by Commissioner Hunt on the final day of training.

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Eugene G. Horwitz	PRO	30	Mar 31
Norman M. Walsh			
A TANAMAN AND SECURIOR		. 442	Viar 31

#### SEC 1997 Golf Schedule (March - October)

The following is a list of SEGGC scheduled events for 1997:

Saturday, March 23 DATE

LOCATION: "Tantalion Country:Glub, Fort Washington, MD

4 Person Scramble FORMAT:

Saturday, April 26 DATE:

Virginia Cake Goif Course; Gainsville, VA LOCATION

2 Person Best Ball FORMAT:

Saturday, May 17 DATE:

Little Bennett Gelf Course, Clarksburg, MD LOCATION: 2 Person Best Balli - Modified Stableford FORMAT:

Saturday, June 21 DATE

University of Maryland Golf Course, College Park, MD LOCATION:

2 Person Modified Stableford FORMAT:

Saturday/July 19 DATE:

University of Maryland Golf Course, College Park, MD LOCATION:

Individual Stableford FORMAT:

Saturday, August 23 DATE:

LOCATION: University of Maryland Golf Course, College Park, MD

Glub Championship Low Gross and Low Net FORMAT:

Saturdåy, September 13 DATE

Manassas Park Golf Course, Manassas Park, VA LOCATION:

2 Person Altemate Shot/Scramble/Best Ball FORMAT:

Saturday, October 13 DATE:

Prince William Golf Club, Nokesville, VA LOCATION:

Three Club Plus Potter FORMAT:

In: addition, the SECGC would like you to be aware of two son-SECGC

evente:

Monday, June 23 DATE:

Bretton Woods Country Club, Potomac, MD LOCATION:

George A. Eitzsimmons:Memorial Gölf Championship FORMAT:

Monday, July 28 DATE:

Prince William: Golf Club, Nokesville, VA LOCATION:

Chairman's Cup Golf Tournament FORMAT:

Membership dues of \$10 entitle members to participate in the scheduled events of the SEC Golf Club and to establish an official U.S. Golf. Association (USGA) handicap. The SECGC is a member of the USGA and has USGA-approved computer software to calculate and update individual handicaps not only for SECGC official events but also for other rounds played during the season. The SECGC arranges monthly outings at different courses in Maryland and Virginia. For those who prefer a shorter game, the SECGC has a "9:Hole Club" that ventures out to 9 hole courses. about once a month:

ff you would like to join, please drop off a check for \$10 payable to the SECGC with either George Spanos, Room 7039; Lou Canant, Room, 3181; Don Cavarn, Room 3049; or Matt Hughey, Room 5058; If you have any guestions, please contact Matt Hughey at 202-942-0143;

#### **Doris Mitchell** Retires From The PRO

Doris Mitchell retired from the Investment Management Branch of the Pacific Regional Office on January 3. As a securities compliance technician, she tracked new investment adviser, money manager and other applications and assisted up to 17 examiners with time and attendance, travel reports and other matters.

Ms. Mitchell's government career began in 1956 in Louisville, where she worked for the U.S. Army. From there transferred to the Veterans Administration in Los Angeles and then, around 1972, to the Bureau of Customs and Drug Enforcement. As cashier for Drug Enforcement, she handled an imprest fund of \$950,000 that was used to purchase drugs to identify dealers. She left Drug Enforcement in 1984 to join the SEC in Los Angeles. "Working in the Investment Management Branch at SEC was less stressful and the people were well-polished and refined," Ms. Mitchell commented. She added to her knowledge and skills through a variety of courses, first at the University of Louisville and then at West Los Angeles Junior College.

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#### Black History Program

**CONTINUED FROM PAGE 1** 

including its etymology and political aspects. She believes it can be used positively in the education of African American children. Her thought-provoking presentation on this controversial topic held the interest of all in Program organizers were attendance. Michelle Royston, Tamara Dove, Joanne Morris and Ron Wood (BEP Coordinator for PRO).

#### INVESTMENT STRATEGIES CONFERENCE AT LOS ANGELES

Left photo: Pacific Regional Office Associate Director Rosalind Tyson (left) and Director Elaine Cacheris stop by the SEC booth at Investment strategies conference in Los Angeles. Right photo: PRO staff members assist the public with SEC materials and investment information.

#### PRO Staff Participate In Investment Strategies Conference

Staff from the Pacific Regional Office worked at the Commission booth at a conference sponsored by the Los Angeles Times on Saturday and Sunday, Feb. 22 and 23.

The "Investment Strategies Conference" was held at the Westin Bonaventure Hotel in downtown Los Angeles. The meeting was a sell-out with approximately 10,000 investors

attending throughout the weekend.

The regional staff handed out folders containing information for investors, answered some investor questions and demonstrated the Commission's website on the Internet. Various members of the investment banking community and a radio station, and many members of the public made for an interesting weekend for the regional employees who helped

at the booth.

Chairman Arthur Levitt's address, "Investor Protection: Tips From An SEC Insider," was the weekend's highlight. He urged the 4,000 investors in attendance to "ask questions before making investment decisions." The text of the Chairman's speech may be retrieved on the internet at www.sec.gov.

#### 1997 SEC Photo Contest

Sponsored by the SEC EMPLOYER NEWS and the SEC RECREATION AND WELFARE ASSOCIATION

#### GUIDE TO NOVICE AND ADVANCED CATEGORIES

Novice

Photographers who enjoy taking snapshots for the family album and for whom photographs are of interest primarily as a matter of recording an event or experience should enter in the novice category. Novice photographers are generally untrained or are in the early stages of photographic training and generally use point and shoot cameras.



Advanced

Advanced photographers are usually concerned with matters such as composition, lighting, depth and often, but not always, use more sophisticated equipment than the novice photographer.

Advanced photographers are often comfortable using special lenses, filters, and a variety of film.

Contestants who are experienced photographers should enter in the advanced category. Photographers who have wan cash prizes in SEC Armuel Photo Contests are encouraged to enter in the advanced category.

# SEC 1997 PHOTO CONTEST

Sponsored by the SEC Employes News and the SEC Recreation & Welfare Association

-		;
	(D)(	6)
GRAND F	PRIZE; \$100 Savings Bond	
THE FOLLOWING	PRIZES WILL BE AWARDED IN	
BOTH NOVICE A	ND ADVANCED CATEGORIES.	
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Affix this form to back of entry.	SEND TO: SEC EMPLOYEE NEWS, Office of Public A and Research, Room 7103, Stop 7-1, Washington, D	Affairs, Policy Evaluation .C. 20549.
SEC PHOTO CONTEST	SEC PHOTO CONTEST ENTR	Y FORM
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SEND TO: SEC EMPLOYEE NEWS, Office of Public Affairs, Policy Evaluation and Research, Room 7103, Stop 7-1, Washington, D.C. 20549.

Affix this form to

back of entry.

RAND PRIZE WINNER Cuban Smiles by Adan Araujo

#### **New Contest Rules**

ELIGIBILITY: The contest is open to all SEC employees and retirees from both head-quarters and regional and district offices.

NOVICE OR ADVANCED: All photos entered in the 1997 SEC Annual Photo Contest must indicate whether they are to be judged in the advanced or novice category. Contestants who have won cash prizes in past SEC annual photo contests may enter in the advanced category. New contestants with considerable experience as photographers may also enter as advanced. All others should enter as amateurs. Be sure to check the box for the photo you would prefer to have exhibited.

PHOTOGRAPHER: Each entry must have been photographed by the contestant.

PRINTS, NOT SLIDES: All entries must be prints; sildes are not acceptable. Prints may be in black and white or color.

NUMBER, SIZE OF PHOTOS: You may enter up to three photos in the contest. Size may range from 4" x 6" to 8" x 12," no exceptions.

AGE, CONDITION OF PHOTOS: Photos must have been taken since January 1, 1996. Photos may be rejected if mutilated or marred.

IDENTIFICATION: Identification forms are provided on this page. A form should be completed for each entry and taped to the back of the photo. Photos should not be mounted.

DEADLINE: The deadline for entries is July 15, 1997.

QUESTIONS: If you have any questions about the rules or procedures, call Mary Teel, OPAPER, on 942-0027.

## SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

Vol. 21, No. 3 Washington, D.C.

President Clinton congratulates Richard Walker, SEC General Counsel, on receiving the Distinguished Executive Award, the highest award a federal employee can receive.

#### Presidential Awards --

Walker, Humes Receive Top Federal Awards

In recognition of their exceptional management and leadership abilities, President Clinton selected two SEC officials to receive the Presidential Rank Awards. SEC General Counsel Richard Walker was awarded the Distinguished Executive Award and Richard Humes, Associate General Counsel for Litigation and Administration Practice, received the Meritorious Executive Award.

The Presidential Rank Awards are the top federal awards for government service and are available only to Senior Executive Service (SES) employees. Walker and Humes were selected because of their demonstrated ability to do more with less while striving to increase the quality and efficiency of their programs.

President Clinton congratulated Mr. Walker on receiving the Distinguished Executive Award at a ceremony in the Oval Office on April 10. Only 63 of the

6,230 career SES members received this top award.

In making the presentations, President Clinton advised the awardees, "Be proud of your record of achievement, for your contributions are laying the groundwork of our nation's continual success. Indeed, future generations of government leaders will be inspired by your accomplishments."

Chairman Arthur Levitt presented the Meritorious Service Award to Richard Humes in late 1996. One hundred seventy SES members received the award.

Recipients of the Presidential Rank Award for Distinguished Service receive a \$20,000 award, while Meritorious Service Award recipients receive \$10,000.

Richard Walker received the top award in recognition of distinguished service with the SEC for the past four years as Director of the Northeast

CONTINUED ON PAGE 3



# The Chairman's Annual Plain English Challenge

May/June 1997

Chairman Levitt has issued a challenge open to anyone who works here:

Find the piece of gobbledygook, whether submitted by the public or written right here at the SEC, that confuses you the most and rewrite it in plain English, taking care to distill it down to its essential elements a la Warren Buffet.

First prize is a \$250 savings bond. There are second and third prizes, too. And, the winners' "befores and afters" will be displayed in the headquarters lobby.

The gobbledygook you choose should be no longer than one paragraph. Submit your "before and after" to Carolyn Miller at mail stop 3-1 by Friday, August 22.

Before you write your plain English document, be sure to pick up a copy of A Plain English Handbook: How to Create Clear SEC Disclosure Documents, issued by the Office of Investor Education and Assistance. This handbook provides helpful guidance on how to tackle even the most unruly language. Currently, we are updating the handbook based on the many helpful suggestions we received during the public comment period. By participating in this contest, you may be able to help set the models for the next issue of the handbook.

Also, be sure your rewrite complies with the plain English principles in the proposed plain English rule. If you need a copy, you can pick one up in the Corp Fin front office.

So, sharpen your pencils and writing skills and accept Chairman Levitt's challenge!

CONTINUED ON PAGE 8

1997 U.S. Savings Bond Campaign

#### SEC Campaign Concludes On A Positive Note

by Jim Donahue, SEC U.S. Savings Bond Vice Chairman

The SEC U.S. Savings Bond campaign, which ran from May 1 to May 30, concluded in grand style with a significant number of employees submitting payroll savings forms at the end of the campaign.

Final figures are not in yet but James Taylor, the SEC savings bond coordinator, reports that it looks like another good year for the SEC Savings Bond campaign.

The campaign kicked-off on April 29th with a training session for campaign coordinators and canvassers in room 1C30. The training focused on the long-term benefits of buying savings bonds through the payroll savings plan. Throughout the campaign, the staff asked questions about the benefits of buying savings bonds, but they weren't the standard questions regarding the rate of return or the replaceability of lost or stolen bonds. This year the emphasis was on the use of savings bonds for education, specifically the education of children and grandchildren.

Shortly after the materials were distributed to the SEC staff, the calls began coming in. More and more employees wanted to know how they could save for the education of their children and especially for their grandchildren through the payroll savings plan. It appears that grandparents may be the source of quite a few tuition payments in the near future.

Even though the campaign has ended, employees can start a savings bond program at any time of the year. We expect that we will see interest in the educational savings program throughout the summer as employees assess their individual financial positions and evaluate how savings bonds fit their needs. An important reminder about education bonds: they are tax-free, which is an extra value to the student.

To all of those hearty volunteers that handed out materials and answered questions, I offer a sincere thank you and congratulations for a job well done.

#### **New Higher Interest Rates**

Series EE savings bonds purchased on or after May 1, 1997 earn 5.68 percent interest. The rate is 90 percent of the average 5-year Treasury securities yields for the preceding six months. A new interest rate is announced each May 1 and November 1. A three-month interest penalty is applied to these bonds if redeemed before five years. New Series EE bonds increase in value monthly. The bond's interest rate is compounded semiannually.

The 4.63 percent Short-Term Series EE savings bond rate is in effect for

bonds issued from May 1995 through April 1997 for bonds that enter semiannual earning periods from May through October 1997.

Series EE bonds earn interest for 30 years. This long life lets investors use savings bonds for truly long-term goals like education and retirement.

You can cash Series EE bonds any time after six months. Most investors plan to hold bonds for longer term goals, yet they know they can get their money

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## July 14, 1997

#### SEC EMPLOYEE NEWS United States Securities and Exchange Commission

The SEC Employee News is published bi-monthly by the Office of Public Affairs, Policy Evaluation, and Research, U.S. Securities and Exchange Commission, 450 5th St., NW, Washington, DC 20549. Readers are encouraged to submit articles for publication and should send material to:

Editor SEC Employee News Room 7103

Letters to the Editor are welcome. They should address issues, not personalities, and should be submitted with a name and telephone number.

Mary Teel, Editor Donald Kovener, Art Editor Office of Public Affaire, Policy Evaluation, and Research

COPY DEADLINE: The deadline for articles for publication in the SEC Employee News is the second week of the month prior to the month in which the News is published.

Scheduled publication months are January, March, May, July, September and November. Whenever possible, accompanying photos should be black and white.

#### **Presidential Awards**

CONTINUED FROM PAGE 1

Regional Office, the largest of SEC's regions. During this period the region achieved record levels of productivity in all program areas. The staff conducted a record number of examinations of

broker-dealers, (b)(6)
in vest ment
companies, investment adviser and transfer
agents. In
1995, the region's enforcement staff filed
130 enforcement actions,
accounting for
well over one-

quarter of the

ment actions,
accounting for Richard Humes received
well over oneAward.

total enforcement actions brought agencywide. Many of their noteworthy enforcement efforts have attracted international attention. Chairman Levitt said in nominating him, "So exceptional is Mr. Walker's legal intellect and managerial effectiveness that he was selected for the Chairman's Award for Excellence in 1992. Recognizing his value to the agency, I recently chose him to serve as the General Counsel of the Commission, the foremost senior legal advisor to the Commissioners and Commission staff."

Richard Humes was recognized for his tremendous contributions to the Commission for the past 19 years. As the SEC's top defense lawyer, Mr. Humes works closely with the SEC's top trial lawyers to ensure that the agency's litigation efforts are hard-hitting and effective. Chairman Levitt said, "Despite a 90% increase in caseload during the past five years and no increase in staff, Mr. Humes' organization has maintained its historic record of prevailing in approximately 95% of its cases while sustaining its professional quality and technical credibility. With high regard for his effectiveness, the Commission awarded him the Distinguished Service Award in 1991."

The Commission congratulates these men for their contributions to the agency and for the example they have set.

#### A Talk With Richard Walker

The SEC Employee News was privileged to talk with SEC General Counsel Richard Walker about receiving a top Presidential award and about his previous job as Director of SEC's Northeast Regional Office. Here is what he said.

- Q. President Clinton greeted all the Distinguished Executives in the Oval Office at the White House. What can you tell us about that experience?
- A. The moment with the President was a brief one. President Clinton congratulated me on a job well done and asked me to keep up the good work-all in the space of a 60-second photo opportunity before the next recipient in line.
- Q. I'm told that you met Vice President Gore in the same week that you met President Clinton. How did that happen?
- A. I was at the White House with Chairman Levitt for a meeting. The Vice President was just entering the East Wing. He came over and chatted with the Chairman and the Chairman introduced me. It was a very eventful week.
- Q. That same week you were invited to a formal dinner for the top awardees. Tell us about it.
- A. The dinner was an occasion to honor award recipients and to present plaques. It was held in the formal entertaining area of the State Department—a beautiful setting.
- Q: You received the Presidential award for your work as Director of the Northeast Regional Office. What do you consider your greatest accomplishment there?
- A. I was proud to be able to help assemble one of the strongest teams within the Commission—a very tight-knit, cohesive group of professionals—and to work with that group on a day-to-day basis and share in their many accomplishments.
- Q. How does the job of SEC General Counsel compare with directing a regional office?

- A. It is a new job with fresh challenges. It has expanded my horizons in many different directions. The NERO focuses on inspections and enforcement. As General Counsel, there are hard balls coming at you from every direction. You see the entire picture of what the Commission does, and it is a very exciting role.
- Q. The NERO is involved in regulation of the country's major financial markets. As Director, what was the top enforcement case that came before you?
- A. The New York Regional Office brought many interesting and important cases. At the top of the list is the Towers Financial case, which involved an illegal offering of over \$500 million of unregistered securities and one of the largest Ponzi schemes in the Commission's history. Stephen Hoffenburg, who was the Chairman of Towers, is now in prison for his activities.
- Q. Do you miss New York?
- A. Absolutely. I had four wonderful years as the head of the New York office. I love New York and not a day goes by that I don't miss it, but I am equally excited by the challenges of the new job. But I'm still trying to figure out how to drive in Washington.
- Q. Is there anything you would like to add?
- A. Yes. I have a special bond with the staff in the New York office. They are some of the finest people I have ever had the privilege of working with. I feel the same about the people in the General Counsel's office, but of course, I haven't worked here as long.

I believe the entire New York staff should share this honor. I may have been the person in charge, but the staff were there to get the job done. They are a fine group of people.

#### A MATTER OF ETHICS

PART ONE OF A TWO-PART SERIES

# Frequently Arising Ethics Issues Or Everything You Ever Wanted to Know About Ethics

by Barbara Hannigan, Ethics Counsel

New and seasoned employees alike have recently suggested to me that it might be helpful to have an overview of the ethics issues that arise most frequently at the Commission. response, the first part of this series will focus on five areas: (1) nonpublic information; (2) employee securities transactions; (3) employment of family members; (4) financial interests; and (5) personal interests. This article supplements the OAPM Ethics Orientation for new employees. Before discussing these issues, however, I'd like to say a few words about the purpose of the government ethics rules that touch many areas of our personal and professional lives.

The overriding goal of the government-wide and SEC ethics restrictions is to ensure that we maintain the public's confidence in the Commission's programs by avoiding even the appearance of impropriety or partiality in our actions and decisions. As you may have heard many senior officials say: As public servants, we must be like Caesar's wife -- beyond reproach. Moreover, Commission employees also serve as ethical role models for the securities industry and corporate America. It is crucial to keep these ideals in mind as we focus on the specific ethics provisions that enable us to avoid actual or apparent conflicts of interest.

#### 1. Nonpublic Information

Commission employees may not use or disclose nonpublic information without the express consent of the Commission. Employees should be aware that violations may result in serious consequences. Thus, you must be very careful to maintain the confidentiality of Commission information when discussing your work in public places (elevators, restaurants, taxis, and airplanes), and when discussing your work with family and friends.

Commission employees have a duty

to ensure that any information disclosed outside the Commission is public. If you are uncertain as to whether certain information is public or nonpublic, please consult with your supervisor.

Finally, the prohibition on the use or disclosure of nonpublic information continues to apply after you leave the Commission.

#### 2. Employee Securities Transactions

Securities transactions by, or on behalf of, an employee or his or her spouse or dependent child, or any other person living with and related to the employee by blood or marriage are subject to certain restrictions and reporting requirements. Employees and their spouses should review these restrictions prior to engaging in any securities transactions.

The key provisions of the rule on employee securities transactions are:

- With a few exceptions, securities purchased by employees must be held for six months.
- Employees may not hold shares in regulated entities (broker-dealers or investment advisers). For example, you may not hold shares in ABCDE Securities, Inc., but you may hold shares in mutual funds managed by ABCDE Securities, Inc.
- Employees may not have margin accounts or sell short.
- Most employee securities transactions should be cleared on the CRST computer system, and must be reported to OAPM within 5 days on Form 681.
- Employees may not engage in securities transactions based on nonpublic information and may not buy securities of entities that they know are involved in a Commission proceeding.

Please consult with your Ethics Liaison Officer or Deputy concerning specific questions.

#### 3. Employment of Family Members

The employment of an employee's spouse or other members of his or her household may, in certain circumstances, give rise to a real or apparent conflict of interest. You should disclose and discuss such matters with your Ethics Liaison Officer or Deputy for your division or office at any time, or when changing your position. A likely cure for this conflict may be, for example, for the employee to have a recusal policy disqualifying himself of herself from participating in any matters involving the spouse's employer.

#### 4. Financial Interests

An employee should be very cautious if assigned to work on a particular matter in which he or she has a financial interest. A "financial interest" exits if there is potential gain or loss, as a result of SEC action, to the employee, his or her spouse, dependent child, organization in which the employee holds a certain position, or the employee's prospective new employer. If an employee works on a particular matter knowing that the outcome of the matter would have a direct and predictable effect on his or her own or any imputed financial interests, such action by the employee would result in a violation of a federal statute with criminal penalties. The U.S. Office of Government Ethics has recently promulgated new exemptions to this statute. The Ethics Office will be circulating a plain English memorandum in the near future explaining these new exemptions.

Supervisors may wish to screen assignments at the outset for compliance with these provisions. Please consult with your Ethics Liaison Officer or Deputy concerning specific questions.

CONTINUED ON NEXT PAGE

#### A MATTER OF ETHICS

#### CONTINUED FROM PREVIOUS PAGE

#### 5. Personal Interests (Impartiality in Performing Official Duties)

An employee may be assigned to a matter in which he or she has a personal interest. Personal interests arise from your relationships with people, companies, and other entities in which you are or have been involved. For example, you might have a personal interest in a matter because it involves your former client, former employer, prospective employer (if you are seeking other employment), or your spouse or spouse's employer. A personal interest could cause a reasonable person with knowledge of the facts to question your impartiality in the matter. In such cases, you should either disqualify yourself from participation in the matter, or consult with your Ethics Liaison Officer or Deputy prior to participating in the matter. Supervisors may wish to screen assignments at the outset for compliance with these provisions.

#### If You Have Questions

If you have any questions concerning these or any other ethics issues, you should first consult your Employee Ethics Handbook. (If you do not have an Ethics Handbook. you may order one through your administrative officer.) If you cannot find the answer to your question or need additional information, please contact the Ethics Liaison Officer or Deputy for your division or office. (A list of the Ethics Linison Officers and Deputies and their telephone numbers appears in the SEC telephone book at the Program Information tab under the heading, "Ethics Liaison Officers" and Deputies.") If you are concerned about confidentiality (e.g., because you are seeking employment), and feel unable to discuss your question within your own office or division, you may consult directly and completely confidentially with the staff of the Office of the Ethics Counsel in the Office of the General Counsel. (You should be aware, however, that all agency ethics officials are obliged to refer past violations of the conflict of interest statutes to the proper authorities.)

Please remember that your Ethics Liaison Officer and Deputy have other important duties in your division or office. Therefore, they may not always be able to answer your non-emergency ethics questions immediately. Our Ethics Liaisons and Deputies are carefully selected, wellqualified members of the staff and we should treat them accordingly.

Finally, please check the Ethics Bulletin Board on the LAN for the most up-to-date information on various ethics issues. We hope to provide comprehensive, user-friendly ethics guidance to all employees via the Ethics Bulletin Board in the near future. Our ultimate goal is to enable employees to electronically access all of the relevant ethics rules and guidance relating to any issue simply by using key words such as "employee. securities transactions." We will keep you apprised of our progress in establishing this system. In the meantime, please look for part two of this series, which will discuss:

- gifts and invitations
- clearance of speeches and articles
  - seeking other employment
  - post employment restrictions
  - political activities--Hatch Act and
  - other relevant issues.
     Until then, be smart--stay ethical!

Hammer award recipients Susen Golden (left) accepting for OMS, and Leah Meltzer (right).

#### Gore Awards Honor SEC Work On Ombuds Programs

The Office of Municipal Securities and Leah Meltzer of the Office of General Counsel are among the recipients of the National Performance Review (NPQ) award in recognition of their work in furthering the establishment of ombustmen at the SEC and in researching the use in the workplace.

The award, which is signed by Viscolarity President Al Gore, honors federal in ployees for their "contribution to builder; a government that works better and call less." In addition to the award certifier awardees receive a pin in the shape of hammer, a symbolic reminder of the cast ly hammers ordered by some government agencies not too many years ago.

George S. Hawkins of the NPR presented the awards on behalf of the Vice President at an American law Association Conference on "New Approaches to Dealing With Federal Government" held on April 18 at the Washington Hotel in Washington.

The Office of Municipal Securities received the award for successfully establishing an ombudsman position as part of the Commission's overall effort to work with issuers of municipal securities to improve practices in the municipal market. The ombudsman provides the nation's municipal bond issuers with a point of contact and ready access to the Commission.

CONTINUED ON PAGE 6

#### **Lewis Departs As IM Assistant Director**

Carolyn Lewis retired as Assistant Director of the Division of Investment Management on March 31.

Ms. Lewis joined the Commission staff in 1962 as a financial analyst in the Division of Corporate Regulation. She transferred to Investment Management as a Financial Analyst, rose to Branch Chief and then to Assistant Director in 1985.

As Assistant Director, Ms. Lewis directed 25 attorneys, financial analysts and certified public accountants in the review and analysis of more than 5,000 publicly held investment companies with assets in excess of \$4 trillion. She oversaw the development of policy on issues such as mutual fund distribution, prospectus simplification and mutual fund acquisitions and mergers, and represented the division as a speaker at industry conferences.

In 1978 Joseph Califano, Secretary of Health and Human Services (HHS), appointed Ms. Lewis to the five-member Provider Reimbursement Review Board of the Health Care Financing Agency. Her work there included chairing the board in the absence of the chairman,

conducting hearings and rendering decisions settling medicare reimbursement disputes. In 1981, such decisions affected the transfer of over 50 million medicare dollars. In September 1981, she returned to the Division of Investment Management as Senior Financial Analyst.

Ms. Lewis has been active on American Hospital Association councils since 1985 and currently is a member of the board of trustees and the executive committee and is chairman of the finance committee. She is a member of

She also serves as one of three District of Columbia representatives on the (5)(6)

the summer include consulting work in the mutual fund industry and a more active involvement in corporate governance.

# Municipal Securities Deputy Susan Golden Departs

Susan Golden left the Commission on May 2 after two years of service as Deputy Director of the Office of Municipal Securities. Prior to joining that office, Ms. Golden had served with the Commission as a staff attorney in the Division of Enforcement.

Paul Maco, Director of the Office of Municipal Securities, said, "Susan's efforts were instrumental in establishing the Office of Municipal Securities and making it an effective resource for both the Commission and the municipal finance community. We will all miss her energy and enthusiasm."

Ms. Golden had also been acting Ombudsman for Municipal Securities, working with Charlotte Buford until designation of a permanent Ombudsman. Ms. Buford, Mark Zehner and Curtis Young will continue to work with issuers to improve practices in the municipal market. They may be reached at (202) 942-73006 or by facsimile at (202) 942-9642.



#### The Chairman's Annual Plain English Challenge

CONTINUED FROM PAGE 1

What is "plain English"?

Writing In plain English simply means writing clearly: It means keeping sentences short. It means using common, everyday words in place of jargon, technical language, and formal, stuffy words. It means writing in the active voice. It means going back to the fundamentals of clear writing that we all learned in grammar school.

Plain English also means paying attention to how your written work looks is it visually inviting, like your favorite magazine? Or does it look as intimidating and confusing as the last apartment lease you signed—seven pages long, front and back, with many lines of dense text that run the width of the page?

Most importantly, plain English is just good common sense.

#### Gore Awards

CONTINUED FROM PAGE 5

Mary Jo White, an attorney fellow, served as Ombudsman from June 1996 when the position was created until June 1997 when she left the SEC. Susan Golden, Deputy Director, was Acting Ombudsman until her departure from the SEC on May 2.

Leah Meltzer, ADR Specialist in the Office of the General Counsel, received the award in recognition of her accomplishment in writing "Federal Workplace Ombuds," a research study sponsored in part by the Administrative Conference of the United States. The study covers a brief history of workplace ombuds, case studies of five U.S. government agencies that have established ombuds positions and information on designing a federal ombuds office.

# Hereinafter

#### Public Companies, SEC Unite On Plain English

It's not often that public companies and regulators work side by side to promote a common goal. But, that's just

what's happening with the plain English initiative.

#### **How It Got Started**

About two years ago, Chairman Levitt launched a campaign to get mutual funds and public companies to start speaking to their investors in a new language, the English language. To average investors, this is simple—it's common sense. But to the securities industry, including us at the SEC, it means fundamentally changing a communications culture.

#### Corp Fin's Plain English Pilot

Last year, the Division of Corporation Finance started a plain English pilot program that has met with much success. In the pilot, public companies voluntarily write sections of their disclosure documents in plain English. The staff writes its comments in plain English, provides suggestions on how to improve readability, and expedites the review process.

In the spring of 1996, the first two companies—Bell Atlantic and NYNEX—volunteered to write their merger proxy in plain English. Since then, more than 50 companies have stepped up to the plate, many of them in the Fortune 500. The pilot has also attracted several major acquisitions, like the British Telecom-MCI merger and the Morgan Stanley-Dean Witter Discover merger.

Many companies have also participated in the pilot with documents that aren't typically reviewed by the staff, such as their dividend reinvestment plans and annual proxy statements. These comanies were simply aiming to improve the quality of their shareholder communications by taking advantage of the plain English critique the staff gives to participants.

#### Making It Official

On January 13, the Divisions of Corporation Finance and Investment Management presented a proposed plain

English rule to the Commission. The proposal aims to ease public companies into plain English, at first requiring it only for the cover page, the summary, and the risk factor sections of disclosure documents filed under the Securities Act of 1933. In drafting this rule, the Divisions' staffs did extensive research and consulted many authorities to determine the minimum requirements that would lead to clear disclosure. Many of these writing principles are as old as the securities laws themselves and as applicable today as 60 years ago. The pilot participants successfully applied these principles to their documents, resulting in clearer disclosure. If the Commission adopts this rule, companies will be required to write specific sections of their prospectuses using plain English.

At the same time, the Office of Investor Education and Assistance released a draft of A Plain English Handbook: How to Create Clear SEC Disclosure Documents. The handbook is geared specifically toward writing clearer disclosure and has been very well received. Currently, we are updating the handbook based on the many helpful suggestions we received during the public comment period.

#### The Proof Is In The Public's Reaction

The really good news about plain English is it's working. For example, two weeks ago, Ford Motor Company's plain English proxy won this year's State Bar of Michigan Clarity Award. "How's this for fine writing?" a recent Wall Street Journal article begins, "'Please read these materials so that you'll know what we plan to do at the meeting." The article continues "This literary gem from Ford Motor Co.'s new proxy statement caught the eye of Joseph Kimble, a member of the Plain English Committee of the State Bar of Michigan." Mr. Kimble was drawn to the proxy's friendly tone through the use of words like "you'll" and "we've," especially in the chairman's letter.

The State Bar of Michigan also gave

Chairman Levitt a Clarity Award for his dedication to plain English disclosure. The article that announced the award appears in the May issue of the Michigan Bar Journal. "When educational materials and seminars aren't enough to persuade lawyers to write in plain English," the article reads, "we need leaders like Arthur Levitt to convince them to write in plain English... He is the perfect example of what we try to find in our Clarity Awards search."

At this year's annual meeting for Hercules, Inc., a shareholder stood up and thanked Keith Elliott, the chairman, for sending them a proxy statement they could understand. In fact, the theme of the company's glossy annual report to shareholders was "The Plain English of Shareholder Value." During his address to shareholders, Mr. Elliott complimented the SEC staff on their work with Hercules on plain English.

And Bell Atlantic reports that they received dramatically fewer calls to the shareholder help line than they anticipated. They attribute this to the plain English merger proxy they sent to their shareholders.

#### What's More-It's Catching

Partners in major law firms and inhouse counsel have also caught "plain English fever." Many have commented on how gratifying it is to analyze the boilerplate they inherited from old documents and refashion it into something that communicates. One partner with a major New York law firm said he was hesitant at first to write a liability document in plain English. However, he was surprised how quickly he got comfortable with it. A partner with another major New York law firm said writing in plain English is "actually fun."

The Associate General Counsel for Baltimore Gas & Electric has been heavily involved in the pilot since last fall. In a recent interview she said, "We think our disclosure is better . . . And, we are writing better across the board—not just in the pilot program documents.

#### Krentzman Joins Deloitte & Touche

Elizabeth Krentzman resigned as Assistant Director in the Division of Investment Management on April 11. On April 21, she joined the Washington office of the accounting firm, Deloitte & Touche, where as Senior Manager she will organize and head an investment management regulatory consulting practice.

As Assistant Director at the SEC, Elizabeth headed the Office of Disclosure and Investment Adviser Regulation. She was responsible for the mutual fund disclosure initiatives proposed by the Commission in February 1997. She joined the Commission as Senior Counsel in November 1991 in the Office of Regulatory Policy. She was

later promoted to Special Counsel and then Assistant Chief of that office and developed rules and legislative initiatives relating to corporate governance matters, foreign custody arrangements and "private" investment companies. In April 1996, she was appointed Assistant Director in charge of Commission rules involving investment company disclosure. Prior to joining the Commission, Elizabeth was associated with the law firm of Ropes & Gray.

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#### **Bert Moulthrop Retires**

Wilberta (Bert) Moulthrop retired on January 3. She had been an SEC Administrative Officer for the past 17 years, most recently for two years in the Pacific Regional Office and for the previous 15 years in the Midwest Regional Office (Chicago).

As Administrative Officer, Bert was involved in budget management, procurement, furniture and supplies expenses, personnel recruitment and space management.

#### **New Interest Rates**

CONTINUED FROM PAGE 2

with interest if they need it. Of course, if a bond is redeemed before five years, a three-month penalty applies.

Savings bonds and notes issued before May 1, 1997 are not affected by these changes and continue to earn interest under the terms in effect before May 1, 1997.

Before joining the Commission, Bert worked with the Department of Defense from 1964 to 1973, including eight years at the Armaments Command at Rock Island, Ill. From 1975 to 1978, she worked for GSA, where she was Congressional Liaison and, before that, Property and Services Specialist.

der the terms in effect before 97.

For all SEC employees in the Washington metropolitan area, information on transportation, elder care and child care as available through Paula Frohman, OAPM, X4057

IN MEMORIAM

Frank P. West
Former OAPM Secretary

Frank P. West, former secretary with the Office of Administrative and Personnel Management, passed away on April 7 after a long illness.

Frank began her federal career in 1962 with HEW; where she worked three years. She joined the SEC in 1965. She worked in the Division of Corporation Finance, Office of Administrative Law Judges; and finally the former Office of Personnel (now OAPM), where she worked in the Classification and Staffing Branch and in the Office of the Director.

Irving Galpeer Former NERO Attorney

Irving J. Galpeer, SEC attorney in the New York Regional Office, died April 3 at his home in Harwich, Mass., after a long illness. He was 87.

Mr. Galpeer joined the SEC enforcement staff in the New York Regional Office in 1935. In 1938, he headed an investigation into-McKesson & Robbins, a case involving falsified bookkeeping, allegations of blackmail and the suicide of one of three brothers accused of designing the fraud. As a result of the case, the SEC increased its standards for certifying publicly traded companies. In 1943, Mr. Galpeer was named chief attorney in charge of enforcement in the NERO and in 1945 he was named Assistant Regional Administrator.

He left the SEC in 1946 to become a partner in Jaffin; Schneider, Kimmel & Galpeer in New York.

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#### **Investment Company Examination Training Program**

Regional, District, Headquarters' Staff Take Part at Headquarters

Phase Two, held April 7 - 11, is an professional training program for which ting registered engagers may be addressed.

Phase Two, held April 7 - 11, is an intermediate level training program offered by the Office of Compliance Inspections and Examinations. The training program is designed specifically for experienced investment company exami-Subject areas covered include internal controls, pricing securities, net asset value calculation, electronic environment, financial statements, accounting issues, over-the-counter markets, personal trading, information technology environment, portfolio compliance, portfolio management and trading.

Phase Two has been designated as a

professional training program for which certified public accountants may earn continuing professional education (CPE) credits. Instructors who are certified public accountants are eligible to receive CPE credits for a portion of preparation time and for the presentation time.

The Office of Compliance Inspections and Examinations is registered with the National Association of State Boards of Accountancy as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards have final authority on the acceptance of individual courses. Complaints regard-

ing registered sponsors may be addressed to NASBA, 380 Lexington Avenue, New York, NY 10168-0002, 212-490-3868. No course information may be obtained at this number.

OCIE recognizes the following persons for their participation as speakers during Phase Two: Ed Haddad, Daryl Hagel, Ellyn Roberts, Larry Friend, Paul Kraft, John Capone, Betsy Prout-Lefler, Martha Fulford, Leta Hansell, Maria Cancelosi, Bill Meck, Faye Chin, Tim Steams, Lilian Wilcox-Jackson, Anthony Conte, Gina Mazzuoccolo, David Berg, Joseph Mick, Edward Manion, Carl Hoeck, Marty Keller and Larry Augsburger. Purdue (SEC): Lee Terrance O'Malley, Tara McAleer and Michael Flynn (Price Waterhouse); Brad Davidson (Securities Pricing Research, Inc.); Joseph Carrier, Thomas Evangelista Barrett, Anthony Katherine Pineau, (Coopers & Lybrand); and Charles Booth, Martin Dean, George Martinez and Bruce Treff (Bisys).

#### A Star-Spangled Investment

U.S. Savings Bonds are a star-spangled investment as traditional as the Fourth of July, and a sure way to build for financial independence. Bond interest earnings are market-based, exempt from state and

local income taxes, and the Federal income tax liability on earnings can be deferred. Bonds are easy to buy through the payroll savings plan. Ask about bonds where you work or bank.

#### ADMINISTRATIVE AND PERSONNEL MATTERS

#### Leave Policy Updates Issued

Two personnel management advisories on leave policy were issued recently. One was to alert employees of some changes in the Family and Medical Leave Act (FMLA) final regulations, such as the expanded definition of a serious medical condition. The other announced an expansion of familyrelated leave flexibilities, allowing employees to take up to 24 hours of leave without pay (LWOP) each year to participate in a child's educational activities, accompany children to routine medical and dental appointments, and elderly accompany relatives medical/dental appointments or assist them in obtaining a variety of professional services.

#### Federal Welfare To Work Initiative

In response to a March 8 presidential memorandum to the heads of executive departments and agencies, the SEC submitted a Welfare to Work Plan on April 4. The plan indicates that the SEC will support the President's initiative by devoting up 10 full-time equivalents for entry-level or trainee positions targeted to welfare recipients. The plan also describes recruitment strategies and onthe-job training and support. The SEC is one of only two small agencies recognized by the National Performance Review for the quality and commitment of its plan. Hiring is targeted to begin in September.

#### TSP Open Season

The Thrift Savings Plan (TSP) Open Season runs from May 15 through July 31, 1997. During this period eligible employees may enroll in TSP, change current contribution amounts or reallocate contributions in the three funds: Common Stock or C fund; Fixed Income or F fund; and the Government Securities or G fund. To enroll in TSP or to change your election for future payroll contributions, please obtain a TSP-1 Election Form, from your Administrative Contact or from the Processing and Benefits Branch. Send your TSP-1 Form to Rosie Short, Mail Stop 0-1. The effective date of your election depends on the date your TSP-1 form is received. The earliest effective date for the upcoming open season changes is July 6.

### A Personnel System Based On Merit Principles

Although the Civil Service Act of 1883 initiated a merit-based personnel system and ended the spoils system under which jobs were handed out as political payoffs, the "Merit System Principles" were first incorporated into law (section 2301 of title 5, U.S. Code) by the Civil Service Reform Act of 1978. These basic principles serve as the foundation for all of our personnel programs and policies. This is how the government tries to ensure that:

- It hires and keeps the most qualified employees.
  - Employees are treated fairly, and
  - Various personnel decisions are

free from influence by factors that do not relate to the affected employee's own ability, performance and conduct.

Managers and supervisors, as well as employees, should adhere to the Merit System Principles (adapted from 5 USC 2301), as described below:

- Recruit from appropriate sources so that the workforce represents all segments of society.
- Select and advance only qualified individuals solely on their relative ability, knowledge and skills; provide fair and open competition that assures equal opportunity.
- 3. Treat all applicants and employees fairly in all aspects of personnel management, without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or disability and also with proper regard for their privacy and constitutional rights.
- Provide equal pay for work of equal value, taking into consideration national and local rates paid by private employers.
- 5. Provide appropriate incentives and recognition for superior performance.
- 6. Maintain high standards of integrity, conduct and concern for the public interest.
- Manage the workforce and use resources efficiently and effectively.
- 8. Retain employees on the basis of adequacy of their performance, provide an opportunity to correct inadequate performance and separate employees who cannot or will not improve their performance to meet required standards.
- Educate and train employees when it will result in better organizational or individual performance.
- 10. Protect employees from arbitrary action, favoritism or reprisal.
- Prohibit employees from using their official authority or influence to interfere with or influence the results of an election.

#### Farewell To SEC Retirees The SEC bids fond farewell to our recent retirees: Years Employee Office Service Retired Roxie Hess MRO Mar 31 Robert D. Quigley 30 CF. May 2 Mary P. Courchaine PDO Jun 3

#### ADMINISTRATIVE AND PERSONNEL MATTERS

#### Balancing Work And Family Life Resource Fair

OAPM hosted a "Balancing Work and Family Life Resource Fair" at headquarters on Tuesday, June 3. Fernando Alegria, Associate Executive Director of OAPM, kicked off the speakers' programs and introduced the speakers for childcare and child safety issues:

of Children), Lt. Ruth Micer (U.S. Capitol Police), and Kate Schaffer (D.C. Safe Kids Coalition). The eldercare and advance directives speakers' program featured Irma Tetzloff (Administration on Aging) and Terence Cooney (American Association of Retired Persons). informational materials from approximately 20 organizations were available on a wide range of topics including childcare, eldercare, child and personal safety, credit management, health and fitness, stress management, time management, retirement planning, and various leave programs. More than 225 employees attended. Organizers of the

Resource Fair were Bonnie Westbrook, Carolyn Barbarito, Joanne Boyle, Lem Canady, Paula Frohman, Linda Hunt, Rosie Short, Bertha Wade, and Valerie Wallingsford, all of OAPM.

The Resource Fair was one of the action steps contained in the SEC's report to the Vice President last November on agency plans for the next year to enhance the family-friendly work arrangements available to employees. As another step, Regional Directors and District Administrators designated a child and elder care resource

person for their offices to increase the information available to employees on localized child and elder care resources.

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#### Volunteerism Spreads Throughout the Commission

In recent months, staff from headquarters and the regions have donated their time to several worthwhile projects.

On Saturday, Dec. 14, 1996, 10 Washington, D.C. employees, led by Enforcement attorney Mark Perlow, staffed a Christmas party for sight impaired children at the Columbia Lighthouse for the Blind in downtown Washington, D.C. The volunteers helped the children make Christmas omaments, play "Pin the Nose on Rudolph," and assist Santa with his visit and toy distribution. Joining Mark were SEC elves Regina Barrett, Sarah Buescher, Maurice Culbreath, Clair Delabar, James Dix, Jaea Hahn, Lisa Robertson, Ann Wallace and Montell

Throughout the month of December, employees at the Judiciary Piaza, Annex

and Operations Center facilities collected food and toys for Washington-area children. The food and toy drive produced several boxes of goodies for donation to Martha's Table, a non-profit organization based in the District of Columbia. The effort was a success thanks to staff from Facilities, who helped collect and ferry the gifts to Martha's Table, and Desktop Publishing.

On March 19, 1997, staff from the Atlanta District Office celebrated Women's History Month by attending a program given by Susan H. Colussy from Catholic Services, Inc., an advocate of community service in Atlanta. Ms. Colussy's presentation emphasized personal benefits she has gained not only in the personal satisfaction of helping others but also in learning a new language, acquiring knowledge and skills,

meeting people and establishing contacts that have been useful in other endeavors. The message was clear: community service benefits everyone.

On Saturday, May 17, 1997 a team of 12 SEC staffers from the Pacific Regional Office and friends rolled up their sleeves to take part in L.A. Works Day '97, a community service "work-athon" to help revitalize the Los Angeles community. After listening to words of encouragement from actor Richard Dreyfuss and Mayor Richard Riordan, the SEC team spent several hours building and installing trellises for an East Los Angeles housing project. SEC staff participants included Patti Gomez, Renee Lee, Michael Levitt, Thomas Mackin, Armando Vasquez, Marianne Wisner, and Cindy Wong.

#### SEC 1997 PHOTO CONTEST

Sponsored by the SEC Employee News and the SEC Recreation & Welfare Association

#### **DEADLINE TUESDAY, JULY 15**

(Entries will be accepted until Monday, July 21, to allow time for photos to arrive from the SEC regions.)

Rules and entry forms were published on the back cover of the March/April Employee News. Additional entry forms are available from Mary Teel, Office of Public Affairs, Policy Evaluation and Research, Room 7103, Stop 7-1 (phone 202-942-0027).

Winning photos and all photos entered in the advanced category will be displayed at SEC head-quarters on the 1C level. One photo from all other entrants will be exhibited if space permits.

Send us your best shot and you may be one of the 1997 contest winners. Good luck to all!

1996 GRAND PRIZE WINNER

Cuban Smiles by Aden Araujo

# SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

Vol. 21, No. 4

Washington, D.C.

September/October .1997

#### EDGAR Record!

#### One Millionth Electronic Filing

On July 7 the BDGAR system received its one millionth submission, setting a new milestone for electronic filing. The EDGAR system, which stands for Electronic Data Gathering, Analysis and Retrieval System, is a method by which filers can send their filings to the SEC electronically rather than on paper.

After an EDGAR pilot which tested and proved the viability of an electronic filing system, the SEC began receiving filings on the operational EDGAR system on July 15, 1992. In April 1993 electronic filing was mandated and a gradual phase-in of all domestic registrants was started. That phase-in was completed on May 6, 1996.

Since July 1992 filers have submitted test filings, live filings, modules and segments (portions of filings to be used in subsequent submissions), and correction scripts. All these submission types have totaled one million submissions since Operational EDGAR began.

#### TN MEXT ISSUE

Commissioner Wallman resigns. He has not yet made a decision about his future plans.

1997 Photo Contest Results

Corrected copy.

Mumba S. Kapumpa, Secretary and Chief Executive of the Securities and Exchange Commission of Zambla, on behalf of the many delegates to the Institute, thanks Chairman Arthur Levitt for the valuable training provided through the Institute program.

#### Seventh International Institute For Securities Market Development

A record number of delegates-100 senior securities regulators and stock exchange officials from 66 emerging securities market countries-attended the Commission's Seventh International Institute for Securities Market Development from April 14 - 25. The Institute is a key component of the SEC's technical assistance program for countries with emerging securities markets. Through this program the Commission has trained nearly 650 people, many of whom now occupy the most senior positions in their countries. For the first time Botswana, Cambodia, Cameroon, the Dominican Republic, El Salvador and Turkmenistan were represented at the Institute.

This year Chairman Levitt and Commissioners Hunt and Johnson were personally involved with the Institute. Commissioner Hunt delivered the welcoming remarks and introduced the Institute's keynote speaker, Gary L. Perlin, Vice President and Treasurer of the World Bank.

Mr. Perlin's speech regarding the role of the state in capital market development and the role of regulation was well received by an enthusiastic group of delegates. Commissioners Hunt and Johnson played a key role in the Institute program as moderators for the delegates' presentations about significant developments in their home markets. Chairman Levitt closed the Institute with inspirational and congratulatory remarks to the delegates,

The Institute is the only program of its kind that brings together senior capital market officials from emerging market countries with leading capital market regulators and professionals from the United States.

The two-week program featured a full schedule of lectures, panels and workshops focusing on the development, operation and regulation of securities markets. Changes initiated this year included holding a panel

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Chairman's Cup winners, pictured from left, Gary Jackson, Joe Cella, Bernie McDonough, Karen Mincavage, Craig Miller, Eric Werner and Eric Ribelia. Not pictured: Eric Hansen.

#### Fourth Annual Chairman's Cup

by Duncan King, Office of Public Affairs, Policy Evaluation and Research

The Fourth Annual Chairman's Cup was held at Prince William Golf Course on Monday, July 28. By the time the sun rose, the temperature was already 80° and on its way to the high 90s. Teams from the Divisions of Market Regulation and Enforcement, the Offices of the Executive Director and Compliance, Inspections and Examinations and the sixth floor all competed to unseat last year's winner, the Division of Corporation Finance.

The competitors were filled with anticipation as they gathered for some last words of encouragement from their team captains and explanations of rules from the organizer and the club pro. The carts filled the parking lot with a cloud of dust as the foursomes found their way to their prearranged starting tees for the 9 o'clock sharp (well, 9:30ish) modified shotgun start, which enabled everyone to start and finish simultaneously.

The groups made their way around the course, chewing up bits of sod and leaving a trail of empty All Sport bottles in the trash cans along the way. The SEC Recreation and Welfare Association was nice enough to provide everyone with two beverage tickets and a golf ball with the SEC logo, as well as the trophies and plaques for the team and individual winners. This group, as well as some individuals in the SEC Golf Club, gave the novice organizers invaluable advice and encouragement necessary to make the event as successful as it was.

As the scores were tallied, it was clear the Enforcement Division, led by Captain Gary Jackson, would lead the way. Their division came in first in three separate events (out of five) and second in another. Enforcement vaulted into the lead as team "Eric" (Hansen and Ribelin) won the best ball portion, Gary Jackson shot a 74 to win the loss gross competition and the Miller/Werner duo took the scramble event.

The Ford/Hatfield combination proved unbreakable as they won the Jack and Jill competition for the Executive Director's Office by seven strokes. Wil Rodgers won the low net event with an amazingly low 61 to keep OCIE in the hunt. In the individual shot contests, Marc Thomas had the farthest drive and Rich Hannigan and Bernie McDonough placed their shots closest to the pin. Congratulations to all of the winners. We hope to see you all out there again next year. We can't let Enforcement keep the Cup, can we?

# DEADLINE NEXT ISSUE OCTOBER 13: 1997 THERE IS NO SEPTEMBER/OCTOBER ISSUE

ISSUE IN 1997.

# SEC EMPLOYEE NEWS the base bourdered Brings Comment The SEC Employee News is published bi-monthly by the Office of Public Affairs Policy Evaluation, and Research U.S. Separates and Exchange Commission 450 5th St. NW Washington, DC 20549 Readers are encouraged to extrain articles for publication and should said material to: Editor SEC Employee News Room 3606 Letters to the Editor are welcome. They should address issues interpretables, and should be submitted with a name and telephone number. Mary Teel, Editor Donald Kovener, Ant Editor Donald Kovener, Ant Editor Donald Kovener, Ant Editor COPY DEADLINE: The deadline for articles for publication in the SEC Employee Navy is the second week of the month prior to the month in which the Navy is the second week of the month prior to the month in which the Navy is published. Scheduled publication months are Jamany March, May, July, September and White.

#### SEC Holds Seventh International Institute

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on municipal securities and devoting additional time to investor education.

The Institute, which is organized by the Office of International Affairs, is built around presentations by senior staff in each of the SEC's four operating divisions-Corporation Finance, Enforcement, Investment Management, and Market Regulation-as well as from the following offices: Chief Accountant,

Compliance Inspections and Examinations, Executive Director, General Counsel, Information Technology, Investor Education and Assistance, Legislative Affairs, Municipal Securities and the Secretary. These are supplemented by presentations by leading U.S. securities industry representatives on topics such as corporate governance, clearance and settlement systems and derivatives. This year approximately 55 outside speakers (many of them SEC alumni)

and 65 SEC speakers and workshop leaders participated in the program.

In addition to being speakers, many SEC staff contributed to the Institute manuals and workshop materials. The Office of Administrative and Personnel Management--including the Print Shop, Desktop Publishing and Facilities—provided invaluable logistical support and other assistance in delivering the program.

Following the Institute, 67 delegates spent up to five days as interns with self-regulatory organizations, stock exchanges, clearing organizations, investment banking firms or investment management organizations in New York, Chicago, Boston and Washington. These internships were tailored to suit each delegate's interests.

The Commission holds the Institute without charge to the delegates. Delegates are expected, however, to pay for all transportation and accommodation and subsistence expenses. As in the past, the U.S. Agency for International Development and other international development organizations assisted with these expenses. This year for the first time the World Bank also provided funding for delegates' travel and expenses, and hosted the closing reception.

In addition to the International Institute for Securities Market Development, the Commission offers a oneweek Program on Securities Enforcement and Market Oversight in the fall for securities enforcement regulatory staff from both emerging and developed markets. The annual International Enforcement Program was introduced in 1994 in response to the many requests the Commission receives each year from foreign colleagues for intensive training in the Commission's enforcement and market oversight techniques. It focuses on practical techniques for conducting investigations; market surveillance; and inspections of broker-dealers, mutual funds and investment advisors. This year's program will be held from October 27 through 31, 1997.

#### OUT NEWS

#### EDGAR Enhancements Benefit Users

The BDGAR system continues to evolve, providing additional functionality for SEC users and filers in addition, several new filing records have been set in the last few months.

System enhancements have been incorporated which benefit SEC users of the EDGAR system. Virqually all SEC staff users now are running the application on a pentium: computer under WARP 4. Phasein of this equipment was completed this spring. On June 16, another BDGAR workstation release was put into production. With this new release, the users can select more than one filing, assignment, exhibit, or related materials and print them on the mainframe printer, using one command. Additional modifications were made to change various default settings and directories to make system use easier for the staff.

Modifications have also been made to benefit the filers. In April, a system modification was made to enable filers to transmit their filings to the SEC using 14.4 band rate moderns. Additional communications parameters have been added to EDGARLink, the package that most filers use to prepare and

transmit their filings to the EDGAR system. The software now supports over 500 specific modems and includes the modem mitialization strings to make the connections with the EDGAR system more reliable. Filers can now use the EDGARIAN software to edit exhibits attached to their NSAR filings, although they cannot make changes to the N-SAR document itself or the submission header.

The next release of EDGAR-Link is scheduled for August and will include several new form types; context-sensitive help, new affective date lags for some fillings, and additional series numbers for Article 6 Financial Data Schedules. In addition, filets will receive a warning message or an error message, depending on the situation, when they inadvertently submit a filing with one or more documents that have no text. This enhancement will improve the EDGAR system for the filters as well as the SEC staff.

Enhancements to the EDGAR system will continue through the and of the year, when a new EDGAR contract is expected to be awarded.

#### A MATTER OF ETHICS

PART TWO OF A SERIES

# Frequently Arising Ethics Issues Or Everything You Ever Wanted To Know About Ethics

by Barbara Hannigan, Ethics Counsel

This is the second part of a series of articles providing an overview of ethics issues that employees frequently encounter. As you may recall, Part One discussed: nonpublic information, employee securities transactions, employment of family members, financial interests and personal interests. (For your convenience, Part One is now posted on the Ethics Bulletin Board on the LAN.) Part Two focuses on two additional areas: (1) gifts and invitations and (2) outside employment and activities.

You should be aware that the ethics provisions governing these areas are rather intricate. If you have a specific question, you may wish to consult your Ethics Enaison Officer or Deputy, or refer to your ethics handbook for more detailed guidance. I hope this article will help you to identify and resolve ethics issues concerning your acceptance of gifts and participation in outside activities and events.

#### 1. Gifts And Invitations

The Commission has long been respected for its absolute impartiality in its dealings with those who have interests that may be affected by the agency and its staff. The staff's practice of declining any gift or invitation that could give rise to even the appearance of impropriety was commended by Lloyd Cutler, former White House Counsel in his famous remark: "You can't even take an SEC lawyer to lunch!" All of us have a duty to protect the Commission's sterling reputation. We can do so by diligently following both the letter and spirit of the gift rules. These rules are intended to help us avoid even the appearance that we are being improperly influenced in our work.

#### The General Rule

You may not, directly or indirectly, solicit or accept a gift:

- o from a prohibited source, or
- o given because of your official position.
- o unless an exclusion or an exception applies.

#### "Gift"

A gift is anything that has monetary value including: meals, entertainment, hospitality, gratuities, favors, services, transportation, local travel (tax)s/car service), and lodgings:

#### "Prohibited Source"

A prohibited source includes any person or entity who:

o is seeking official action by this Commission (e.g., applicants, no action requesters, subjects of investigations):

o is doing business or seeking to do business with the Commission (e.g., Xerox, Westlaw);

o is conducting activities regulated by the Commission (e.g., brokerdealers, investment advisors, selfregulators organizations);

o has interests that may be substantially affected by the performance or non-performance of your official duties (e.g., law firms and accounting littles that practice before the Commission); or

o is an organization comprised primarily of members who fall within one of the above categories (e.g., Securities Industry Association and Investment Company Institute).

#### Exclusions and Exceptions

The most frequently relied upon gift; exclusions and exceptions are listed below. In some cases it may be wise to decline a gift, regardless of whether an exclusion or exception applies; morder to avoid the appearance of im-

propriety. For instance, suppose your childhood friend is a securities lawyer who practices before the Commission. Under the personal relationship/friendship exception, you may let her treat you to lunch However, if she or her firm is involved in a sensitive matter pending before the Commission, it would be advisable to decline her invitation.

In doubtful cases, you should always consult with your supervisor or Ethics, Liaison Officer or Deputy before accepting an invitation or gift. In addition, you may wish to ask your Ethics Liaison Officer or Deputy if your division or office has any special concerns or guidelines on gifts.

#### **Exclusions**

You may accept the following items which are so nominal that they are not even deemed to be gifts:

- o refreshments that are offered other than as part of a meal (e.g., coffee, danish, soft drinks);
- o items with little value (e.g., greating cards, pens, plaques); and
  - p discounts and benefits offered to:
    - the public;
- all SEC or Federal Government employees (a.g., reduced bar membership fees); and
- all members of a group that is not related to the Federal Government (e.g., mutual fund sends free books to all investors);

#### Exceptions

As long as you have made a good faith effort to ensure that there are no pending matters or other special concerns relating to the donor or host, you may accept a gift without violating the gift rule if it falls within one of the

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CONTINUES PROM PREVIOUS PAGE

following exceptions:

- o Speaking Engagements and Widely-Attended Gatherings. You may accept meals and other benefits offered in connection with a speaking event or widely-sittended gathering (e.g., certain conferences and receptions), subject to rather intricate limitations. You must have written approval to attend an event when you can affect the sponsor's interest. (Please see our memorandum on the new amendments to the widely-attended gathering exception, which is now posted on the Ethics Bulletin Board.)
- o Personal or Family Relationship. You may accept a gift motivated by a family or personal relationship (not by your official position). The factors which should be considered include:
  - o the history of the relationship; o whether the donors is personally
- paying for the gift; and
- whether the gift is given outside the business setting.
- o Social Invitations from Non-Prohibited Sources. You may accept an invitation to a social event, which you receive because of your official position, from someone who is not a prohibited source, as long as no fees are charged to any person attending the event.
- o \$20 De Minimis. You may accept speaker's gifts, meals and other benefits that have a retail value of \$20 or less. In deciding whether to accept such gifts, you should consult with your Bthics Liaison Officer or Deputy as to whether your division or office has any special concerns or guidelines about the use of this exceptionals perfain situations.
- o Spousal Business or Outside Activities. You may accept meals, entertainment, lodgings, transportation and other benefits resulting from your spouse's employment, as long as such benefits are not offered or enhanced because of your official position.

(This exception also allows acceptance of certain interview expenses)

o Gifts from Foreign Governments. Under certain limited circumsumose, you may accept a gift valued at \$225 or less from a foreign government. (Please see our memorandum on gifts from foreign governments, at Tab II.A. of your ethics handbook.)

The above list is intended to provide only an overview of the most frequently used gift exceptions. The criteria which must be met for some of these exceptions are complex. Thus, you may wish to refer to our memorandum on gifts at Tab II A of your others handbook for a more detailed explanation of these exceptions.

Disposition of Prohibited Gifts."

What should you do if you receive a prohibited giff? You have three choices;

- o return any tangible item to the donor (the SEC Mail Room will assist you):
- o pay the donor for the gift (use retail value or your best estimate of its value); or
- o give any perishable items to chars prohibit you from:
  ity, share them with your office, or o acting as ago
  discard them.
  anyone other than t

#### 2. GUTSIDE EMPLOYMENT AND ACTIVITIES

Employees must obtain written approval before engaging in outside employment or professional work of accepting honoraria or similar fees. You do not need approval to particle pate as a volunteer in charitable, réligious, civic, recreational and alumni organizations, as long as you do not provide professional services to the organization. You may also participate as a member in professional organizations, such as bar and accounting associations. However, you do need approval to serve as an officer or director or to provide professional services to such organizations. Moreover, you must follow the standards and policies summarized below when you engage in any outside activities or amployment:

#### Standards and Policies

- o You may not use SEC talephones; compilers, or fax machines to perform outside work; and you may not perform outside work during your regular duty hours.
- o You may not participate in activities or supplyment that are incompatible with your SEC employment, such as employment that involves the issuance, sale, purchase, or investment of securities.
- o Outside legal, accounting and other professional work is generally discouraged. However, certain probono activities, including those aimed at improving the community and assisting indigetits, are encouraged. Also, we presently are working with the staff on a new policy to streamling the approval process for professional probono activities. We'll keep you apprised of further developments concerning this important initiative.

#### Criminal Statutes

Criminal --statutory provisiona prohibit you from:

- o acting as agent or attorney for anyone other than the United States in any matter in which the United States is a party or has a direct and substantial interest; and
- or receiving compensation for representational work performed by you or another, for anyone other than the United States, in any matter in which the United States is a party of has a direct and substantial interest.

Example 1. The accountant who receives prior written approval may help a relative prepare a tax return and may sign it as the preparer. The accountant may also answer any factual questions the internal Revenus Service (IRS) may have about the return. However,

CONTINUED ON PAGE 7:

#### Introducing Some SEC Assistant Directors

This is the first in a series of articles designed to introduce SEC's Assistant Directors.

> From left, Assistant Directors Nancy Sanow, James Brigagliano, Eva Marie Carney and Susan Yashar. (Photo by Christopher Ullman)

Nancy J. Sanow

Nancy Sanow is Assistant Director in the Division of Market Regulation. She oversees the Office of Risk Management and Control, where she is responsible for administering the trading practices rules. These rules cover transactions by persons participating in a distribution of securities, issuer repurchases and similar activities. Nancy prepared Regulation M, which was passed by the Commission last December. It involved major revisions to the Commission's antimanipulation regulation. Earlier this year, she was a panelist on the American Law Institute/American Bar Association Broker-Dealer Regulation Conference.

At the last Awards Ceremony in late January, the excellence of Nancy's performance was recognized with the Jay Manning Award and the Regulation Simplification Award, which she shared with the Task Force on Disclosure Simplification.

Nancy joined the Commission as a staff attorney in the Division of Market Regulation in September 1981. After working a year in the Municipal Securities Branch, she transferred to the trading practices area.

She has been with the SEC for a little more than 16 years, so people are always surprised that she has 26 years of government service. "I started at age 18 as a summer employee working at the Navy Depot in my home town," Nancy said. "I also worked summers in the Solicitor General's Office at the Depart-

ment of Justice--my first experience with government lawyers. After college and during law school, I worked for the Hon. Lucien N. Nedzi (Michigan), Hon. Joseph M. McDade (Pennsylvania) and the House Committee on Small Business."

Nancy is a graduate of Georgetown University Law Center and has a BA in International Studies from American University.

(b)(6)

James A. Brigagliano

Jamie Brigagliano has been an Assistant General Counsel in the Office of the General Counsel since 1990. His job is to represent the Commission and its staff when they are sued or subpoenaed in litigation.

Jamie joined the Commission in 1986 as a staff attorney. He was named Special Trial Counsel in 1988 and Assistant General Counsel for Litigation and Administrative Practice in 1990. A highlight of his career has been representing the Commission and certain staff members in *Doe v. SEC*. In that case, Doe challenged, based on the federal wiretap statute, the Commission's right to use a recording of an incriminating voice-mail

message he left for another employee at Doe's company. A panel of the Sixth Circuit reversed a district court decision prohibiting the Commission from using the tape and continuing with its enforcement action. The panel reasoned that, 88 Commission was innocent recipient of the tape, even if it was illegally made, Commission should be able to use the tape in its enforcement action.

December of 1996, the court of appeals reheard the case *en banc*. A decision is pending. For his outstanding work over the years, Jamie has received nominations for the Younger Federal Lawyer and the Supervisory Excellence Awards.

Jamie joined the Commission after serving four years as an associate with the New York law firm of Burke & Burke (now Saterlee, Stephens, Burke & Burke.

#### Susan Yashar

Susan Yashar is an Assistant General Counsel for Litigation in the Office of the General Counsel. Her job is to defend the Commission and staff when they are sued. Suits against the Commission and staff arise from, among other things, the Commission's enforcement and regulatory work, and from employment disputes.

Susan was the lead counsel in Colello v. SEC, an important civil case brought in the U.S. District Court in California by plaintiffs who were the subject of a separate SEC enforcement action. The plaintiffs alleged that the U.S. and Swiss governments violated their constitutional rights by freezing plaintiffs' Swiss assets in furtherance of the enforcement action and sought money damages and equitable relief. After extensive briefing and oral argument, the Commission obtained the dismissal of all claims in the case.

Susan joined the Commission in 1990

as a staff attorney with OGC's Rule 2(e) team. Before joining the Commission, she was an associate for five years with the law firm of Ross, Dixon & Masback in Washington, D.C., and an associate for two years with the law firm of Bogle & Gates in Seattle.

"I've truly enjoy the myriad of litigation I've handled while at the Commission," Susan said.

Susan received a JD from Boston University and a BA in Government from Georgetown University.

[6](6)

#### **Eva Marie Carney**

Eva Marie Carney has been an Assistant General Counsel

since 1995 and a Senior Special Counsel since 1992. As Assistant General Counsel, she supervises preparation of opinions and orders resolving appeals from securities industry actions and decisions of administrative law judges. She represents OGC's position in matters before the Commission and assists with the recruitment and selection of staff. budget preparation and audit functions, special projects and general management of the Commission's adjudication program. She had the responsibility of planning the SEC's 1994 two-day inaugural conference on securities industry discipline and more recently has coordinated OGC's review of the NASD's proposed revisions to its corporate governance documents, Code of Procedure, and other rules, submitted in response to the NASD's 1996 settlement with the Commission.

Eva Marie joined OGC's Appellate Group in 1987 as a staff attorney. In 1990, she transferred to the Division of Investment Management as a Senior Counsel and assisted in drafting the Division's 1992 report, "Protecting Investors: A Half Century of Investment Company Regulation." In 1992, she returned to OGC as a Senior Special Counsel.

Her legal experience before joining the Commission is varied. Eva Marie represented Saint Elizabeth's Hospital in

I've truly enjoy the myriad of Litigation I've handled while at the Commission.

Susan Yashar

I've ergoyed working with such an accomplished staff who also happen to be very nice people:

Jamie Brigagliano

Writing opinions and orders that accurately capture the factual situation, articulate the law clearly, and reach fair results that are consistent with investor protection are daily challenges. The OGC adjudication staff are bright, focused, and hard-working and that makes the work all the more rewarding.

Eva Marie Carney.

Over the years, I've had the apportunity to work on large-scale and/or innovative transactions and challenging projects to help set policy in the studing practices area, and to work with bright creative and committed people. These experiences make the SEC a great place to work.

Nancy Sanow

she clerked for a Los Angeles law firm and for Stanford University's Legal Office and was a summer intern for Women Organized for Employment in San Francisco.

In 1983 she earned a JD from Stanford Law School, where the honors she received included Best Brief and the Walter J. Cummings Prize, awarded in the 1983 Kirkwood Moot Court Competition, and the Faerie Mallory Engle Prize, awarded in the 1981 Stanford Client

federal civil litigation as a staff attorney in the Office of Legal Advisor. She was Special Assistant U.S. Attorney in the U.S. Attorney's Office for the District of Columbia, where she prosecuted civil commitment proceedings. She has served as judicial clerk for the Hon. Robert I. Richter of the Superior Court of the District of Columbia, and as counsel for the Subcommittee on Juvenile Justice of the U.S. Senate. She also served as judicial clerk for the Hon. Robert O. Staniforth of the California Court of Appeal. During law school,

Eva Marie is a member of the California and District of Columbia Bars and the Women's Bar Association. She

#### FROM PAGE 6

#### A MATTER OF ETHICS

the accountant may not explain to the IRS the legal basis for a deduction, or otherwise act in a representative capacity.

Example 2... An OAPM employee who has prior written approval may start a construction and home improvement business. The employee may not however, share in partnership income attributable to his partner's successful bid to build a fence for the Veterana Administration.

Amemorandum providing more detailed guidance on outside employment and activities and sample requests for approval is located at Tab III C. of your ethics, handbook. In addition, you may wish to read our memorandum on honoraria, which is posted on the Elnics Bulletin Board.

Please look for apcoming articles in this series that will discuss a variety of issues, including:

- o clearance of speeches and articles,
- o seeking other employment,
- o post employment restrictions, and
- o\_ political activities—Hatch Act. Until dien, be smart-stay ethical!

#### ADMINISTRATIVE AND PERSONNEL MATTERS

#### Leave Administration-Updated Points of Contact

General questions about leave administration should be addressed to Linda Hunt (202-942-4068) or Don Watkins (202-942-4092) in the Employee Relations Unit, Office of Administrative and Personnel Management. Questions related to the Leave Transfer Program should be addressed to Camisha Pinkney (202-942-7770). In addition, if you have general employee relations questions, please call the unit's main number, 202-942-7770.

#### \*\*\* FAREWELL TO SEC RETIREES \*\*\*

The Commission bids fond fatewell to our recent regrees:

EMPLOYEE	OFC	SVC YEA	AS AF	TIRED
Linda T. Sparro		. 30	38488 - CACCO - COMMAN	y 31.
Susan Bi Mann		6	Ju	n 2
Patti A. Nobile	MR		ÚĽ	n 13
Lori A. Sough	CAPM	8	باك .	n 17
Russell A. Leon	e CP	- 233	Ju	n 30
Michael A. Sch	nitzer MRO	10	Jù	n 30
Richard D. Cap	parella ES	10	Ju	n 30
Hampton Wilson	1. Jr. · OAPM	20	ປັບ	
Gary N. Sundiel	ENF .	30	űť	3"
Robert R. Teit	. IM	- 23		19

#### IN MEMORIAM

#### Denise O'Brien

Denise M. O'Brien, a former attorney with the Commission, passed away on June 15 following a long illness. Prior to joining the SEC, she worked for the interestate Commerce Commission and the Washington law firm of Hamel & Park, where she became the firm's first female partner.

Denise began her SBC career as Deputy to the Associate General Counsel for Litigation and Administrative Practices in the Office of General Counsel in 1987. In 1989, the became Senior Trial Counsel in the Commission's San Francisco Office. She left the SEC in 1990 to become Assistant General Counsel for General Law at the Federal Energy Regulatory Commission, a position she held until her retirement in November 1995. She received her BA degree magna cum laude from Boston College in 1975, and graduated cum laude from the Boston College Law School in 1978

#### Dabney Carr Allen

S Dabney Carr Allen, a former personnel appecialist, died of

on July 4

Dabney began her SBC career in 1966 as a Personnel Management Assistant in the Office of Personnel. She was promoted to Position Classification Specialist in 1962, then reassigned as a Personnel Management Specialist later that year. She held that position until her resignation in July 1969. She returned to work as a temporary Position Classification Specialist for six months beginning in December 1972, and for another six months beginning in December 1972, and for another six months beginning in January 1974. She worked as a consultant in the Personnel Office for a brief period in 1992.

During her entire SEC career, Dahney was highly regarded, and she will be missed by her many friends and former to-workers.

Dabney graduated from McLean High School in 1962 and from Dickinson College in 1965. (1)(6)

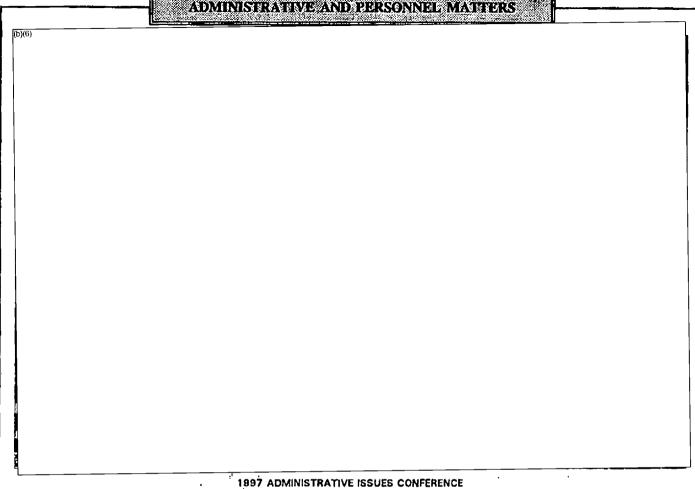
#### Graver C. Miller

Grover C. Miller, a former employee with the Commission, passed away on June 18 at his home.

Grover began his career with the SRC in Peoruary 1948 and held a variety of Clerical, supervisory and managerial jobs in the Mailroom, Public Reference, Consumer Affairs, and FOIA, mostly under the former Office of Reports and Information Services. He served as Chief, Public Reference Section, and Supervisory Investor Services Specialist before his retirement in 1978.

Coworkers who remember Grover described him as a dedicated supervisor, concerned about his fellow workers and about maintaining the professional image of the Commission

Following his retirement, de worked for about 10 years at Pickwick Square Mutual Homes, Inc.



Participants, along with Conference organizers, are pictured from left. First Row 1: Fred Lockett (SERO), Rabia Cebeci (PRO), Paula DeTorre (NERO), Diame Hinzpeter (BDO), Sandre Speicher (CRO), Veronica Gillette (ES), Scotty Zamora (SLDO), Jacqueline Ctay (OIA), Fernando Alegria, Bonnie Westbrook and Carolyn Barberito (OAPM), Deborah Bowlding (MR), Addie Thrower (OIT), Yvette Johnson (OGC), Dionne Starks (OCIE) and Kerni Turner (OIEA). Row 2: Cynthia Moore (NERO), Stanley Shaw (SFDO), Gordon Robinson (ADO), Denise Bowie (ALJ), Kathy Stevens (ADO), Peggy Maske (MR), Joyce Evilsizor (FWDO), Deborah MoAlexander (CRO) and Donald Allefujka (MRO). Row 3: Lestitia Hoben (PDO), Denise Green (OED), David Levinson (PRO), Don Watkins (OAPM), Alexa Ledezma (SERO), LaJoncy Willis (OIEA), Josetta Yee (SFDO). Linda Pitt (FWDO) and Linda Stirling-Godfrey (PDO). Not pictured: Christine Briscoe (OEEO), Lynn Eslin (OFIS), Vivian Forster (OGC), Virginia Jay (OGC), Rosa Lawson (OEA), Hilda Luces (ENF), Pattie Martin (IM), Sherry Moore (OMS), Angela Oliphent (OC), Irene Proctor (OPAPER), Pam Proctor-Sarvis (OCA), Pat Ragfand (OAPM), Cheryl Randolph (ENF), Reinaldo Reid (NERO), Lolita Robinson (OIG), Valeria Wallingsford and Lynne Wilholt (OAPM).

#### 1997 Administrative Issues Conference

The 1997 Administrative Issues Conference, sponsored by the Office of Administrative and Personnel Management (OAPM), was held in the renovated Room 1C30 of the Judiciary Plaza Building on June 19 and 20, 1997. This biennial conference provides an opportunity for administrative contacts and others who deal with various personnel and administrative support issues to interact with program staff and provide feedback and suggestions for improving support office services. The conference focuses on new policies and procedures,

problem areas and future initiatives.

Fernando Alegria, Associate Executive Director of OAPM, welcomed the participants and provided an overview of OAPM's progress on initiatives over the past year and plans for the future. OAPM extends its thanks to the speakers who participated in this year's conference:

- Jim Donahue, Darrell Dockery, Henry Hoffman, Keesha McNeal, Gloria Sims, Deidre Starks, and James Taylor from the Office of the Comptroller;
- Sue McHugh from the Office of Filings and Information Services;

- Mike Bartell from the Office of Information Technology;
- Bill Ford from the Space Renovation Program, Office of the Renovation Program, Office of the Executive Director; and
- Carolyn Barbarito, Barry Brown, Jean Burton, Lawan Conley-McLean, Ethel Edwards, Harry Fleming, Linda Hunt, Gene Johnson, Stephen Johnston, Dick Kanyan, Chris Kubelick, Liz Persell, Mark Raisher, Rosie Short, Marcia Spillane, Linda Sudhoff, Denise Taylor, Jim Vandecar, Bertha Wade and Bonnie Westbrook from OAPM.

#### ADMINISTRATIVE AND PERSONNEL MATTERS

#### IN MEMORIAM

#### Ellen Ross

On July 14, the SEC lost one of its best. Ellen B. Ross, Assistant Director in the Division of Enforce menli died al [Di0]

Blien began her legal career in Los Angeles as a personal manager and legal advisor to recording artists: She later moved to the Washington area and worked at the law firm of Debevoise & Plimpton. In 1984, Ellen came to the Commission as a staff stiomey in the Washington Regional Office. She transferred to headquarters with that Office and later became a Branch Chief and ultimately an Assistant Director. While at the Commission, Ellen brought numerous landmark cases, including the Commission's action against Drexel Burnham Lambert Incorporated, the Wang and Lee insider trading case, the Commission's administrative actions against Bankers Trust and Gibson Greetings and the College Bound financial fraud case.

Bilen received her BA, cumlaude; from California State
University in 1977. She then
received a Master's degree in Public
Administration in 1979. During her
university years, she worked as a
Staff Assistant in the White House
Office of Intergovernmental Relations;
as a Grants Specialist for the City of
Redondo Beach, and as an Issues
Consultant for Mayor Tomi Bradley.
In 1982, she received her law degree
from Loyola Law School.

Ellen was a tiretess and talented attorney and supervisor. Throughout her career here, Ellen's dedication to her work and to this institution was unmatched: no one approached work at the Commission with greater enthusiasm and pride. She impressed all with whom she worked with her commitment, her energy, and her spirit. She taught all of us the importance of lidyalty to our colleagues and fairness in all our destings. She will be greatly missed.

Vicia Clemons

Viola M. Clemons, an employee of the Office of Filings and Information Services (OFIS), passed away on July 27 at the Washington Hospital Center. Viola began her career as a clerk-typist in the Office of the Secretary in October 1969. In 1970, she was reassigned as a Documents Clerk in the Division of Corporation Finance, Office of Filings and Reports of the office that became OFIS. In 1993, she was promoted to Legal Instruments Examiner in the Branch of Registrations and Examinations.

Viola was one of the most experienced examiners of Broker-Dealer and Investment Advisor filings. She was committed to providing responsive service to the public and to the filing community. Over the years the received numerous letters of appreciation from law firms, investment companies and brokerage firms, at testing to her commitment and her friendly manner of providing assistance. Violate fondly remembered by her coworkers and friends at the Commission for her concern for others.

#### Evan Kemp

Evan J. Kemp, Jr., a long-time disability rights activist and former SEC employee, died at George Washington University Hospital in Washington; D.C., on August 12.

Even worked at the Commission from 1967 to 1980 as an attorneyadviser in the Divisions of Corporation Finance and Investment Management. He then served as executive director of the Disability Rights Center until 1987, earning 2 reputation as one of the nation's leading advocates for people with President Reagan disabilities: appointed him to the Equal Employment Opportunity Commission (EEOC) in 1987. In 1990, he was appointed Chairman of the EEOC by President Bush and served until 1993 Evan played a major role in writing the Americans With Disabilities Act of 1990 and the implementing regulaSince the age of 12, Evan had suffered from (b)(6)

advocate for those with disabilities, he fought against the government's paternalistic approach, which he believed created dependency, and instead advocated initiatives that emphasized work opportunities, self-reliance, and personal responsibility.

Evan was born in New York and grew up in Cleveland Heights, Olifo. He graduated from Washington and Lee University in 1959 and received his law degree from the University of Virginia Law School.

#### Roswith Bowens

Roswith M. Bowens, a logal technician in the Midwest Regional Office, died on August 20. She was 32. Throughout her [Diff]

ever lost her irre-

pressible good spirit

spent with the SEC. She joined the Chicago office in Enforcement Branch #2 as a clock-typist in 1987, was promoted to a legal clock in 1988 and to legal technician in May 1990. She received another promotion in 1992.

Throughout her career, Roz demonstrated a genuine willingness to assist with any project at any time. Her kindness, good humor, upbest personality and generous nature will be greatly massed by her friends and fellow workers.

Administrative Contact in the Midwest-Regional Office

#### MONEY MATTERS

#### Travel Policy, Improved Gustomer Service

by Michael Erickson, Office of the Comptroller

#### **Travel Policy**

#### New Proceduras for Non-Contract Carriers, Expenses Above Per Diem, Upgrades

Travelers will be required beginning October 1, 1997 to submit new forms for all requests for (1) the use of non-contract carriers, (2) actual expense reimbursement above the per diem for lodgings, meals, and incidental expenses (M&IE) and (3) upgrades to business class accommodations on public carriers. After approval by the traveler's authorizing official, requests by the traveler should be sent to the Office of the Comptroller (OC) for final approval. Electronic transmittals are recommended using OC formats that are available through cosmail on the LAN Bulletin Board. The OC will respond to each request and provide notice if approval has been granted or denied. A copy of the OC approval must be submitted with the respective travel voucher when making a travel claim.

#### Expenses Above Per Diem Rate

The Federal Travel Regulation (FTR) as of May 1, 1997 authorizes the approval of up to 300% of a location's prescribed per diem rate. Approval for such actual expenses must be obtained in advance from the OC and is limited by the FTR to special or imusual circumstances. These circumstances are described in section 301-8.3 of the FTR. A copy of the FTR may be found in the SEC Travel Handbook.

#### Per Diem Rates For Partial Day Travel

Reminder—The quarter day method of computing M&IB allowances for partial day travel was abolished under the FIR. The new rate is a flat three-fourths of the applicable M&IB rate, but qualification for M&IB expense reimbursement is limited to trips of 12 hours or more. The three-fourths rate applies to the first and last day of any trip over 24 hours.

#### Travel Vouchers-Time of Day Posting

Reminder—The posting of times of day is no longer required on a travel voucher for any trip lasting 24 hours or longer. However, times must be posted for any trip less than 24 hours long. Departure and arrival dates are required on all vouchers.

#### Travel Management Center Services

Commission employees are required to use Travel Management Centers (TMCs), for example, OMEGA at headquarters when making transportation arrangements. Whenever possible, employees are encouraged to use their TMC for lodging, rental vehicles, and other travel services. Each TMC can provide these services at competitive rates.

#### Office of the Comptroller Promises Improved Customer Service

A guaranteed response is promised within four work bours to OC customers using a new communications system. Prior to relocating to the Operations Center in Virginia fast fall, employee inquiries were often handled on a face-to-face basis. Since this is no longer feasible in the OC's new location, a new communications system has been established using voicemail and o-mail messages.

Under the new system, Commission employees and vendors may call a central OC number or send an e-mail to a central OC mail box (identified below) and leave a detailed message regarding their question or concern. Each incoming message will be directed to the person within OC best able to provide a quick and accurate response to the customer within four work hours.

The advantage of this system is that phone messages will no longer accumulate in the voice mail queue of an employee that may not be available or our of the office that day. In addition to providing better service, this system should improve the productivity of OC staff.

The numbers and addresses to use, by topic, are listed below. Please give the system a try.

•	Voice Mall	E-Mail
		er en
Payroll	942-0370	OC-Payroll
Travel	942-0360	OC-Travel
Accounting	942-0380	OC-Travel
Budget	942-0350	OC-Budget

#### **Balancing Work and Family Life**

Child, Elder Care Information Now In Field Offices

Each field office now has a Child and Elder Care Contact (CECC). OAPM has provided the contacts with information on various aspects of child and elder care, including how to find local sources of day and after-school care and information on various topics relating to children and elders.

The information provided includes a very informative publication titled The Handbook of Child and Elder Care Resources. It also includes brochures and booklets on subjects of interest to employees with children such as the im-

portance of good child care and suggestions on how to choose quality child care. For those involved with elders, there is information on caring for aging parents and on how to search for more information about services for seniors, as well as on many other topics.

Employees at headquarters will continue to receive information on these subjects from the Child and Elder Care Coordinator, Paula Frohman, on extension 4057. Employees in the field offices will receive information from the CECC's, as listed below:

		Talashana
Field Office	Contact	Telephone
New York, NY	Cynthia Moors	212-748-8023
Atlanta, GA	Kathy Stephens	404-842-7650
Boston, MA	Ray Titus	617-424-5900, X648
Denver, CO	Amy Norwood	503-844-1029
Fon Worth, TX	Toby Leonard	817-978-6427
Chicago, IL:	Karen Gniedzielko	312-886-9898
Philadelphia, PA	Annette Kelion	215-597-2364
Los Angelos, CA	Rabia Cebeci	213-965-3853
Salt Lake City, UT	Lindsey McCarthy	801-524-5394
Sen Francisco, CA	Judith Butler	415-705-2500
Mjami, FL:	Alexandria Ledezma	305-982-6343

#### New Publications

SEC 1996 Annual Report
Stock No. 946-000-00169-9, 611
A limited number of copies for the use of staff members are available from the SEC Publications Office.
Room 3C40 or phone 202-942-4049. Members of the public may purchase this publication from the U.S. Government Printing Office, by phone (202-512-2250), by 189 (202-512-1800), or by mail Superintendent of Documents.
P.O. Box 371954, Pittsburgh, PA 15250-7954.

The following publications are available free of Charge from the SEC Publications Office:

Work of the SEC (July 1997). The SEC's mission, the laws it enforces and how it works.

SEC Publications (June 1997). SEC publications available from the Government Printing Office or directly available from the SEC. Convenient order forms are incorporated for ease of use by the public.

#### SERO Runners Compete In Largest U.S. Five-Kilometer Race

(b)(6)

SERO racers, pictured from left. Back row: Cindy Eson, Glenn Gordon, Honka Almonte and Russell Weigel. Front row: Jon Jorden, Jennifer Byrne, Susan Curtin, Chin-Pin Lu, Mara Alvaraz, Vivian Velazquez and Francois Cooke.

On May 1, eleven runners from the Southeast Regional Office (SERO) participated in the 13th Annual Office Depot Corporate Run in Miami. The participants ran five kilometers in the hot Florida sun, but still had an enormous amount of fun. In total, there were 20,015 runners from all over the state of Florida competing in the race. The Office Depot Corporate Run is said to be the largest five kilometer race in the country.

This year was the first time the SERO entered a team, which competed in the Government Coed Division (two men and two women). The team consisted of Mara Alvarez, Susan Curtin, Russell Weigel and Francois Cooke. Their time ranked them 17th out of 26 participants in this division. The team vows that next year it will finish with a faster time.

## SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

Vol. 21, No. 1

Washington, D.C.

January 1998

(b)(6)

#### Paul Carey Sworn In As Commissioner

Paul R. Carey was sworn in as the 75th SEC Commissioner on November 3. The oath of office was administered by Chairman Arthur Levitt.

Mr. Carey, who worked in the White House before being appointed an SEC Commissioner, was sworn in a second time at a White House ceremony on December 1. Vice President Gore administered the oath of office.

The White House ceremony had been delayed until Commissioner Carey's (b)(6) could be

present. Standing in for their (b)(6) held the Bible. Commissioner Carey said, "I was pleased to share

the experience with so many of the people who have been my colleagues over the past few years."

Before his SEC appointment, Commissioner Carey worked for the White House as Special Assistant to the President for Legis-

lative Affairs. He was liaison to the Senate, handling banking, financial services, housing, securities, trade and other related issues. While he primarily concentrated on Senate matters, Commissioner Carey participated with others in high level administration issues of the day.

Commissioner Carey's interest in government is not surprising. His father, Hugh L. Carey, was Governor of New York for eight years and a member of Congress, representing Brooklyn, for 14 years.

Prior to joining the Administration, Mr. Carey was an Associate with Donaldson, Lufkin & Jenrette in its institutional equity division. He left that firm to join First Albany Corporation in a similar position. The discipline and decision-making skills he acquired as an institutional broker should

Commissioner Paul Carey

#### COMMUNICATION OF PAGE 3

(b)(6)

#### Laura Unger Sworn In As Commissioner

Laura S. Unger was sworn in as an SEC Commissioner on November 5. Chairman Arthur Levitt administered the oath of office in the Mansfield Room of the U.S. Capitol. Senator Alfonse D'Amato attended the ceremony.

Asked her reaction to the appointment. Commissioner Unger said, "It is a privilege to return to the Commission, where I began my career a decade ago. I am particularly honored to participate in policy making for this agency and to have the opportunity to be involved in a wide range of issues involving the Commission in the midst of a flourishing bull market. Most of all, I am gratified to be able to once again work with many of my former colleagues."

Commissioner Unger began her career in 1988 as a staff attorney (enforcement) in the Commission's New York office. In 1990. she was chosen from the SEC for a twoyear Congressional Fellowship in the office of Senator D'Amato, where her responsibilities involved banking and securities matters. Following the Fellowship, Ms. Unger served as Counsel to the U.S. Senate Committee on Banking, Housing and Urban Affairs until her appointment to the SEC. As Committée Counsel, she was responsible for banking legislation and all securities legislation. The Government Securities Act Amendments of 1993, the Private Securities Litigation Reform Act of 1995 and the National Securities Markets Improvement Act of 1996 were among the numerous securities laws she handled. Ms. Unger frequently spoke before groups and organizations such as the American Bar Association, the Securities Industry Association and the North American Association of Securities Administrators.

Ms. Unger serves on the American Bar

Association Subcommittees on Civil Litiga-

Commissioner Laura Unger

ADMINIST ON PAGES

#### Corrective Actions For Misconduct

The Commission must maintain a productive, disciplined work environment in which both management and employees recognize and carry out their responsibilities. Usually, maintaining discipline is not a problem within a work environment where reasonable rules and standards of conduct and performance are clearly communicated and consistently enforced. Knowing that the rules will be enforced is usually sufficient to discourage inappropriate behavior. However, for the occasional employee who will not abide by agency requirements, taking effective corrective action is necessary to maintain the morale, efficiency and productivity of the workplace. In a recent audit by the Inspector General, "Enhancing Excellence," one of the findings was that employees generally were often unaware of the consequences of misconduct.

During the last three years, Commission management has taken approximately 65 disciplinary actions, the majority of which were based on attendance-related Although annual and sick offenses. leave are benefits to which employees are entitled and the agency strives to provide a "family-friendly" work environment, the use of leave is a privilege. Generally, supervisors have the right to decide whether to grant or not grant leave. In dealing with employee absences that are frequent, unexpected and inadequately documented, supervisors may deny leave and pursue corrective action, as demonstrated below, if the attendance problems become chronic. Recent leave-related disciplinary actions have included:

- the 10-day suspension of a staff member for unauthorized absences;
- the removal of a staff member from the federal service for being unavailable for duty; and
- the proposed removal of a staff member for excessive unauthorized absences (the staff member subsequently resigned).

Disciplinary actions also have been taken for employee disrespect/defiance of supervisory authority; recent actions have included:

• the 10-day suspension of a staff member for delay in carrying out a proper directive, use of abusive and offensive language toward a supervisor and defiance of supervisory instruction;

- the 14-day suspension of a staff member for disregard of a proper directive and creating a disturbance in the workplace; and
- the removal of a staff member from the federal service for threatening a supervisor, failing to conscientiously carry out instructions and abusive and disorderly conduct.

Employees are expected to respect the authority of supervisors, as well as agency rules and regulations. Abusive and disrespectful behavior toward supervisors undermines the capacity of management to maintain office efficiency. Supervisors are entitled to have orders respectfully obeyed, and if an employee is told to perform certain work, that work should be performed, notwithstanding the employee's disagreement with the order.

Corrective actions also have been taken in the past few years for misconduct related to negligence in the performance of duties, falsification of information, violations of the Commission's conduct regulation and offensive and discriminatory behavior. Some examples are:

- the proposed three-day suspension of a manager for making an abusive comment to an employee (the manager subsequently accepted a position transfer to another agency);
- the proposed removal of a staff member for violating the Commission's conduct regulation and making false statements to hide the violations (the staff member subsequently resigned);
- the proposed 14-day suspension of a staff member for violation of the Commission's conduct regulation (the staff member subsequently resigned);
- the proposed removal of a staff member for intentionally misrepresenting expenses purportedly incurred in connection with Commission travel (the staff member subsequently resigned);
- the reprimand of a manager, and reassignment to a nonsupervisory position, for misrepresenting information during an official agency investigation and making offensive comments to coworkers;
- the proposed removal of a staff member for deliberately falsifying medi-

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cal and administrative documents to deceive the agency for personal benefit, and misusing and misrepresenting Commission employment for personal interest (the staff member subsequently resigned):

- the one-day suspension of a manager for failing to attend to supervisory responsibilities;
- the removal of a staff member from the federal service based on the individual's pleading guilty to two felony counts of theft of government property; and
- •• the reprimand of a manager for making discourteous comments to a member of the public.

Generally, disciplinary penalties are applied to correct inappropriate or unacceptable behavior, and a number of factors, if applicable, are taken into consideration in determining penalties for a given case. Progressive discipline (that is, the use of a minimum penalty initially to correct the problem, with progressively more serious forms of discipline for repeated offenses) is used most often for minor misconduct. However, for egregious offenses, more severe discipline is taken, even for a first offense. The ultimate goal of all discipline, in the aggregate, is to ensure that assigned work is done in a timely and efficient manner and that there is compliance with the rules of the workplace.

#### Commissioner Wallman Resigns

Steven M.H. Wallman, the 74th member of the Commission, resigned on October 2. Commissioner Wallman served on the Commission from July 5, 1994 until his resignation.

Commissioner Wallman has not yet announced future plans, but expects to

become involved in (b)(6) various business and public policy pursuits. He is considering sevprivate sector positions or starting his own business in the finance, technoland electronic commerce fields. He will make a decision In addition, soon. Wallman will Mr. maintain his involvement in public policy by becoming a non-

resident, senior fellow at the Brookings Institution, where he will focus on a variety of discrete projects, including electronic commerce and financial services.

Of his term on the Commission, Commissioner Wallman said, "My experience as a Commissioner has been absolutely superb. It has been a truly remarkable and gratifying experience. Most important, I am extremely pleased to have had the opportunity to work with people as truly sincere, thoughtful and good as the people here."

As a member of the Commission, Commissioner Wallman examined many issues facing the Commission, including:

> how technology and globalization affect securities markets and the financial services industry; changes that would maintain the utility of accounting and auditing into the future; the general exemptive authority pursuant to the National Securities Markets Improvement Act of 1996; competition and anti-trust concepts as applied to the securities laws to ensure potential benefits for investors, including matters

such as decimalization; simplifying the rules related to short-term trades under Section 16 of the Securities Exchange Act; corporate governance activities; and attempting to craft an appropriate securities litigation framework. Commissioner Wallman also worked to ensure the continued vitality and growth of the Council of Securities Regulators of the Americas.

Prior to being nominated to the Commission, Mr. Wallman was a partner with the Washington law office of Covington & Burling, where he specialized in general corporate, securities, contract and business law. He joined the firm as an Associate in 1978 and became a partner in 1986. Before joining Covington & Burling, he was an Associate with the Boston Consulting Group.

While serving on the Commission, Commissioner Wallman contributed numerous articles on securities and corporate law to a variety of publications.

Mr. Wallman received a JD from Columbia University School of Law in 1978. He received a Master's degree from Massachusetts Institute of Technology, Sloan School of Management, and an undergraduate degree from MIT in 1975. He is a member of the American Law Institute and the American Bar Association.

(b)(6)

in Rhetoric from the University of California at Berkeley, where she was a member of the Honors Society and a Peer Adviser. During the same period, she interned with the City Council, where she focused on women's issues. In 1987 she received a JD from New York Law School, where she served on the Journal of International and Comparative Law and was Student Bar Association Secretary. She is listed in Who's Who in American Law and Who's Who in American Women.

#### Commissioner Carey

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bring insight and a different perspective to the job of Commissioner.

Of his new appointment, Commissioner Carey said, "I feel terrific about being an SEC Commissioner. I was flattered when I was told I was under consideration by the President. I think it is a terrific challenge. Commission is a wonderful agency to join and to be part of. From my experience at the White House, I know that the Commission is made up of a most talented group of people. I can't think of another agency that has the depth of talent that exists here. I am proud to be associated with it."

Commissioner Carey received his BA in Economics from Colgate University.

During his leisure hours, Commissioner Carey likes being active as well as being contemplative. (b)(6)

#### Commissioner Unger

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tion and SEC Enforcement Matters and on SEC Administration, Budget and Legislation.

Ms. Unger is a graduate with a BA

# Some Observations On Their Developing Securities Markets

by Paul Gonson, SEC Solicitor, Office of the General Counsel

This was the year I witnessed how the two largest Communist countries (current and former) are developing securities markets. In September I went to China, in October to Russia.

China: I was one of five "international experts"—two from the United States (the other was a well-known private securities lawyer from Chicago), two from Hong Kong, and one from Japan—invited to meet in China with a delegation of some 50 senior Chinese officials to assist in a draft of a national securities law for China.

China remains a Communist country with a socialist economy. Its major business enterprises are owned by the state. China is thus unlike Russia and the countries of the former Soviet Union and of Central and Eastern Europe that have mostly replaced both Communist Party control and socialism and have changed from centrally planned economies to variations of a free market. Yet. China sells stock in former stateowned enterprises to its citizens and abroad, and since the mid-1980s has maintained stock exchanges in Shanghai and Shenzhen where these shares are traded. They are traded as well in Hong Kong, and a few Chinese companies have American Depositary Receipts (ADRs) in the United States. Russia, it has recently formed a securities regulatory commission modeled on the United States Securities and Exchange Commission.

After several days of discussion with our Chinese hosts, we "experts" prepared a written report, which we delivered personally to the National Peoples Congress in the Great Hall of the People On Tiananman Square in Beijing. In the report we discussed many fundamental issues of a securities law, such as the scope of its coverage, whether broker and dealer activities should be permitted in the same firm, whether and how to deal with mutual funds, whether markets

other than exchange markets should be permitted and how they should be regulated, and the power and authority of a national securities regulator and its relationship with other officials.

China's securities issuance and trading systems seem to be regulated today by a myriad of a dozen or so local and national authorities that issue administrative regulations, and they may not always coordinate well. Unlike in the U.S., where there is a sharp distinction between private business and government authorities, in China local governments own and control the major businesses in their areas. In such a vast country with 1.2 billion people, the U.S. concept of a strong federal securities regulator and pre-emption of state blue-sky laws may be difficult to achieve.

Russia: Russia has securities laws, stock exchanges and an active over-the-counter market. The Russian SEC, three years old, is developing a regional office structure with 15 regional offices in that vast country. Five of us from the U.S. SEC--James Clarkson, Director of Regional Office Operations; Robert Strahota, Assistant Director in the Office of International Affairs; Mary Keefe, Regional Director of the Midwest Regional Office: Richard Wessel. District Administrator of the Atlanta District Office; and I--travelled to Moscow to present a training program for the heads and deputy heads of these 15 offices and their colleagues in the headquarters office.

While in Moscow, we visited and were briefed by an array of persons who play roles in the Russian securities market: high officials of the Russian SEC and of the Central Bank; the national self-regulatory organization of broker-dealers that is rapidly developing and has been licensed by the Russian SEC; the "Russia Trading System," an electronic quotation system modeled on

SEC Solicitor Paul Gonson just before entering the Great Hall of the People in Tiananman Square.

(and using software from) the U.S. Nasdaq system; private stockbrokers and lawyers (some of them U.S. expatriates); and U.S. Embassy and U.S. AlD officials.

Russia quickly privatized over 14,000 of its former state-owned enterprises. Shares in these companies were issued to millions of its citizens, many of whom promptly sold them. Trading in Russia in some of these larger privatized companies is mostly among offshore entities, and trades are settled in U.S. dollars. Several Russian issuers also have ADRs traded in the United States; one issue is traded on the New York Stock Exchange. Notwithstanding Russia's new code of corporate law, corporate governance concepts appear still to be in their infancy. The market is struggling to develop a satisfactory clearance and settlement system and several issues concerning custodians and

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#### **Key Chief Accountant Appointments**

#### Mary B. Tokar Senior Associate Chief Acct.

Mary B. Tokar was designated Senior Associate Chief Accountant for international accounting and auditing standards on September 22. This appointment reflects the Commission's continuing commitment to activities associated with international standard setting and recognizes the increasing pace and diversity of those activities.

In her new role, Ms. Tokar provides technical leadership to the staff and is responsible for evaluating international accounting and auditing proposals and developing policy recommendations regarding those proposals.

Prior to this assignment, Ms. Tokar was an Associate Chief Accountant in the Office of the Chief Accountant and served as a principal liaison between the Commission staff and international standard setting organizations. She has been a Professional Accounting Fellow in the Office of the Chief Accountant and a Senior Manager at KPMG Peat Marwick. Ms. Tokar has an MBA from New York University Graduate School of Business and was graduated from Williams College.

#### Jane B. Adams Deputy Chief Accountant

Jane B. Adams was appointed Deputy Chief Accountant in the Office of the Chief Accountant on August 5. In this capacity, Ms. Adams is responsible for the day-to-day operations of the office, including the resolution of accounting and auditing practice issues, rulemaking projects and private sector standard setting efforts.

Prior to her appointment, Ms. Adams was the Director of Accounting Standards at the American Institute of Certified Public Accountants, where she was responsible for staffing and supervising support for the AICPA's accounting standard setting function, including the Accounting Standards Executive Committee. She also served as the technical advisor to the U.S. delegation to the International Accounting Standards Committee. Prior to that, she was a Project Manager at the Financial Accounting Standards Board, and worked extensively on the Board's project on derivative instruments and hedging transactions.

Ms. Adams received an MBA from Pace University Graduate School of Business and an undergraduate degree from Vassar College. She is a member of the AICPA and the New York State Society of Certified Public Accountants.

# Wm. Baker III Named Associate

William R. Baker III was appointed Associate Director of the Division of Enforcement. He fills the position that Gary Sundick held before resigning to join the Nasdaq.

Since March 1994, Mr. Baker was an Assistant Director in the Division of Enforcement. While in that position, be had primary responsibility for supervision and coordination of all municipal securities investigations, an area of high priority for the Commission under Chairman Levitt. Mr. Baker joined the SEC in 1987 as a staff attorney in the Division of Enforcement and served as a Senior Counsel and Branch Chief in the division. In 1994 Mr. Baker received the Stanley Sporkin Award, which is given to a member of the Commission's staff who has made exceptional contributions to the SEC's efforts to enforce the federal securities laws.

Prior to joining the SEC, Mr. Baker practiced law with the firm of Baker & Hostetler in Washington, D.C. for three years. He previously clerked for U.S. District Court Judge Douglas Hillman in the Western District of Michigan.

Mr. Baker received his BA from Notre Dame in 1979 and his JD degree from the Georgetown University Law Center in 1983.

In announcing the appointment, Chairman Levitt said, "One of my priorities over the past several years has been the reform of our nation's municipal securities markets. Mr. Baker, through his skill, leadership and tenacity, has contributed to the success of our enforcement efforts in this market. His appointment ensures both the continuation of that program and the ongoing success of the Commission's overall enforcement activities."

#### Heidi Stam Accepts Vanguard Post

Heidi Stam, Associate Director of Legal and Disclosure Issues in the Division of Investment Management, left the Commission on October 24. She joined The Vanguard Group as a Principal in charge of securities regulation, a newly created position, and reports to Gregory Barton, recently named Managing Director and General Counsel.

Ms. Stam joined the SEC staff in 1987 after six years of private practice. After her arrival at the Commission, she was promoted to positions of increasing ing responsibility within the Division of Investment Management. Prior to becoming Associate Director, Ms. Stam was Senior Adviser to the Director, Chief of Staff for the division and Assistant Chief Counsel.

Most recently, Ms. Stam was instrumental in developing rule proposals for the Commission to improve mutual fund prospectuses and launch a new summary prospectus called a fund profile. In addition, she oversaw the division's regulation of variable insurance products.

Ms. Stam received a BA from Tufts University, a JD from the American University's Washington College of Law and an LLM from Harvard Law School.

Barry Barbash, Director of Investment Management, said, "Everyone at

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#### Senatore Joins Securities Firm; Fons Appointed SERO Regional Director

#### Charles Senatore, Former SERO Director, Joins Merrill Lynch

Charles V. Senatore, Regional Director of the Southeast Regional Office, left the Commission on October 31. He joined Merrill Lynch in New York on December 1 as First Vice President and Assistant General Counsel with senior level responsibility for regulatory matters worldwide.

Mr. Senatore joined the Southeast Regional Office as its first Regional Director in March 1994. He oversaw the enforcement and regulatory operations in the regional office in Miami, as well as those in the Commission's Atlanta District Office. During his tenure, Mr. Senatore presided over the establishment of the region's headquarters in Miami and increased significantly the size of that office. Under his direction, the Southeast Region pursued a number of significant enforcement actions involving municipal finance and brokerdealer regulation. He spearheaded an increase in criminal securities investigations and prosecutions, and devised an "early intervention" program to deal with questionable microcap issuers, through suspension of trading in their securities. The Southeast Region also developed a successful track record in pursuing emergency relief for investors, and was a leader in staff productivity. December 1994, Chairman Levitt presented Mr. Senatore with the Stanley Sporkin Award for his contributions to the SEC's efforts to enforce compliance with the federal securities laws and the Commission's rules.

Chairman Levitt said, "Chuck has served the Commission with great energy, dedication and resourcefulness. Ahead of him lie new opportunities and challenges, while behind he leaves a legacy of a job very well done. We will miss him greatly."

Bill McLucas, Director of Enforcement, said, "Chuck Senatore brought an aggressive and creative branch of leadership to the Commission's regional office program. His prosecutorial back-

#### Randall Fons Is New Director, Southeast Regional Office

Randall J. Fons was appointed Regional Director of the Southeast Regional Office. The region has enforcement and regulatory programs in an eight-state area and in Puerto Rico and the Virgin Islands. As Regional Director, Mr. Fons will oversee these activities as they are conducted throughout the region. He assumed his new post at the beginning of November. Mr. Fons replaces Charles Senatore, who returned to the private sector.

Mr. Fons was Senior Associate Regional Director in charge of the Midwest Region's enforcement program from March 1995 until his current appointment. He joined the Commission staff in 1988 as a staff attorney, and has also served as a Branch Chief, Senior Trial Counsel and Assistant Regional Director (Enforcement). In these capacities, Mr. Fons has been involved in several significant enforcement actions, including two SEC cases against Hibbard Brown, Inc. and F.N. Wolf, Inc.

Mr. Fons earned a BA degree from the University of Wisconsin in 1984 and a JD degree from the University of Colorado School of Law in 1987.

Chairman Levitt said, "I am very pleased that Randy Fons has agreed to serve as Director of our Southeast Regional Office. Randy is a lawyer with considerable talent and experience, which he will bring to Miami. He has proven to be an excellent manager in administering a highly successful enforcement program in the Commission's Chicago office. I am confident that he will carry out the responsibilities of this important position with intelligence and effectiveness, and I look forward to continuing to work with him."

ground and private practice experience we energized the enforcement and regulatory programs. His leadership will be greatly missed."

#### Stam Leaves SEC

CONTINUED FROM PAGE 5

the Commission will miss Heidi tremendously, especially the Division of Investment. Her perseverance and insightfulness will be a model for each of us as we move forward with proposals that Heidi has overseen since their infancy. As she leaves after more than 10 years of experience in the division, we know she will be successful in all of her undertakings."

Arthur Levitt, Chairman of the Securities and Exchange Commission, said, "Throughout her tenure with the SEC, Heidi has dedicated herself to improving the protections of individual investors. Her commitment to encouraging disclosure to facilitate communication between companies and investors is unparalled. I know she will continue this commitment and we wish her the best."

#### Nelson, SERO Deputy

David P. Nelson was appointed Deputy Regional Director in the Southeast Regional Office (SERO) on September 3.

As Deputy Regional Director, Mr. Nelson will assist the Regional Director in overseeing the enforcement and regulatory programs of the SERO, as well as coordinating these functions with those in the Atlanta District Office.

Mr. Nelson initially joined the Commission staff in 1984 as an attorney in the Division of Enforcement, following a period of time in private practice in Philadelphia.

In 1986 he was assigned as a Special Assistant U.S. Attorney in the Securities and Commodities Fraud Unit of the U.S. Attorney's Office of the Southern District of New York. From 1986 to 1990, he worked on a variety of complex criminal cases involving insider trading and other financial fraud. Among those matters was the case involving Michael Milken and Drexel Burnham Lambert.

Mr. Nelson returned to the Division



(b)(6)

JUDGE MURRAY

#### Salzburg Seminar Judge Murray, 50 Others, Explore Women's Issues

Brenda Murray, Chief Administrative Law Judge, joined over 50 experts from 31 countries in Salzburg during the week of August 20 to examine the leadership roles that women will play in meeting global challenges in the 21st century. In the year of its 50th anniversary, this Salzburg Seminar brought together parliamentarians, former cabinet ministers, international bank officials, corporate and private enterprise executives, labor leaders and peace and human rights activists.

The experts also assessed the economics, social and environmental problems that they said are likely to grow in the coming years. After four days of intensive meetings, they issued a statement, calling for a new leadership style for both men and women to meet the difficult challenges of the 21st century. The new style would replace hierarchy with participation and include a social agenda along with goals of economic growth.

The session was held at the famous Salzburg Seminar in Salzburg, Austria, which has been hosting leaders at Schloss Leopoldskron for international dialogues for more than 50 years. The International Center for Women, a Washington, D.C.-based think tank, celebrating its 20th anniversary, convened the meeting together with the Salzburg Seminar.

Judge Morray has been Chief Administrative Law Judge since 1994 an SEC Administrative Law Judge for nine years and a federal Administrative Law Judge for 25

She has been active in securities laws issues, and in promoting the status of women. She has participated in judicial education programs in Kazakhstan and laraei, attended the meeting in Beiling of the Norigovernmental Organizations Forum in connection with the United Nations Fourth World Comference on the

aterus of women, and has participated as one of five U.S.-Canadian experts in a forum in Belling for Chinese judges on futures and securities laws. She also fipe served as President of the Naudhal Association of Women Judges, an association of female and male judges formed to eliminate gender bias in the American judicial system. She is a graduate of Boston University Law School and earned a Masters in Business Administration from the University of Maryland.

# 1997 SEC Summer Honors Program

Since its inception 19 years ago, the SEC Summer Honors Program has enabled first and second year law and JD/MBA students the opportunity to become acquainted with the regulation of the securities markets and the activities of the Commission. The participants, who come from law schools across the country, are assigned to work in either the Division of Enforcement or the Office of the General Counsel.

Twenty-four students representing 16 different law schools participated in the 1997 SEC Summer Honors Program. The students attended seminars by Commission staff addressing such topics as the Supreme Court's recent decision in

United States v. O'Hagan, an insider trading case, and use of the Internet in securities fraud schemes.

The students also attended brown-bag luncheons with Chairman Arthur Levitt, General Counsel Richard Walker, Enforcement Director William McLucas, and U.S. District Court Judge Stanley Sporkin. The highlight of the summer for many students was a two-day trip to New York City, during which they toured the New York Stock Exchange and the New York Mercantile Exchange, and attended a program at Salomon Brothers Inc. that was hosted by Simon Lorne, former SEC General Counsel.

From left, top row: Devid Azar (Duke), Mark Perlow, Program Coordinator (ENF), Hamang Patel (Yele), Riyad Omer (Stenford), John Schefer (UCLA), Jack Easton (Northwestern), and Eric Moss and Rachel Graham, Program Coordinators (GC). Not pictured: Hani Barhoush (Harvard), Jeffrey Francer (University of Virginia), Kimberly May (Duke), and Program Coordinators Nader Salehi (ENF), Kevin Solonsky (GC) and Linda Thomson (ENF).

Congratulations to the winners of 25 prizes and to all who entered the 1997 SEC Photo Contest. The annual photography contest provides a terrific diversion to begin the fall season and offers a brief respite from the considerable responsibilities of the staff.

The novice/advanced categories, introduced last year, continue to be successful. To achieve greater competition and better balance between the novice and advanced categories, this year's cash prize winners (grand prize, 1st, 2nd and 3rd prizes) in the novice category are encouraged to enter in the advanced category of the 1998 and 1999 contests.

# 1997 SEC Photo Contest Faragasso's Sugar Cane River Wins Grand Prize



reg Faragasso won the grand prize in this year's contest with "Sugar Cane River," a picture of a river in Kauai in the Hawaiian

islands. One judge commented, "This photo has vision; the sky pours down toward our feet." The judge said, "There are drainage ditches everywhere, but not everyone has the vision to take a picture of them." Greg commented, "I am thrilled to have won the grand prize in the SEC photo contest!! Thank you, and please thank the judges! My (b)(6) and I are particularly pleased that one of pictures was so well received." Greg, who is on the staff of the Division of Enforcement, received a \$100 U.S. Savings Bond, the top prize in the contest.

One hundred and five photos were entered in the contest by 49 photographers, representing a decline from last year's record. Interestingly, the percentage of photos entered in the advanced category increased from 20 to 33 percent this year. In the novice section, photos entered as pictorials and living things were almost evenly divided. In the advanced category, 20 photos were entered in the pictorial and 14 in the living things category.

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GRAND PRIZE

Sugar Cane River
by Greg Faragasso (ENF)

#### First Prize

categories. Yuri

First prize is \$40 in each of two advanced and two novice

Zelinsky's

Domes of Kiev, a shot of church steeples of Monastery of the Caves in Kiev, won first prize in the advanced pictorial category. The judges liked the unusual view and the effect of the monastery buildings obscured by the trees. They commented, "Compositionally, the picture is very strong. In it there is a balancing of background to foreground and the dramatic reflection of the steeples." Yuri remarked, "My ((i)(6)) happened upon this vantage point by wandering from the public grounds of Kiev's Monastery

of the Caves, past a hand-painted

sign, in Russian (alas), that said:

"Golden





ADVANCED PICTORIAL Golden Domes of Kiev by Yuri Zelinsky (ENF)



ADVANCED LIVING THINGS
(D)(6) and His Dog
by Patrick Joyce (ENF)

"Women strictly forbidden beyond this point!" I pointed this out to her after she had proudly led me there to show me the view. I hastily snapped the photo and we retreated, only steps ahead of a bearded, black-robed monk, who was advancing purposefully in our direction and wasn't smiling."

Patrick Joyce's [(D)(6)] and His Dog" won first prize in the

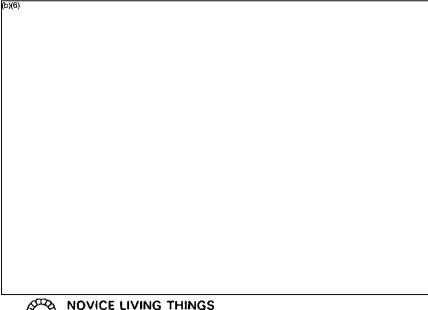
advanced living things category. The judges commented, "Technically, this photo is the most sound in the show. It is probably the only photograph that was classically and artistically thought out. The image has a thoughtful context. The connection between the man and his dog is real, and there is a sense of place from its detail. Also, it is a good print." Pat adds this insight into (b)(6) 」. "This is ∎ travel portrait of (b)(6) , a painter who lives in Belves, France, not far from the prehistoric cave paintings of Lascaux. [6](]. saw me taking a photo of his building and invited us inside his atelier. For the next hour, while his dinner got cold, we talked about prehistoric man, modern France, and much in between. No doubt the cavemen of Lascaux would be delighted to know that, not far from home, a descendant practices his own version of an art form that they began."

Gene Horwitz' "Sanctuary," an atmospheric photo of the interior entrance of a sanctuary, won first prize in the novice pictorial category. "This photo captures the undisturbed, safe, quiet atmosphere of a holy place. The light streaming in through the half-opened door enhances the sacred atmosphere of the interior," the judges observed. They continued, "This is a very good picture. It has a strong line, as well as geometric interests in the circles and squares. The quality of the light and the color are appropriate." One judge added, "I hope the top of the window is in the negative and is just cut off in the picture. The photographer should make sure he gets a good print." Gene Horwitz offered his own insight to the

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picture. "On a long winding, mountain road on the way to the ancient Greek city of Delphi, south of Athens, we came across the medieval Hosios Loukas Monastery. Although the monastery was overrun with tourists, I found this peaceful and solitary spot, away from the crowd, where the sun shining through an open door captured the monastery's gothic yet simple beauty."

Lisa Mitrovich's "Water" won first prize in the novice living things category. The judges said, "This picture is sharp, simple, direct and very well composed. It is the strongest pure photo, and pretty much everything a snapshot should be. It is very loving and a really good picture. Anyone would be thrilled to have taken it." Lisa has this comment, "(b)(6) is the photographer in our family; however, on this occasion, I happened to grab the camera as he helped (b)(6) oid roll up her sleeves to touch the water. The fountain was unique, and 1 couldn't resist capturing the expression on our face."





NOVICE LIVING THINGS
Water by Lisa Mitrovich (CF)

#### Second Prize

Second prize is \$30 in each of two advanced and two novice categories. Marija Willen's "Arched Window" won second prize in the advanced pictorial category. The judges considered Marija's picture a good example of "graphic creativity." "She captures a quality of light and color, joined naturally with shapes. The picture says something about this old building. It goes without saying that light interacts within a confined space, and the building, light and shapes work together. The photographer captured a special look about those elements." With this single window, Marija has given the viewer a clear sense of the building, a guide to its time in history and prepared one to learn more about the building.

Greg Bruch's "Sunrise," a thoughtful photo of his son looking out to sea, won second prize in the advanced living things category. The boy could be contemplating the distant sun and the day ahead. The judges noted the atmosphere created by the blue light, and said, "This photo has a lot of feeling, and it was worth getting a better print."

"Hong Kong at Night" won second prize for Mavis Kelly in the novice pictorial category. It is another of Mavis' skillful cityscapes (you may remember her entry last year of a night view of Heidelberg). The judges called Mavis' picture "a good shot," and noted her skill at handling a difficult subject. They added, "The only way to improve the picture would be to take it a little sooner after sunset, explaining that a little more light in the black area would improve the photo." Mavis said, "This photograph was taken on a ferry waiting to cross from Kowloon to Hong Kong. Landfill and rapid development are slowly bringing the two sides together. I can only wonder what the cityscape will look like from this same vantage point several years from the same vantage point several years from the same vantage point several years.

by Cathie Saadeh won second prize in the novice living things category. The judges said, "This photo tells that the person who has the camera has a good deal of love for the subject. It is well expressed. There are no extraneous details. It is just a good picture." Cathie said, "This is a



ADVANCED PICTORIAL

Arched Window

by Marija Willen (CF)



CONTINUED ON NEXT PAGE





(b)(6)

NOVICE PICTORIAL
Sanctuary by Gene "Flash"
Horwitz (PRO-Retired)

NOVICE LIVING THINGS Sunrise by Greg Bruch (ENF)



picture of my beautiful niece, (b)(6). The picture was taken on her grandparents' veranda in Zghorta, Lebanon. (b)(6) had been jumping around, acting like a typical silly four year old, when suddenly she put her head down and gazed into the camera. A second after this shot was taken, she was scampering around again."

#### Third Prize

Third prize is \$20 in each of two advanced and two novice categories. Patrick Joyce's "Model Behavior," a photo of two wooden mannequins in an art store window, won third prize in the advanced pictorial category. The judges said, "The colors are handled well, and it is well composed." One judge commented, "The photo makes me wonder what it is." Pat commented, "I took this picture in the Latin Quarter just off Rue St. Jacques, one of the oldest streets in Paris. The mannequins were arranged in the display window of an art supply shop, and the sunlit colors caught my eye. I used my own shadow to block reflections in the window, then composed the shot using a 24-70mm zoom lens."

Greg Bruch won third prize in the advanced living things category for [b](6)

The judges commented, "The photo is very direct. You really get a sense of the subject because of the eye contact. When taking a snapshot of a family member, the connection is everything. The picture is a memory. I know this photographer is paying attention and wants to remember what that [b](6)(6)

The good pictures of people have this kind of directness and simplicity."

James Waldeck's "Road to Whistler" won third prize in the novice pictorial category. The judges thought this photo was a good study of a difficult subject. James said this about the shot, "The Road to Whistler"

refers to the route from Vancouver to Whistler, British Columbia, Canada. The route is very scenic as it travels along the ocean with snowcapped mountains in the background. I took the picture in January while returning from a ski vacation at Whistler. I took the picture late in the day as sun was setting."

Kim Do won third prize in the novice living things category for "Peace Time," a photo taken at the Great Wall of China. The judges commented, "This is really an interesting picture. It goes beyond the usual snapshot, and says something about the country's breakdown. It says something about what the Great Wall of China came to symbolize. Despite a distracting sky, it is very thoughtful. But, the photographer should have asked the photolab to do a better job." Kim Do wrote this poem about her picture:

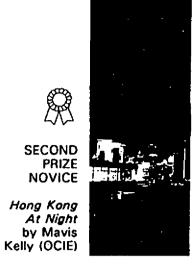
Upon the Great Wall of Chinagate, Two soldiers and a toddler parade. Where 'twas war, bows and arrows flew, Baby steps now a little girl moves.

TEXT CONTINUED ON PAGE 14





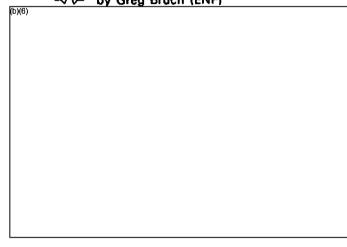
THIRD PRIZE - NOVICE Road To Whistler by James Waldeck (ENF)





THIRD PRIZE - ADVANCED (by Greg Bruch (ENF)

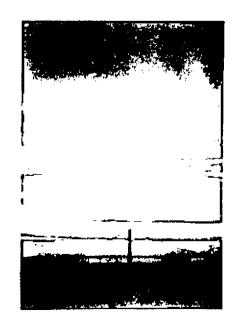




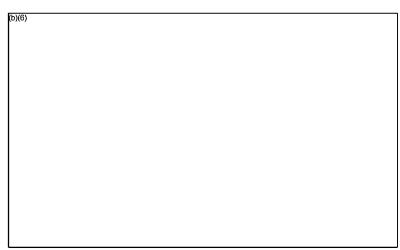




THIRD PRIZE ADVANCED Model Behavior by Patrick Joyce (ENF)







THIRD PRIZE - NOVICE
(b)(6)
by Cathie Saadeh (IM)

1997 SEC Photo Contest

SECOND, THIRD and FOURTH PRIZES

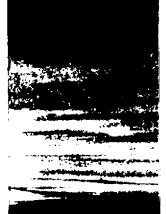


THIRD PRIZE NOVICE

> Peace Time

by Kim Do (CF)

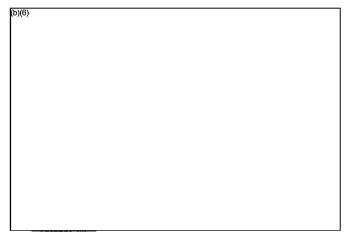




FOURTH PRIZE ADVANCED

Sunset Behind Golden Gate

by Yuri Zelinsky (ENF)





FOURTH PRIZE NOVICE

Summer

by Audrey Bredhoff (OGC)

#### Fourth Prize

Fourth prize has no cash prize and is awarded at the discretion of the judges.

Yuri Zelinsky's "Sunset Behind Golden Gate" won fourth prize in the advanced pictorial category for a photo that was admired by the judges and in contention for a higher prize. In commenting on his photo, Yuri said, "The color in this photo is natural; no colored filter was used. It was taken from the end of a pier in Fort Mason park, just west of San Francisco harbor. (10)(6) and I had planned to have dinner in a restaurant there and timed our arrival to coincide with the sunset. I balanced the camera on top of a piling, set the timed shutter release, and the camera did the rest."

Audrey Bredhoff won fourth prize for "Summer," a picture of her son (6)(6) The judges thought the photo was a good snapshot. They added, "It is very direct, strong, and simple and the light is good, but most important, it conveys the feeling the photographer has for her subject." Audrey said, "As a new mother, I can never resist taking pictures of my favorite subject, my son (6)(6) Here, we were riding in the car, and the light coming in through the window was wonderful. I loved the innocence of the white hat, and its clean, wholesome summer feeling."

#### Honorable Mention

The judges chose a total of 10 honorable mentions. Titles and photographers of photos receiving an honorable mention, the judges' comments and comments from the photographers appear below. Photos are on pages 16 and 17.

#### **Advanced Category**

"Surrealistic Sink" by George Conril Brown. The judges liked George's modern and unusual photograph of his sink. George commented, "If I had titled it 'BlackLight Bowl' the judges would have considered the photo a cheap trick (which it is) and never selected it. So I titled it 'Surrealistic Sink' to fake some mystery. I've got an even cheaper trick for next year's contest." (We'll be waiting, George.)

"Galaxy" by Anne Krauskopf. The judges found Anne's photo difficult to judge as a living thing — and no wonder! It belongs in the pictorial category. Anne commented, "I'm not saying what it is, but it was shot on a table cloth, and I will buy lunch for the first person who guesses what it is. It was mistakenly categorized as a living thing and I apologize for checking the wrong box."

"Untitled I" and "Untitled III" by Lucee Kirka. Untitled I is a dramatic shot taken from the corner of a

native American building in New Mexico. The burnt orange building dramatically pierces the deep blue sky. Untitled III features a pair of bright blue macaws perched on a tree limb.

"You Got Something For Us" by Walter Smith. Walter retired some years ago as a pressman in the SEC Print Shop and the Commission's photographer. His photo features a gull gliding over the water. Walter comments, "In Epcot; while waiting for the boat to take us across the lagoon for lunch at Alfredo's, we took out crackers that we had saved.

[Diff] fed the birds while I took pictures. That is how I got the picture."

#### **Novice Category**

"Camel Driver and His Fleet" by Carolyn Fentress. Carolyn said, "I had a delightful ride near the pyramids in Egypt on the camel kneeling in front. The camel driver was very proud of his animals and his profession. His ambition was to own many camels and be a head driver like his father."

"Street Scene" by Carol Foelak. Several people commented on the bright balloons in Judge Foelak's picture, which was taken on the lower east side of New York City. Carol commented, "I came across this colorful and remarkable sight (among many others!) on a walk after the workday in lower Manhattan."

"Takin' Care of Business" by Shelly Moore. The judges said, "This photo is very cute, and is what snapshots are all about." Shelly commented, "I am very excited—I never expected to win. But to be honorably mentioned is great. My friend Patty Miller (from the Division of Enforcement), who also entered the contest, 'made' me submit my photograph. And I won over her. That's so funny! Perhaps I'll take up photography as a hobby. Thank you."

"South Pacific Beach Trash" by Peter Geraghty. Some of the judges at first thought Peter's photo was of a living thing, but then realized it was not. They considered it an interesting "still life" contrasted with the granular sand.

"Ride In My Beautiful Balloon" by Gene "Flash" Horwitz. Gene captured a blue sky full of colorful balloons. One judge commented on the difficulty of getting a good shot while aiming your camera at the sky. Gene said, "Each year, Scottsdale, Arizona hosts a balloon festival and race. The sky is filled with colorful balloons of every conceivable size, shape and color. One needs only to point a camera randomly at the sky to capture stunning colors?"

CONTINUED ON NEXT PAGE

#### The Judges

This year's contest was judged by four men: Allan Hockett, architect and art photographer; Gary Lloyd, long time SEC Photo Contest judge and commercial photographer; Paul Roth, Curatorial Assistant at the Corcoran Gallery of Art; and Christopher Ullman, SEC Public Affairs Director.

Paul Roth summarized the judges' comments following the judging, and most of the judges' quotes are his words. Allan Hockett had this to say about the contest: "The exhibit was very strong. The pictures were a lot better than I had expected them to be. I think it's neat that this photography contest has gone on as long as it has. It encourages photography and rewards quality work.

"A photographer using a point and shoot camera makes a lot of decisions. People can make pictures with the camera when they can't express themselves in any other way. In this contest, you reinforce the idea that people have begun recognizing that pictures are important. As a professional photographer, I constantly practice. I use an automatic focus camera, and I keep up by practicing. One tip mentioned in many lectures by other professionals is that once you've gotten set to take a photograph, you should walk 360 degrees around a subject, looking at it from every angle, to discover a new approach."

Biographical notes about each judge follow: Allan Hockett. F. Allan Hockett is a photographer and an architect. He has a Bachelor of Architecture degree from

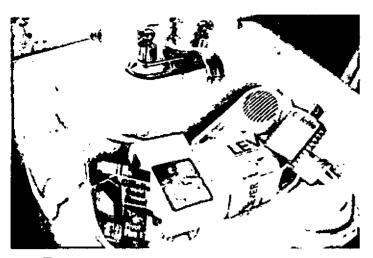
Auburn University and has pursued graduate studies in environmental psychology at the University of Colorado. From 1969 until 1993, he worked as an architect. Since 1964, he has worked as a photographer. His commercial clients include 3D International, Unicor, the Department of State, the U.S. Air Force, the General Services Administration, the American Institute of Architects and private firms. He has designed and provided photography for USAF annual reports and other publications. Since 1964, he has concentrated on his business as an independent photographer. photographic work has been seen in many photo shows. including those at the Yale University Graphic Symposium, the Chrysler Museum Group Show, the Dayton Art Institute and the Washington Center for Photography. Alan volunteers his time to the Washington Center for Photography, which he calls "the only organization in the District of Columbia that pays attention to the art of photography on a regular basis."

Gary Lloyd. Gary Lloyd has judged seven SEC annual photo contests. He has operated Lloyd's Portrait Design Studio in nearby Maryland for 25 years. His studio specializes in commercial and portrait photography and often handles out-of-town shoots for clients. In 1995, an organizational job took him to Africa for on-site work. Recently, lecture tours for professional photographers have taken him to Scandinavia and New Zealand. Gary studied at the New York Institute of Photography. He is a member and past president of the Maryland Professional Photography Association, Chairman of the Board of the Mid-Atlantic Regional School of Photography and the Southeast Photographers Association. He also finds time for charity work through Rotary International and his personal favorite charity, Childrens Hospital.

Paul Roth. Paul Roth has been Curatorial Assistant for the Department of Photography and Media Arts at the Corcoran Gallery of Art in Washington since August 1995. received a BA in art history from the University of Arizona A photographer since 1980, he has taught in 1990. photography at the junior college level and has worked as an assistant in photography museums or museum departments since 1986. He writes about photography, film and culture and exhibits his photographs and artist's books. Among many achievements, he served as archivist for the Robert Frank collection at the National Gallery of Art and assisted the curators and artist to produce the exhibitions and catalogs: Half Past Autumn: The Art of Gordon Parks at the Corcoran Galley of Art. He is a past winner of the Ansel Adams Fellowship at the Center for Creative Photography in Tucson.

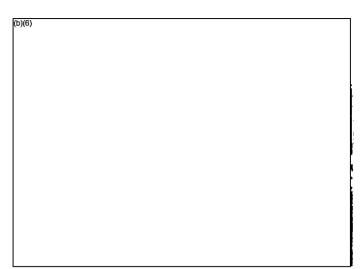
Christopher Ullman. Christopher Ullman is Director of SEC's Office of Public Affairs, Policy Evaluation and Research, an amateur photographer and occasional contributor of photographs to the Employee News. He joined the Commission on April 7 to coordinate public awareness of the Commission's actions through the media. He has been press secretary for the House Budget Committee and director of communications for the American Electronics Association. In addition, Chris is a two-time national whistling champion and has soloed with the Washington National Symphony Orchestra.

PHOTOS CONTINUE ON NEXT PAGE





ADVANCED - Surrealistic Sink by George Conril Brown (OGC)





NOVICE - Camel Driver and His Fleet by Carolyn Fentress (OCIE)

1997 SEC Photo Contest

HONORABLE MENTIONS





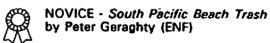
NOVICE

Ride in My Beautiful Balloon by Gene Horwitz (PRO Retired)



NOVICE Untitled III by Lucee Kirka (OIA)

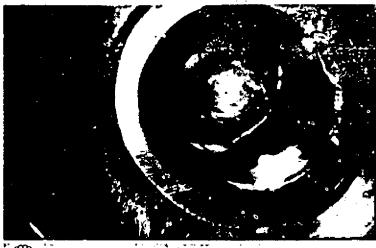






1997 SEC Photo Contest

# HONORABLE MENTIONS

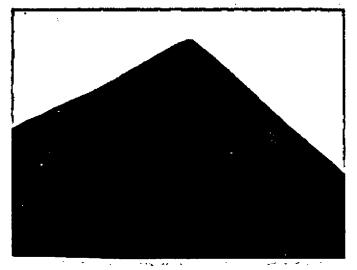




ADVANCED - Galaxy by Anne Krauskopf (CF)

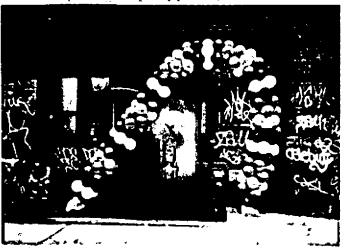


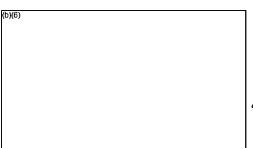
ADVANCED - Untitled III by Lucee Kirka (OIA)





NOVICE - Street Scene by Carol Foelak (ALJ)







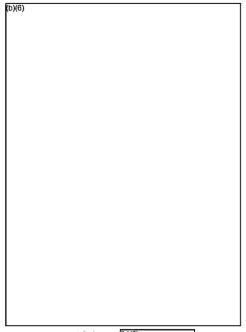
NOVICE -Takin' Care of Business

by Sherry Moore (OMS)









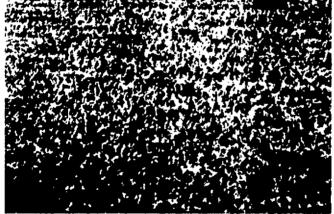
ADVANCED - (b)(6) by Gregory Jaffray (IM)



ADVANCED - Acrophobia by Richard Pfordte (IM)



ADVANCED - Winding Fence by Mauri Osheroff (CF



ADVANCED - Water Falls by Cornell Reese (OAPM)



Grace in Flight by Mike Wilner (PRO)

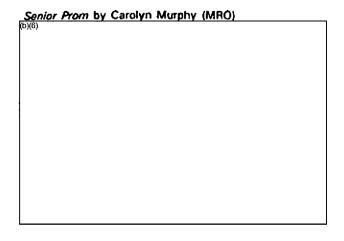


# (b)(6)

The Band by Rory Flynn (ENF)



Long-Term Parking by Don Cavern (CF)



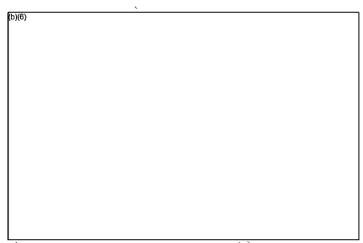
# 1997 SEC Photo Contest NOVICE COMPETITION

(b)(6)		

Sister Girls by Darlene Williams (ENF)



Look Mom, No Cavities by Gerry Massie (MR)



NERO's Broker-Dealer Staff Meeting by Chantelle Richardson (NERO)



Telephone Helmet by Belinda Goodman (IM)





Well, This is Much Better by Jean Napolillo (PDO)

#### Snow Scene by Lynn Taylor (ENF)



The Next Fl	ower	Child
by Richard	Eng (l	VERO!

(b)(6)		•	

I'll Have My Cake and Eat It Too

by Bill	Delmage	(NERO)	
(b)(6)			



Freeze Frame by Amanda Machen (IM)





(b)(6)

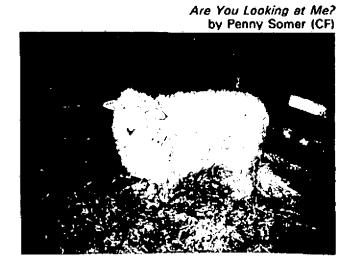


Sand, Sun, Pyramid, Camel by Martin Kimel (OIA)



The City Built by Gold by John Nolan (CF)







'ANUARY 1998



Lab Country by Al Oken (ENF)

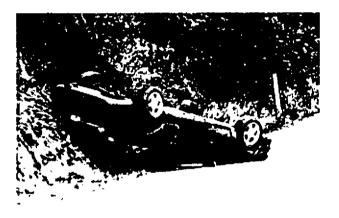


Zion Canyon by Douglas Scheidt (IM)

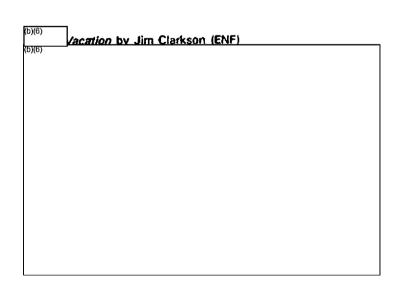
1997
SEC
Photo
Contest
NOVICE
COMPETITION

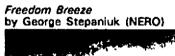


Aldine Meadow by James Waldeck (ENF)



Wreck on the Road by Robert Platt (PRO)







#### 1997 PHASE I INVESTMENT ADVISER EXAMINATION TRAINING PROGRAM

Participants (with office affiliations) are listed from left, beginning with the first row. First row: Daryl Hartman (MRO), Rob Thomas and Joe Lydon (PDO), Steve Arquilla (MRO), John Mrakovcic (NERO), Kathy Thompson and Tanja Szczesniek (MRO), Pauline Nurse (NERO), Gail Fitzsimmons (MRO), Joy Best (NERO), Mylinh Tran (FWDO), Jeff Morton (OCIE), Laura Vardalis (SERO), Ed Stelle (OCIE Moderator), Tricia C. Salumbides (PRO), Steven Gilchrist (NERO), James Malo (MRO), Murry Lott (ADO). Second row: Donald Gurney (MRO), Carl Mastroianni (NERO), Donna Foresti (OCIE Moderator), Jannifer Mendel (MRO), Anthony Pennella (NERO), Gina Galang (SERO), Eric Stephens (FWDO), Kind (NERO), Pam Pinnow (MRO), Joyco Lei and Peter Olson (BDO), Dave Mueller and Bill Hartnett (MRO), Francina Catepano (NERO), Mary Dotterer (MRO), Markella Mihalios and Brien Murphy (NERO), Ted Eichenlaub (OCIE), Morgan Chong (SERO), Belinda Griffin (MRO). Third row: Chuck Koretke (MRO), Rhonda Wilson (OCIE Moderator), Lori DeBenedictis and Anne Hernandez (PDO), Lisa Hunt and Carolyn Kurr (OCIE), Jennifer Skelly (NERO), Martha Biogel (MRO), Dara Cempbell (PRO), Michelina Catandrella and Andrew McDevitt (NERO), Donna Williams (ADO), Steve Fischer (PRO), Joel Crepea (NERO), Fourth row: George Drakopoulos, Richard Morano and George Da Angelis (NERO), Kristen Scannella (PDO), Sheryl Marcus (NERO), Scott Smith (PRO), Kathryn Buchanan (PRO), Vito Jotautes (MRO), Cherita D.H. Trimble (OCIE), Swey (PRO), Mike Artus and Michael Balducci (NERO).

#### 1997 Phase I Investment Adviser Examination Training Program

The Office of Compliance Inspections and Examination's (OCIE) Training Branch coordinated the Phase I Investment Adviser Examination Training Program held from July 21 to 25. Phase I is designed to introduce new investment adviser examiners to basic concepts and the application of these concepts to an examination setting. To facilitate effective learning, many practical situations were introduced by speakers and discussed with the training parti-

cipants. Seventy-two participants from nine regional/district offices and OCIE attended Phase I. Subject areas covered included definition and functions of an investment adviser, registration, pre-examination work, marketing, performance, disclosure, portfolio management, custody, books and records, trading, personal trading, interview techniques, registrant assessment, and the examination process.

OCIE recognizes the following persons for their participation as speakers during Phase 1: Gene Gohlke, Jean Minarick, Karen Sherman, Ed Stolle, Ken Knudson and Vicki Hulick (OCIE), Dick Andersen and Rich Karlin (MRO), Bill Meck and Tim Simon (PDO), Douglas Shippee (FWDO), Joel Crepea and Dawn Tiedemann (NERO), John Clark (BDO) and Dale Coffin and Martha Fulford (CRO).

#### EE Bonds Interest Rate

The interest rate for Series EE U.S. savings bonds in effect from November 1997 through April 1998 is 5.69%. This rate applies to EE bonds issued on or after May 1, 1997. Bonds cashed before five years are assessed a 3-month interest penalty. For interest rates on Series EE bonds issued before May 1, 1997 and for other saving bond information, contact your local financial institution or write Savings Bonds, Parkersburg, WV 26106-1328.

#### New Publications

Concise Directory (December 1997 edition). This most recent directory of key SEC employees includes the two Commissioners recently appointed. It also features a list of all SEC Commissioners and their terms of office since the first Commission in 1934 when Joseph P. Kennedy was chairman.

It is free from the SEC Publications Office, Securities and Exchange Commission, 450 5th St., NW, Washington, DC 20549.

Cold Calling Alert: This is a new brochure on legal rights, how to deal with cold calls, how to stop them and how to evaluate any investment opportunity that comes your way over the telephone. It is a joint publication of the North American Securities Administrators of America and the Securities and Exchange Commission.

It is free from the SEC Publications Office, on the SEC website or by calling 1-800-SEC-0330.

#### ADMINISTRATIVE AND PERSONNEL MANAGEMENT

#### Did You Know?...

- Open Season for the Thrift Savings Plan (TSP) began November 15, 1997 and continues until January 31, During this period, eligible employees may enroll, change their current contributions or reallocate amounts in the three TSP funds: Government Securities (G fund); Fixed Income (F fund); and Common Stock (C fund). Participation in TSP helps assure a secure financial future!
- To obtain up-to-date TSP information such as plan news, rates of return, and account balances; you may call the TSP ThriftLine at (504) 255-8777.
- Open Season for the Federal Employees' Health Benefits program ran from Nov. 10 to Dec. 8, 1997. Changes employees made in their health plans and enrollments in health benefits coverage during this time become effective January 4, 1998.

If you would like information regarding any of these matters, please call the Processing and Benefits Branch, Office of Administrative and Personnel Management, at (202) 942-4080.■

#### John Heneghan Dies

John Heneghan, former Chief Counsel of the Division of Corporation Finance, died September 29 at his home in Washington. He had (b)(6)

He retired in

the early 1980s after 31 years with the SEC. Mr. Heneghan was (b)(6)

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EMPLOYEE	OFC	SVC:YEARS	RETIRED
		•	
William H. Carter	CF	80	Aug 1
Joseph L. Grant	ADO	32	Aug 1
Charles F. Kirby	OIT "	38	Aug 1
Beverly Shapiro	PDO	28	Aug 1
George H. Discont	ENF	29	Aug 2
Minnie G. Williams	FOIA	36	Aug 3
Chafes C. Laber	CF.	31	Aug 29
Richard Redfearn	OIT	38	Aug 30
Jovae A. Evilaizor	FWDO	30	Sep 26
Pater L. Smith	OCIE	34	Sep 26
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## China And Russia: Different Paths

CONTINUED FROM PAGE 4

registrars are yet to be resolved. Still, there is a sense of energy, excitement and progress, and we feel that these issues will be resolved.

#### Comparing the Two Countries

Socialism prevails in China and capitalism is the appropriate term for Russia. Yet, China's securities system to date is geared to raise funds for China's companies while Russia's system to date is geared to trade shares previously issued for no new value during the course of privatization of former state-owned enterprises. On the other hand, govemment authorities in China retain ownership of the companies (at least 65%) in which minority interests are sold raise funds, while Russia's government effectively has relinquished both ownership and control of much of its industry, now in private hands. Many Russian issuers are still controlled by managers who are the former managers of these companies when they were state-owned.

Both countries have cultures and traditions different from each other and different from those of the United States. So, it is not unexpected that their econo-

mies máy develop in different ways. Yet there are international pressures to accommodate foreign portfolio investment and global financial and trading systems. Both countries are enacting legislation in banking, real estate, corporate, commercial, tax and other areas so as to build nascent legal infrastructures adequate to link their systems to those of developed countries and to support their economic development and growth. Both are also improving accounting and auditing standards.

#### The U.S. SEC Helps

Our agency and particularly our Office of International Affairs has been a dynamic force in helping shape the development of emerging market economies in dozens of countries. We provide training here and abroad, facilitate it by others, and enter into agreements with regulators in many other countries that are beneficial on all sides. The result is that there is gradually developing both markets and regulators world-wide based largely on the U.S. model. Taking the long view, and patriotic pride aside, this harmonization will benefit global trading systems and regulation.

#### Nelson, SERO Deputy

CONTINUED FROM PAGE 6

of Enforcement as a Branch Chief in 1990 and transferred to the SERO in 1992. At the SERO, Mr. Nelson has served in positions of increasing responsibility in the enforcement pro-

gram. For the past two years, he has worked as the Assistant Regional Director and the Associate Regional Director of the SERO. In the latter capacity, he directed the enforcement, regulation and litigation programs in that office.

Mr. Nelson graduated from Princeton University in 1979 and received his JD degree from the Georgetown University

Law Center in 1983.

# SEC EMPLOYER NEWS

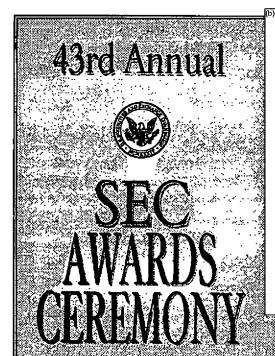
United States Securities and Exchange Commission

Vol. 22, No. 2

Washington, D.C.

February 1998

# Chairman Levitt Praises Staff, Extols Team Efforts New Awards Honor Martha Platt, Ellen Ross



CHAIRMAN'S AWARD FOR EXCELLENCE
Chairman Levitt presents the Chairman a Award for Excellence to Nancy Smith and
the Office of Investor Education and Assistance. Accepting the award are Nancy
Smith Icenter, Kerry McGovern (left) and Akemi Turner.

Chairman Arthur Levitt gave his fourth address before the SEC's 1997 Annual Awards Ceremony held December 11. An overflow crowd that included SEC staff, alumni and family members attended the ceremony. The event was held in the public meeting room.

Awards were given for the first time in memory of two young SEC attorneys Martha Platt and Ellen Ross, who recently died. Martha Platt (D)(E)

were widely admired and respected at the Commission.

Directors of their respective divisions, Barry Barbash and Bill McLucas, presented the awards.

Chairman Levitt thanked the entire staff for their work during 1997, emphasizing the team efforts that exist throughout the agency: "The SEC staff is the most dedicated, most talented, most idealistic group of professionals I've ever had the pleasure to work with," the Chairman said. "Your efforts are pivotal in protecting investors, and protecting investors helps keep our markets the strongest and the most trustworthy

in the world. . . . The news media may dwell on the SEC's role in law enforcement, and the textbooks may focus on our contribution to economic efficiency; but all of our efforts at the SEC are team efforts—and everyone on the team deserves to share in the credit."

Chairman Levitt also reviewed the work of the Commission during 1997 and noted some of the goals that will occupy the agency in 1998.

#### 1997 Accomplishments

Chairman Levitt noted the accomplishments of the Commission and its staff and some of its important cases during the past year. During 1997, the SEC:

- won the O'Hagan case before the Supreme Court. "This case will preserve our ability to deter and prosecute insider trading," Chairman Levitt said.
- drafted a concept release that outlines new approaches to regulating the securities markets.

CONTINUED ON PAGE 6

#### Dorothy Heyl Wins "Plain English Challenge" Barbara Katz And Richard Strasser Runners-Up

Chairman Levitt congratulates Dorothy Heyl on winning first place in the "Chairman's Plain English Challenge.'

Dorothy Heyl of the Commission's Northeast Regional Office won first place in the "Chairman's Plain English Challenge" on January 21. Ms. Heyl, who has been with the Commission for more than 10 years, will receive a \$250 U.S. savings bond for submitting the winning entry, a re-write of a Federal Register submission. Barbara Katz took second place and Richard Strasser came in third. There were more than 70 entries from throughout the Commission.

of three independent judges selected the winners. William D. Lutz is a lawyer and Professor of English at Rutgers University and the author or coauthor of 14 books about communication. Professor Joseph Kimble teaches legal writing and legal drafting at the Thomas Cooley Law School in Lansing, Michigan and, among other activities, writes the "Plain Language" column in the Michigan Bar Journal. Dr. Annetta Cheek is currently at National Performance Review. Vice President Gore's task force on reinventing government, and helps government agencies draft documents for the public.

The competition was created to encourage the staff at the Commission to look at hard-to-read documents and change them into plain English. The contestants were asked to use the draft "Plain English Handbook" to rewrite the sections they found. Watch for the finished handbook, which will be available through the Office of Investor Education and Assistance. The contest was created to help raise awareness with the Commission that plain English is an ments to the extent possible.

#### attainable goal. Chairman Levitt asked On July 16, 1997, Chairman Levitt challenged Commission employees to that the winning plain English re-writes find a piece of gobbledygook and be incorporated into existing SEC docutransform it into plain English. A panel Current SEC Commissioners All Appointed By President Clinton On The Dates Cited Arthur Levitt (D), Chairman. 7127/93 73rd Commissioner Norman S. Johnson (RI) 2/13/96 75th Commissioner Isaac Hunt, Jr. (D) 76th Commissioner. 2/29/96 \*Paul R. Carey (D) 11/3/97. 77th Commissioner Laura Si. Unger (R) - 11/5/97 78th Commissioner Incorrectly stated as 75th Commissioner in the January Issue.

#### IN THIS ISSUE Annual Award Geromony Plein English Chillenge A Matter of Etrics Assistant Director Seues Port II Chairman's Party for Kids DIT News Administrative and Personnel Marters 15 Regional News Fitnesti Genter Navys Remembering Louis Louis

# DEADLINE NEXT ISSUE February 20, 1998

# SEG EMPLOYEE NEWS

The SEC Employee News is published betweenfully by the Office of Public Allbirs, Policy Evaluation and Research U.S. Securios and Exchange Commission, 450 5th St. N.W. Washington D.C. 20549 - Readers are encouraged to bludde bne nolfacildug for selourg filmdua sand meterial to: Editor

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with a name grid telephone number.

Mary Teel; Editor Donald Kovener, Art Editor Office of Public Affairs, Policy Evaluation and Research

COPY DEADLINE: The deadline for services for publication in the SEC Employee News is the terrord week of the month office to the month in which the News is published.

Scheduled publication, months are January March, May, July, September and November. Whenever possible accompanying phatos should be black and white.

#### A MATTER OF ETHICS

PART THREE OF A SERIES

#### Frequently Arising Ethics Issues

#### Everything You Ever Wanted To Know About Ethics

by Barbara Hannigan, Ethics Counsel.

This is the third part in a series of articles highlighting the ethics issues that Commission employees most frequently encounter. As you may recall, Part One discussed nonpublic information, employee securities transactions, employment of family members, financial interests and personal interests. Part Two addressed gifts and invitations and outside employment and activities. This part will focus on the SEC guidelines for staff and Commissioners' publications and the new clearance process for staff publications: (For your convenience, Parts One and Two are now posted on the Ethics Bulletin Board on the LAN and this part will be posted shortly. As I've mentioned in previous Employee News" articles, we will continue to provide ethics guidance online whenever possible.)

The important purpose of the publication guidelines and clearance process is to ensure that employees' speeches and publications reflect the Commission's high standards of professionalism and integrity. Specifically, this process assists employees in preparing for publication articles and speeches that are accurate and consistent with all applicable Commission requirements.

In response to suggestions from SEC authors and reviewers, we have streamlined and improved the publication clearance process. Before explaining the new clearance process, I'll refresh you on the existing guidelines and requirements for employees publications.

# Publication Guidelines for Staff and Commissioners

The SEC requires employees to submit written speeches, articles, chapters of books, outlines, and other proposed publications concerning the Commission to the Office of the General Counsel (OGC) for review prior

to publication. (You need not submit for review notes or outlines for speeches that will not be published.) Commissioners are not subject to the review process, but they should follow the publication guidelines.

In preparing your work for publication, you should be mindful of the following do's and don'ts:

- You may not disclose confidential or nonpublic information.
- You may not make predictions or comments about pending rulemaking, litigation; or other matters that would adversely affect the Commission;
- You may discuss public information relating to pending Commission litigation or rulemaking proceedings as long as your descriptions are accurate, and impartial.
- With respect to both pending and completed. Commissions matters, your must clearly distinguish your personal views from those of the Commission:
- You must include the disclaimer that appears below in any speech or publication concerning the Commission or its work. (You'll note that this is a new Plain English version of the Commission's traditional disclaimer.)

The OGG reviewer may advise you to modify the disclaimer below in certain situations. For example, if the

# DISCLAIMER

The Securities and Exchange Commission disclaims responsibility for any private publication or statement of any SEC employee or Commissioner.

This jurisde, outline, speech, chapter i expresses the author's views and does not necessarily reflect those of the Commission, the jother Commission, the jother members of the staff.

author writes an article while he or she is an employee but leaves the Commission prior to publication, the disclaimer should disclose that the author is a former employee.

# New Staff Publication Clearance Process

We recently sent an e-mail message to all employees concerning changes in the publication clearance process including a new Clearance Request Form. The new Clearance Request Form which reflects comments and suggestions from many of you, will improve and expedite the review process for both authors and reviewers. You may obtain copies of the form from Ms. Tamara Smith (ext. 0970, or e-mail @ SmithT)

#### Clearance Procedures

The key clearance procedures are as follows:

- 1. The author sends the Clearance Request Form together with the proposed publication to Ms. Tamara Smith of the Ethics Office (Stop 2-6). (Please do not send your proposed publication and form to the OGC reviewer.)
- The Ethics Office assigns the proposed publication to an OGC reviewer who is familiar with the topic.
- The OGC reviewer reviews the proposed publication for accuracy and adherence to the publication guidelines discussed above.
- 4. The OGC reviewer contacts the author to grant clearance or discuss the proposed publication:
- 5. Upon completion of the prepublication review, the OGC reviewer signs the Clearance Request Form and returns it to the Ethics Office.

CONTINUED ON PAGE 5

# Introducing Some SEC Assistant **Directors**

This is the second in a series of articles designed to introduce SEC's Assistant Directors.

From left, Assistant Directors Nadya Roytblat, Roger Schwall, Robert Strahota and Katherine (Photo by Christopher Ullman)

until 1982 as a social worker, specializing in development disabilities.

Roger re-

ceived MBA degree in Finance from George Washington University in 1984, MSW degree

Clinical in Social Work

#### Katharine B. Gresham

Katharine Gresham is an Assistant General Counsel-Appellate Litigation in the Office of the General Counsel. Her job is to represent the Commission in cases before the Courts of Appeals and the Supreme Court.

From 1990 to 1997, Katharine also headed the Commission's Bankruptcy Program, and has recently been involved in the Orange county bankruptcy and related litigation. Her appellate work has included the Drexel Burnham, Milken and Bilzerian cases.

Katherine joined the Commission in 1986 as a staff attorney with the Office of the General Counsel, advanced to Special Counsel and then to Assistant General Counsel. Before coming to the Commission, she was with Kirkpatrick & Lockhart.

Katharine was an Urban Planner with the Pennsylvania Avenue Development Corporation from 1973 to 1976. She participated with a team of architects and designers in developing the Pennsylvania Avenue Plan and is actually responsible for the writing of the Plan. More complex than it might seem, the Plan is at once a legal document, a public relations document and a plan for development of Pennsylvania Avenue. Katharine began her career as a reporter for the Washington Post, first as a general assignment reporter (features, crime, obituaries and such) and then covering Arlington County.

In response to a question on why she

left two such interesting jobs, Katharine said, "First, I didn't like the prying into people's private lives that is required of a reporter. And second, after the Pennsylvania Avenue Plan was completed, being an urban planner mainly involved traffic planning and zoning. I thought I'd rather make more money being a zoning lawyer, but ended up a securities lawyer."

Katharine received a JD cum laude from Georgetown University in 1982, a Masters of City Planning from Yale University in 1970 and a BA magna cum laude from Bryn Mawr College in 1966.

#### H. Roger Schwall

Roger Schwall is an Assistant Director in the Division of Corporation Finance, where he oversees the Office of Natural Resources. His job is to supervise the processing and review of filings under the 1933 and 1934 Acts by issuers in the public utilities; oil, gas and mining; and chemicals paper and industries. Occasionally, he is called upon to address groups such as the Financial Executives Institute and the Securities Practice Committee of the Maryland Bar Association.

Roger began his SEC career in 1984 as a Financial Analyst in the Division of Corporation Finance, was promoted to Branch Chief in 1990 and to Assistant Director in 1996. Before joining the Commission, Roger worked from 1970 from Catholic University in 1975 and a BS in Foreign Service from Georgetown Haivecity in 1970

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#### Nadya B. Roytblat

As an Assistant Director in the Division of Investment Management. Nadya Roytblat oversees the Office of Investment Company Regulation, which reviews exemptive applications under the Investment Company Act.

Nadya joined the Commission in August 1993. Since then, she has served as a staff attorney, Special Counsel and Assistant Office Chief in the Office of Regulatory Policy. Her work in that office involved, among other initiatives, work on the investment company provisions of the National Securities Markets Improvement Act of 1996 and the rulemaking that resulted from that legislation.

Before joining the SEC, Nadya was an Associate with Mintz, Levin, Cohn. Ferris, Glovsky & Popeo, P.C., in Washington, D.C., from 1990 to 1993.

Nadya received her law degree from Georgetown University and Bachelor's degree from University.

#### Robert D. Strahota

Robert Strahota was appointed Assistant Director in the Office of International Affairs (OIA) in 1993. He is responsible for managing the Commission's technical assistance programs for emerging securities markets.

Bob joined the SEC for the second time in 1990 as an Attorney-Fellow in the Office of the General Counsel. In 1992. Chairman Richard Breeden appointed him Senior Advisor to the Polish Securities Commission. He spent the 1992-93 year in Warsaw where he worked closely with the Chairman and senior staff of both the Polish Securities Commission and the Warsaw Stock Exchange. The

Republic of Poland awarded Bob an Officer's Cross for Meritorious Service for his outstanding work on their behalf.

During his five years in OIA, Bob has been responsible for the negotiation of assistance funding agreements with the U.S. Agency for International Develop-

ment that have enabled the SEC to provide technical assistance to emerging markets on a 100% cost-reimbursable basis. In addition to separate agreements for Egypt, the Newly Independent States of the former Soviet Union and Central and Eastern Europe, the Commission has

have included management of the SEC's International Institute for Securities Market Development and a number of other U.S. and overseas training programs. He has participated in technical assistance projects in fourteen emerging market countries and worked on legal

> infrastructure development in a number of others.

> Bob first joined the Commission in 1964 as a Financial Analyst in the Division of Corporation Finance. He became a Branch Chief in 1969. Bob left the Commission in 1972 to practice securities law with the Washington D.C office of Kirkland & Ellis. retired as a partner in 1990 to reioin the Commission. Since 1996, he has been an Adjunct Pro-

fessor at the Georgetown University Law Center, where he teaches a course on

Global Securities Markets,

People around here lend to forget that in writing you should always have cympathy for the reader.

Katherine Greaten

What do Lenjin must about being here at the CEC? THE handsvorione, dedicated and salented people it work with and theing in the discrept things reviewing filings that are discussed on the from pages of the Wall Street Journal, in Barrois and elsowhere.

Roger Schwall

Sharing the SEGs institutional knowledge of capital markets and their regulation with our counterparts to emerging markets is a truly rewarding experience.

Kubert Straliofa

recently entered into a five-year. \$2 million agreement with USAID's Global Bureau, which will enable any USAID mission throughout the world to draw upon SEC's expertise in capital markets regulation.

Bob's other responsibilities in OIA

#### A MATTER OF ETHICS

#### CONTINUED FROM PAGE 3

#### Thirty-Day Review Period

As you will note the Clearance Request Form requires you to submit your proposed publication at least 30 days before the publishing deadline, If you submit the proposed publication fewer than 30 days before your deadline, you should state the reason for requesting expedited clearance. In considering such requests, OGC will give priority to articles and speeches that are part of an employee's official duties. The OGC reviewers will make

your due date. However, given the send an e-mail, please send your ever increasing number of articles and message to Cheryl Smith @ SmithCh able to expedite clearance of your @Eriweiny. private publications

If you have general questions about the review process, please telephone Ms. Cheryl Smith, Ethics Paralegal Specialist, who manages the publication clearance program (ext. 0970). If you have specific quastions about the reviewer assigned to your Finally, during this promising new status, please telephone Ms. Tamara stay ethicall

every effort to complete the review by Smith (ext. 0970). If you wish to speeches with short deadlines, the and a copy to our secretaries Tamara OGC reviewers may not always be Smith @ SmithT and Vanis Briwein

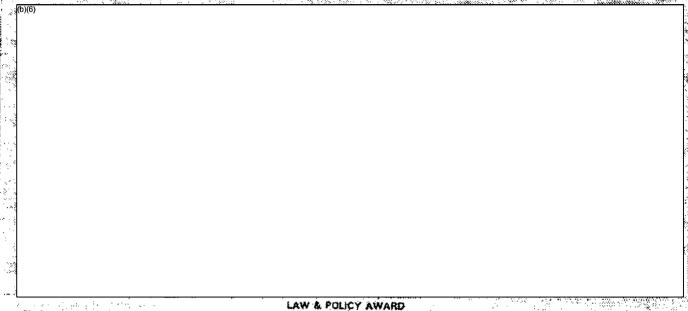
> Please consult with your Ethics Linison Officer or Deputy It you have questions concerning the publication guidelines. Your ethics officers, in turn, will contact the Ethics Office if they do not know the answer to your question.

proposed publication or its review year of 1998, remember to be smart; 

# 43rd Annual AWARDS CEREMONY

## Chairman Announces New Awards:

Bill McLucas, Howard Morin, Howard U.S. vs. O'Hagan Team Receives Law & Policy Award;



Chairman Arthur Levitt (center) presented the Law and Policy Award to the U.S. vs. O'Hagan Team. Team members pictured from left are Christian Mixter. Thomas Newkirk, Adam Pritchard, Randall Quinn, (Chairman Levitt), Richard Walker, Paul Gonson, Jeoch Stillman and Eric Summergrad. Team members not pictured are Colleen Mahoney and Stephen DeTore.

#### CONTINUED FROM PAGE 1

- assisted the 1,000th foreign company to be listed in the U.S. market.
- \*And we continue to produce investor education materials, \*Chairman Levitt said.
- saw the "Plain English" initiative take hold in prospectus filings.
- began to meet Congress' mandate to focus regulation on large investment advisers. "We've put together a task force; adopted seven new rules; amended nine other rules; notified more that 20,000 firms of our new approach; and have reregistered thousands of companies," Chairman Levitt noted.
- continued improving disclosure to mutual fund investors with the proposal of a new document, the fund profile, to help investors make sense of the vast array of funds available to them.
- continued to promote honest practices in the area of the financing of our states, cities and public services. "SEC has led the way toward ending the 'pay to play' pattern in the municipal market." Chairman Levitt said.
- introduced the order handling rules, heading the concerns of brokers and firms around the country.

#### 1998 Challenges

During 1998, the SEC will:

- crack down on fraud in the "micro cap" sector of the markets.
- raise professional standards in the securities industry by continuing our work to reduce conflicts of interest between brokers and their clients. "We'll also help investors help themselves with a more accessible, user-friendly Contralized Registration Depository." Chairman Levitt said.
- improve the ways we adapt to new technologies, including the "year 2000 problem" and the follow-through on the concept release by designing efficient new regulatory methods to keep up with advancing technology.

Concluding his address, Chairman Levitt said, "Today, we'll give our applause to the award winners who are being recognized for their specific achievements. But all of you deserve applause, and you have my deep thanks for the energy you devote to a noble ideal, keeping our agency's standards high and keeping our nation's economy strong. Thank you for your dedicated efforts during the past year. And thank you for making the SEC an agency with the highest standards of integrity—an agency that all Americans can be proud of."

# Reviews '98 Agenda'in Keynote Address Kramer Receive Distinguished Service Award

Market Reg Exchange Team Receives Capital Markets Award

Chairman Leviti congraturates Distinguished Service Award winners (fore left); Howard Morth, William McLucas and Howard Kran

of the team are, from the left: John Aysman, Elitaboth King, Kristen (Lever; Robert Calby, (Chelman Levitt); Belinds Bielne: Pauls Janson, Mans D'Aguanno stor Gautam Guiral and Richard Lindsey).

#### Chairman's Award for Excellence

The Chairman's Award for Excellence was created in 1991 to recognize the Commission staff whose special accomplishments produce significant improvements in the agency's programs or management.

Chairman Levist presented the 1997 award to Nancy Smith and the Office of Investor Education and Assistance in recognition of their tireless support of the new locus of their office: «They worked tirelessly on the many town meetings

and have demonstrated a strong commitment to the use of plain English. Nancy Smith Akemi Turner, and Kerry McGovern accepted the award.

#### Distinguished Service Award

The Distinguished Service Award honors those who have made major contributions to the work of the Commission or to the administration of the federal securities laws for a period of at least five years. It is the award with the longest tradition at the SEC.

CONTINUED ON PAGE 10

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	EXAMINATION AWARD OF EXCELLENCE:  (From the left): Mark Dawdell. Richerd Heaphy, and Cathy Sabo racelved the Examination Award. Commassions: Norman Johnson matterthe presentation.  (b)(6)
SUPPORT STAFF AWARD OF EXCELLENCE (Clockwise: from top left): Bonks Almonte; Veronica Gillette, Kawah Cindy Ng and Sylvise Pilkerton received this award: Two awardees could not be present: Dan Shea accepted for Lesile Berry, and Elaine Gechens accepted for Christopher Wall: Commissioner Paul Caray presented the awards:  35 YEARS FEDERAL SERVICE AWARD	
EFO: AWARD  ISinell photos: from lett): Fernando Alegria: Jr., William E: Ford: II and Howard Morin received the 35-year Federal Scruice Award. Commissioner Laura Unger presented the lederal service awards (Large photo): Commissioner Isaac Hunt presented the EEO Award to Kalle Nix.  [b](6)	REGULATORY SIMPLIFICATION AWARD Commissioner Norman Johnson breadhled the Regulatory Simplification Award to Frank Zarb, Jr.  30 YEARS SEC SERVICE AV From left: (Top row): Michael Bowlding, Ving Gross, (Bottom row): Richard Llandy and Gowlding, who was also present to receive the
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		COMMUNITY SERVICE AWARD	
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		Mr. Borrelli. Commissioner	
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#### Productivity Improvement Award

Productivity Improvement Award recognizes individuals or groups who have measurably improved productivity at the Commission by means 30)6 such as reducing the cost to perform a function or by improving the quality and timeliness of service to the SEC-or the public.

Commissioner Paul Carey presented the award to the Division of Corporation Finance and to the Legal. Policy Group of the Office of the General Counsel. Brian Lane accepted for Corporation Pinance. Richard Levine Kombarly Dopkin and Elaine Dinnaway accepted for the Legal Policy Group.

#### Supervisory Excellence Award:

The Supervisory Award is granted annually to individuals who have demonstrated outstanding performance. in fulfilling both people and program responsibilities.

Nine supervisors received the award for their outstanding performances. Commissioner Isaac Hunt presented the award to: Douglas Adams, John Birkenlieter, Paula Dubberly, Leslie Kazon, Paul Leder, Sian Maekawa, Helene McGee, Larry Mills and Erich Schwartz.

#### Support Staff Award of Excellence

The Support Staff Award recognizes outstanding employees ranked GS-5 through GS-9 whose exceptional competence productivity and dilipeace in the performance of duties have had a eignificant impact on the succession a division or office

Commissioner Paul Carey presented the award to Honks Almonte. Verentoa Gillette, Kawah Cindy Ng and Sylvin Pilkerton. Regional Directors Planne Cachene and Dan Shea accepted the awards for their staff members, Christopher Wall and Leslie Berry respectively,

#### Community Service Award

The Community Service Award, created in 1990, is presented to individuals who have contributed to the community through voluntary service. Paul Andrews received the award for community service that included coordinating a weekly dinner program for a homeless shelter and serving as a board

member for that shelter and for an orgaruzation that helps provide jobs and housing for mentally handicapped persous: Commissioner Laura Unger prosented the invard.

Mark Borrelli received the award for activities such as building housing for low-income persons through Habitat International in Gustemala, Brazil and Honduras: tutoring children in a low income housing area in Chicago; and

quality of life in their neschbomood on the ping provide hot meals, to homeless men and women. Mary Keefe, Directors of the Midwest Region, accepted the award for Mark who was in Lanya building houses:

#### 40, 35 and 30-Year Awards SEC and Federal Service

Josephine Hill received an award for 40 years of SEC service: While Ropell Burkett received an award for 40 years of federal service. Neither was able to be present at the cere-

Dona Richard and Jacob Sullman received the award for 35 years of SEC service. John Francis and Charles Hochmuts will receive the same gward, but were not present.

Fernando Alegria, William Ford, II and Howard Morin received an award for 35 years of federal service. as will Sidney Compet and Mary Luciano, who were unable to be oresent.

Michael Bowiding, Phili Gross, Richard Landy, Howard Morio, Virginia Monacelli and Gorald Werner received awards for 30 years SEC service. Six other winners of the award were smable to be present

Michael Bowlding / Lifyd Cobey, David Copenhafer, Vincent Haddock Sr., Peter Kiernam: William Kuelinle Letry Lynn, Virginia Monacelli, Steven Scheibe, Jean Wade and Gerald Werner received awards for 30 years of federal service. Nubmeen others who could not be present received the awards in their offices.

Commissioner Laura Unger-presented all of the service awards

Four hundred and sixty-nine SEC employees were also honored with awards for from 10 to 25 years of SEC service and/or federal service

These awards were presented to the recipients in their respective offices, as were service awards for awardens who could not be present.

In closing the 43nd Annual Asvards Ceremony, Executive Director Jun McConnelithanked the many people who made the program possible, particularly acknowledging the special contribution of Linds Hunt for her effort in putting together the program.

#### OIT NEWS

## SEC "Insider" Delivers Information, System Access

Following the success of the SEC's external website (www.sec.gov), which provides public access to a wide variety of Commission information, the Office of Information Technology (OIT) is delivering similar web-based services to SEC staff through an internal site called the *Insider*.

#### What Is An Intranet?

Like the SEC's external site, an "intranet" uses internet-based tools and technologies to present and retrieve information and programs stored on Commission systems. And also like the internet, an intranet uses browser software to view and navigate the site. Where the two differ is in access. An intranet is not a public site and access is restricted to individuals connected to the organization's network.

#### The Insider Takes Shape

. To assist OIT in the design of the Insider, an Intranet Advisory panel was established to develop general guidelines for its page layout, content and operation. The panel, made up of representatives from most of the agency's divisions and offices, set up subcommittee to design the home page, identify potential content and review software tools to help staff who were preparing materials for the intranet site.

One of the first recommendations the panel made was to maintain a common look and feel across all the pages so that staff can easily find their way around the site. In determining content, panel members discussed possible needs with staff in their respective organizations, attended demonstrations of intranet sites maintained by other agencies and held brainstorming sessions.

At one point in the process, all the potential types of information were put on a board and discussed. What emerged was a natural grouping of four main content areas that eventually became the basis of the home page design. When visiting the *Insider* home page, staff can select: Personnel and Administration, Information Resources, Commission Business or Divisions and Offices Home pages.

"Right now we're concentrating on electronic publishing--getting personnel manuals and other documents used by staff up on the website where they can be easily accessed," said Fran Rowell of OIT, who serves as the webmaster for the site. Some examples of documents now available on the Insider include personnel memos and advisories, selected administrative regulations and items that also appear on the cc:mail bulletin boards like the ethics bulletins. Another recent addition is on-line access and the SEC capabilities for search phonebook.

A number of divisions and offices, including OCIE, OIT and OIEA, have established home pages, while others are in the planning stages. These office and division specific home pages contain information specific to that organization including contacts or work products.

#### Now, And In The Future

Intranets are growing in popularity because they can reduce the time and cost it takes to produce, distribute and maintain commonly used documents. But intranet technology provides other advantages as well. Applications that use an internet browser as the viewer or "frontend" into a system provide a common look and feel across all the systems. And when coupled with a powerful search engine, these applications can provide easier access to databases.

Insider webmaster Fran Rowell revealed that OIT is currently in the process of developing its first intranet application. OIT also is in the process of testing the use of browsers to simplify how staff access data that reside on many of the SEC's older mainframe systems.

#### Connecting To The Insider

To access the SEC's intranet, you need to have browser software loaded on your workstation (the SEC's supported browser is Netscape Navigator). After selecting the Netscape icon, enter one of the following:

#### Insider Intranet

in the "location" field and press the return key. In most cases, Netscape has been installed to automatically go to the *Insider* home page. If your workstation default is something else, call your ADP liaison, OIT consultant or the Helpdesk at (202) 942-HELP (4357) for assistance with changing the default location.

# Child And Elder Care Contacts For The SEC HQ And Field Offices

Information on Child and Elder Care is available to employees at Headquarters findleding the Operations Center and the Annex) and at dath field office through the following contacts:

tritings sic unlessing contacts.	
Location City Phone	Contact
HQ Washington, DC (c)(6)	Paula Fronman
NERO New York, NY	Cynthia Moore
AOD Atienia GA	Kathy Stephens
BOD Boston MA	Ray Titus
CRO Denver CO	Athy Narwood
PWDO Fore Worth, TX	Toby Legnard
MRO Chicago, IL	Karen Gniediesko
PDO Pityladeighie, PA	Annette Keiten
PRO Los Angeles - GA	Rabia Gebetii
SEDO Serv Francisco, CA	Judith Butler
SERO Marsi FL	Alexandria Ledezma

#### ADMINISTRATIVE AND PERSONNEL MATTERS

(b)(6)

#### SEC's Health Fair 1997

Processing and Benefits Branch, was held on November 24. All previous Commission participation records were broken with 434 employees in attendance. Fourteen health plans were represented, in addition to one insurance company. Information and special displays were provided by the SEC Health Unit, SEC Fitness Center, Employee Assistance Program and the National Association of Retired Federal Employees. The Lions Club

The 1997 SEC Health Fair, organized by OAPM's provided hearing and glaucoma testing.

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#### Fitness Center

SEC's five-year old Fitness Center continued its management contract with Sinai Corporate Health, Inc. after the requisite bidding procedures last October. The contract is for one base year plus two option years, effective Oct. 1, 1997.

At last count, the Fitness Center boasts 544 members at its Judiciary Square location.

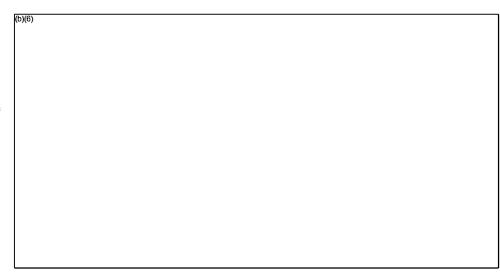
#### **NERO CFC Report**

The Northeast Regional Office is a GOAL BUSTER FOR 1997! That was the proclamation by Combined Federal Campaign for NERO's recent participation in the CFC fund raiser. NERO not only met its goal but exceeded it once again.

Congratulations to NERO and to all the keyworkers who participated. A special thanks to Cynthia Moore, Coordinator, and Rose Swainson, who kept track of the contributions, for their dedication and time for such a worthy cause.

#### **BDO Joins In Breast Cancer Walk**

On Sunday, Oct. 5, 1997, eight employees of the Boston District Office, along with friends and family, participated in the Annual "Making Strides Against Breast Cancer Walk." This was a five-mile walk along the Charles River to raise money for the American Cancer Society in the area of research and education. Despite a rainy start to the day, everyone managed to complete the walk (one person even ran the course). Many of the staff have participated in this walk for the third year in a row as an SEC team. This year a total of \$665 was raised by the Boston District Office!



From left: First row: Matthew Levenson, Matthew Bremer, Adam Morgan, Deloris Renkins. Second row: James Eckert, Elizabeth Morgan, Calvin Dennis, Ron Crawford, Michael Bremer, Stefan Froehlich. Third row: Jeff Levenson, Jim Eckert, Diane Eckert, Jill Asch Levenson, Penny Morgan, Claudette Williams, Susan Sherrill-Beard, Bob Beard, Scott Sherrill, Howard Dennis, Gina Bailey. Fourth row: David Esau, David Elzinga, Gregg Harris, Mike Morgan. Not pictured: Chris Crossan.

#### ADO Staff Support Atlanta "Hands-On" Day

Employees from the Atlanta District Office participated in Hands-On-Atlanta Day, a city-wide day of service on October 4. Hands-On Day attracted over 10,000 Atlanta volunteers. Thirteen ADO employees and their families and friends volunteered to get in the trenches at a neighborhood park in an effort to revitalize Upon arrival at the project the park. location, the ADO team was presented with a kudzu-covered ravine that bore no resemblance to a recreational area. The ADO team enthusiastically tackled the project of uncovering the park from years of kudzu growth, digging up dirt and plants to find the stone steps leading to the park, and removing glass, logs and other debris

from the park floor. As a result of the ADO team's work, an overgrown ravine was reconverted to a useable park. The project will be completed by professional landscaping and activities to involve the adjoining the neighborhood in park preservation.

ADO employees who participated in the park beautification project included Gina Bailey, Ron Crawford, Chris Crossan, Howard Dennis, Diane Eckert, David Elzinga, Greg Harris, Jill Asch Levenson, Penny Morgan, Deloris Rankins, Susan Sherrill, Claudette Williams and Donna Williams. The Federal Women's Program at the ADO coordinated and sponsored the ADO team.

#### Remembering Louis Loss

Louis Loss was the author of "Securities Regulation," a treatise that brought together the law and court decisions regarding securities laws, the first of its kind when it was published in 1951. According to the New York Times of December 16, that work has been cited in more than 1,000 court decisions, including more than 50 by the U.S. Supreme Court.

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Α	pro	ofesso	r of	law at	Harvard U	niver-
y, N	ĺ۲.	Loss	had	among	his students	(b)(6)
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Mr. Loss joined the Commission as a staff attorney in 1937 and left in 1952 as associate general counsel to become a professor at Harvard. He was asked by President Kennedy to become chairman of the Commission in 1961, but declined. He taught at Yale and George Washington University Law Schools during his last

<u>years</u>	HL INC	COMMI	<u>issiun.</u>		
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# SEC EMPLOYEE NEWS

United States Securities and Exchange Commission

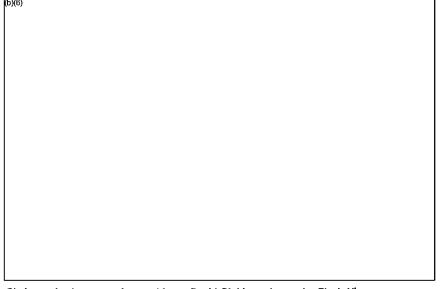
Vol. 22, No. 3

Washington, D.C.

March/April ,1998

# SEC Celebrates Black History Month

Former New York City Mayor David Dinkins Keynote Speaker



Chairman Levitt greats former Mayor David Dinkins prior to the Black History program.

The SEC celebrated Black History Month at its headquarters with a variety of educational events throughout the month of February. These events were designed to provide employees with a better understanding of African-American culture and tradition. The activities included workshops on tracing family genealogy and the meaning of Kwanzaa and the SEC's traditional Black History Month celebration. The theme for the month-long celebration was African Americans in Business—the Path Toward Empowerment.

#### **Black History Month Celebration**

More than 300 employees attended the SEC's Black History Month Celebration at the headquarters. Grant Ward, Chair of the

CONTINUED ON PAGE 7.

## Chairman Levitt Encourages Diversity On Wall Street

"The truth is that Wall Street serves Americabut it does not yet look like America;" Levitt said

On danuary 16, 1998, Chairman Arthur Envitt addressed a gathering of Wall Street executives and civil rights leaders at a conference sponsored by the Rainbow/PUSH Coalition's Wall Street Project. The objective of the meeting was to call aftention to the need for greater diversity in the securities industry. In addition to Chairman Levitt, President Clinton; Treasury Secretary Rubin and Federal Reserve Chairman Greenspan addressed the conference.

The full text of Chairman Levitt's address is reprinted beginning on page 8

Jessie Jackson shares the podium with Cherman Levilt in New York.

## Bill McLucas To Leave Commission Served As Director Longer Than Any Other

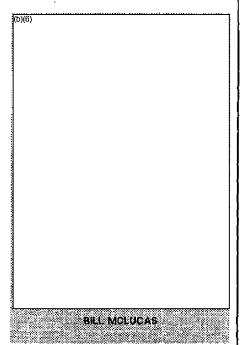
Bill McLucas, Director of the Division of Enforcement for the past eight years, plans to leave the SEC within the next few months to join Wilmer, Cutler & Pickering, a Washington law firm. He will be a partner and co-chairman of the firm's securities practice. Richard Walker, now General Counsel, will succeed Mr. McLucas as Director of Enforcement

Mr. McLucas has served as Director of the Division of Enforcement longer than any other director. During his watch, the Commission brought more than 3,000 enforcement cases, including landmark cases against Michael Milken, who pled guilty to six felony counts and agreed to pay \$600 million in disgorgement and penalties, and Prudential Securities, which resulted in a record \$900 million repayment to individual purchasers of limited partnership interests. He supervised the Commission's task force directed at securities fraud in the bank and thrift industry and the investigation of Treasury auction abuses involving Paul Mozer, Salomon Brothers and others.

Chairman Arthur Levitt gave Mr. McLucas overall responsibility for regional office operations in 1993. More recently, Mr. McLucas supervised the Commission's investigation and settlement in 1996 of charges of trading abuses and lax oversight of the Nasdaq market by the NASD. Mr. McLucas led the Commission's enforcement efforts to clean up the municipal securities industry and to crack down on retail sales abuses as more individual investors have entered the securities markets.

In recognition of the excellence of his work, Mr. McLucas has received the Chairman's Award for Excellence twice: in 1996 for his efforts on the Nasdaq team and in 1992 for individual achievement; the Distinguished Service Award in 1997; the Irving M. Pollack Award in 1987; and the Supervisory Excellence Award in 1985.

In announcing that he will leave the Commission, Mr. McLucas said, "Being associated with the Securities and Exchange Commission has been the most rewarding personal and professional experience imaginable. In my view, I have had the best job in government and



I have enjoyed every day of it. I am particularly grateful to Chairman Arthur Levitt and former Chairman Richard Breeden. They provided the wisdom and guidance essential to the Commission's law enforcement mission. Most of all, I thank the staff in the Division of Enforcement and in our regional offices for their dedication and hard work. They are among the most dedicated and talented public servants in government."

Chairman Levitt said, "Bill McLucas is a patriot who has given 22 years of dedicated service to our country. Never have I worked with an individual with more wisdom, leadership ability and integrity than Bill. His respect of the wise use of the power of government, his dedication to investor protection and his commitment to honest markets make him the personification of all that is great at the SEC. We will all miss his intelligent and common sense approach to securities law enforcement. I will personally miss his sense of humor, his wit and the good judgment that have made him the key member of every important initiative undertaken by the Commission in my tenure. I have every confidence that he will continue to distinguish himself and that his future endeavors will be marked by the same professionalism and greatness he has demonstrated at the SEC."

#### Meredith Cross Joins D.C. Law Firm

Meredith
Cross, DeputyDirector of
the Division
of Corporation Finance,
left the Commission at the
end of January to become

a partner at

MEREDITH CROSS

Wilmer, Cutler & Pickering, where she focuses on corporate and securities law. She received the SEC's Law and Policy Award in 1993.

In announcing her departure, Chairman Arthur Levitt said, "We will miss Meredith's leadership, professionalism, good humor and affable ways. Her practical and creative approach to problem-solving has been instrumental in the SEC's ability to craft sensible regulatory measures. Meredith's counsel on a broad range of issues has been invaluable to me and the Commission."

Division Director Brian Lane added, "Meredith's departure will be a tremendous personal loss to me and the Division. I know she will be a great success in private practice."

Ms. Cross joined the Commission as an attorney-fellow in 1990, served as Chief Counsel and Associate Director with oversight of the International and Small Business Offices before being appointed Deputy Director in 1994.

Before joining the Commission, she practiced law with King and Spalding and served as a law clerk to the Honorable Albert C. Henderson of the U.S. Court of Appeals for the Eleventh Circuit.

She received her BA from Duke University and her JD from Vanderbilt University.

DEADLINE NEXT ISSUE APRIL 16, 1998

#### 1997 Presidential Awards

# Keefe, Colby, Richards Receive Meritorious Awards

President Clinton selected three SEC officials to receive Presidential Rank Awards for 1997. The awards are given in recognition of exceptional management and leadership abilities. Mary Keefe, Director of the Midwest Regional Office; Robert Colby, Deputy Director of the Division of Market Regulation; and Lori Richards, Director of the Office of Compliance Inspections and Examinations, were awarded the Meritorious Executive Award.

The Presidential Rank Awards are the top federal awards for government service and are available only to Senior Executive Service (SES) employees. Keefs, Colby and Richards were selected to receive the Meritorious Service Awards because of their major contributions and dedication to preserving the integrity of the nation's securities markets, with a commitment to protect investors and maintain fair and orderly markets.

Chairman Arthur Levitt congratulated Robert Colby and Lori Richards on November 10 in his office and sent a letter of congratulations to Mary Keefe. Meritorious Service Award recipients receive \$10,000.

Mary Keefe received the award for her work as Regional Director and Associate Regional Director for the enforcement and regulation programs in the Midwest Regional Office. Under her direction, the region achieved the highest productivity in all program areas, particularly in the examination activi-The examination staff conducted a record number of exams of broker-dealers, investment companies, investment advisers and transfer agents. region's enforcement staff filed 67 actions, over 13.6% of the total enforcement actions brought by the SEC, while the MRO staff represents only 6.1% agencywide. Many of the enforcement efforts

PRESIDENTIAL AWARD WINNERS

Photos from the top: Charman Leviti presents the Meritonious Executive Award to Robert Colby and Lori Richards. Bottomic photo: Mary Keele, also a recipient of the Meritorious Executive Award, was unable to ettend the presentation.

have attracted international attention. Ms. Keefs received the 1996 Distinguished Service Award, one of the Commission's most prestigious awards.

Robert Colby received the award in recognition of his outstanding contributions to Commission goals during a career of more than 15 years. He directed the development of Commission rules that dramatically improve prices investors receive. These rules are recognized by the media as the most important market change in more than 25 years and have been estimated to have saved investors more than \$1.5 - \$2.5 million in their first day of operation. As Deputy Director, he has reinvented the Division of Market Regulation by eliminating a layer of supervision and delegated more responsibility to junior staff thereby improving staff morale and increasing productivity. He received the Chairman's Award for Excellence in 1994, one of numerous honorary awards he has received.

Lori Richards is the first Director of the Office of Compliance Inspections and Examina-She is credited with modifying the frequency and scope of the SEC's examinations towards a more effective and efficient program and for major improvements in coordination of multiple examinations among all regulators of broker-dealers. As a result of her extraordinary efforts, OCIE was awarded the SEC's Productivity Improvement Award for 1996. As the Chairman's Executive Assistant and Senior Advisor. Ms. Richards worked to reform the examination and inspection pro-As Associate Regional Administrator in the Los Angeles Regional Office, she led the investigations of numerous significant enforcement cases, including the prosecution of Steven D. Wymer, an investment adviser who perpetrated fraud costing investors more than \$100 million.

3

#### A MATTER OF ETHICS

# of a series

#### Frequently Arising Ethics Issues

#### Everything You Ever Wanted, To Know About Ethics

by Barbara B. Hannigan, Ethics Countel

#### Fundraising

This is the fourth part of a series of articles focusing on the ethics issues that arise most frequently at the Commission. In this article, I'll discuss fundraising: Employees often ask us whether there are any limitations on their charitable fundraising activities. As many of you know, the answer is 3/25 E

Before we discuss the fundraising rules, please keep in mind that the purpose of these rules is to ensure that we avoid even the appearance of using our Government positions for the private gain of any individuals or entities. including nonprofit organizations. In wcharitable event. that regard, you'll note that many of the fundraising restrictions are based on the principle that we should not seek, or even appear to seek, support for a charitable cause from SEC regulatees or others who do business with or have interests before the Commission; or from our SEC subordinates.

#### Definition Of Fundraising

The rules define fundraising as the raising of funds for a nonprofit organization (other than a political organization) through:

- soliciting funds or selling items;
- participating in the promotion. production, or presentation of an event where any portion of the ticket price may be taken as a charitable deduction by the person who buys the ticket

#### Fundraising Guidelines

You may engage in fundraising as long as you follow these guidelines:

#### Date

1. You may request or encourage donations or sell items through personto-person contact to anyone who is not a subordinate or prohibited source. (However, a subordinate who hears about your fundraising efforts may 

voluntarily offer support, make a donation, or buy an item from you.)

Prohibited Sources are regulatees and persons or entities that have an interest in the Commission such as brokerage firms, investment companies? zations, industry trade associations, law and accounting firms that practice sevent as long as the invitation list it before the SEC and SEC contractors (Lexis, BDM; etc.).

- 2. You may freely essist in soliciting funds behind the scenes by writing letters, stuffing envelopes or accounting for contributions for any  $\langle \langle \langle \langle \langle \langle \langle \langle \rangle \rangle \rangle \rangle \rangle \rangle \rangle$
- respondence or permit the use of your name by others, as long as you believe that the mailing is not targeted at subordinates or prohibited sources.

- 4. You may attend any charitable fundraising event, unless your attendance would present an actual or appar-~ent conflict of interest involving the SEC or your official dulies.
- 5. You may actively and visibly and advisers, self-regulatory organia participate in the promotion, production or presentation of a fundraising not targeted at prohibited sources or subordinates. At such events, for ∴example, you mây:
  - sit at the head table
  - give a speech or make remarks.
  - \* stand in the reception line
- serve as a chairperson, honorary 3. You may use your name in cor- chairperson or committee member.
  - 6. You may accept an invitation to attend a fundraising event free of charge if you are participating in the. conduct of the event.

#### Examples

- 1. Paul Pete, Branch Chief, may sign a letter that will tie copied and sent to 300 people in Fairfax County soliciting funds for his daughter's soccer team, even though the mailing list includes some individuals, who work in the securities industry. It is permissible for the Branch Chief to sign his name because this is a mass mailing that is not targeted at prohibited sources. The letter may not mention Mr. Pale's official SEC fitte.
- 2- Paul Domingo, Associate Director, may serve as chairpersonof the Washington Opera Ball, as long as the invitation list of 500 people is not primarily comprised: of prohibited sources of Mi Domingo's SEC subordinates Tickets to the ball cost \$150 and \$100 of the ticker price is tex deductibles Mr. Domingo may sell tickets to the Opera Ball and make prairiemarks to the guests at the event. However, he may not ask his SEC subordinates or prohibited sources to buy tickets. Nor may he allow the sponsors to use his official SEC title on invitations or annountements.

CONTINUED ON PAGE 5

Don'ts

1. You may not personally solicit funds or other support from SEC Bubordinates or prohibited sources. (A subordinate who bears about your fundraising effort may volunteer to make a donation, buy an item, or offer support, but you may not solicit a donation or support from a subordinate.).

(The term "prohibited sources" is defined in item 1 under Do's )

- 2. You may not use your name in fundraising correspondence or permit the use of your name by others it you know that the mailing is targeted at subordinates or prohibited sources.
- 3. You may not use or permit the use of your official SEC title, position or authority to promote any outside fundraising effort.
- 4. You may not actively and visibly participate in the promotion, production or presentation of an events that is targeted at prohibited sources or subordinates.

(Please see item 5 under Do's! above for examples of active and visible in an event.)

5. You may not allow others to use your expected attendance to promote a charitable event.

For example, you may not permit the sponsor to use the following tangings in an invitation to a fundraiser?

Lyon Blaine: SEC Associate. Director, will be honoring us with his presence on Fabruary 14th, We do hope you will come and meet him at the Have a Heart Dinner Dancel

6. You may not use official time or : government property such as photocopiers, telephones, fax machines, office supplies and computers in connection with your personal fundraising activities. Nor may you use SEC letterhead to send fundraising letters' (or, for that matter, any other type of personal letters).

#### Examples

an auctionisto raise fundento bulla: a new cymnasium. I may apt of fer." An Interesting Day with the SEC Ethos Counsel, apolyding a Tour of the SEC and Lunch Chez Roy "Rogers" (which would be sure to raise some very high bids as one of line items to be sue tioned. Trus would be an impr propriete-use of my publiciolifice for the scoop at private gain Mojvever, of the quotien is mat tergeted alepropibited sourges bi my staff; l'oblik dignate my aktylogi gallamilwa a sa zastyka as an auction item. Ir could elec serve on an auction committee:

may not sigh a letter soliciting, funds for the So Others Might Est soud kitchen 45 "Belinds Bremner. Assistant General Counteil. Not may afte simply sign the letter as Seande Blemner Urshe knows that it will be sent to prohibited seurces or her SEC subordinates. ynem to eno et jettel eet azolno masa-produced letters addressed to e large group that is not primarily comprised of profibited sourcesor her-SEC-supprdinates. Fac. 4:

Official Fundralsing

On the lob you may engage in only official government approved tundralsing efforts and only it you are authorized to do so as part of your official duties. Currently, the Combined Federal Campaign (CFC) Is the anly official Government-wide tundraising effort.

#### Example

Division Director Davis may authorize la faccietary and en accountant in her division to poliect donations to the CEC during the work day:

Political Fundralsing

Fundraising for a political party candidate for partisan political office. or a partisan political group is governed by the Hatch Act. If you have a guestion regarding political fundraising, please refer to the Hatch Act Guidelines, which are posted on the Ethics Bulletin Board on the LAN under the heading "Political Activities Under the Hatch Act." If you need further guidance, please contact your Ethics Liaison Officer or Deputys

Your ethics officers will contact us if they cannot enswer your question.

Topics Covered in Ethics Series

The following topics have been addressed in this series of articles:

Part One

- Nonpublic Information
- Employee Securities Transactions
- Employment of Family Members
- Financial Interests
- Personal Interests

Part Two

- Gifts and Invitations
- Outside Employment and Activities

Part Three

New Publication Glearance Process

Part Four

Fundraising

For your convenience, these articles have been posted on the Ethics Bulletin Board on the LAN.

I would be very interested in hearing any suggestions you may have concerning topics for future news articles. Please send your ideas to me ýia e-mait (@ HanniganB).

Until then, be smart, stay ethical!

### Jayne Seidman Heads OAPM

Jayne Seidman was appointed Associate Executive Director of the Office of Administrative and Personnel Management (OAPM) on February 2. She succeeds Fernando Alegria, who retired on January 2.

OAPM is responsible for the administrative and personnel (b)( functions of the Commission. The administrafunctions include tive facilities, support services, property, space management, procurement, contracting, publishing, printing, mail handling and publications. On the personnel side, the functions are classification, staffing processing and benefits, and employee development and relations.

Asked how she viewed her new job, Ms. Seidman said, "I take my job very seriously. I consider that all employees of the agency are my employees. One of the things I would like to do, sooner rather than later, is to get out to the regions. There are 1,000 people in the

regions and they are served by my office, and I would like to foster a closer relationship with them."

Before joining the Commission, Ms. Seidman was Director of the Human Resources and Support Services at the Commodity Futures Trading Commission

for three years. served as Director of the Work and Family Program Center for the U.S. Office of Personnel Management for several years. public gave numerous speeches and oversaw the writing of many publications, including a report to the President on work and family throughout government. For her outstanding work, Ms. Seidman receiv-Award of ed the Excellence of the Office of

Personnel Management.

She began her career in 1973 at the Department of Labor's Employment and Training Administration in its Office of Personnel, and from there moved on to various program offices, and later to the

CONTINUED ON PAGE 13

### JAYNE SEIDMAN

MARGARET CARPENTER

# Balducchi Appointed EEO Director

Chairman Levitt appointed Deborah Balducchi as the Director of the Office of Equal Employment Opportunity on December 4. Ms. Balducchi had been serving as Acting EEO Director since June.

The EEO Office is responsible for: (1) counseling, mediating, and investigating employee discrimination complaints; (2) developing the SEC's affirmative employment plan and sponsoring special empha-



sis programs such as the Black Employment Program, Federal Women's Program and Hispanic Employment Program; (3) offering

EEO-related training courses; and (4) assisting the Commission in recruiting minorities and women.

Ms. Balducchi stressed that she has "been extremely impressed with the dedication and commitment demonstrated by the EEO staff, and the personal commitment of Chairman Levitt toward increasing diversity within the SEC and throughout the securities industry." Through roundtable dialogues, Chairman Levitt personally challenges CEOs of major securities firms to address the issue of diversity and discuss creative solutions to hiring and retention issues. The next roundtable will be held on June 1 in Minnesota. The EEO Office also pursues the Chairman's diversity initiatives in the securities industry through involvement in voluntary programs such as the Securities and Exchange Commission-Securities Industry Committee on Equal

Prior to joining the SEC, Ms. Balducchi worked with the Department of Labor, where she spent 13 years working with EEO programs and five years in Employment and Training Administration. She received the Department of Labor EEO Award in 1989 for her work on affirmative action, recruitment and placement.

(SEC-SIC),

Opportunity.

Balducchi chairs.

CONTINUED ON PAGE 13

### Carpenter Appointed Comptroller

Margaret J. Carpenter was appointed Comptroller for the Commission on November 17. The Comptroller's Office has responsibility for financial management and budget execution for the Commission.

She succeeds James F. Donahue, who resigned last fall to become Comptroller for the Food and Drug Administration.

Ms. Carpenter's background includes almost 14 years in budgetary positions at the Department of the Interior and another 10 years in that area with the Executive Office of the President (EXOP). Prior to her appointment as

Comptroller, Ms. Carpenter was Senior Staff Assistant to the Assistant Secretary at Interior for Water and Science from October 1988 to November 1997. In that position, she advised the Assistant Secretary on the budget and management functions of the Bureau of Reclamation and U.S. Geological Survey and developed and was advocate for multibureau, multi-functional budget pro-

posals. She also worked at Interior as Budget Officer for the Minerals Management Service, formulating and defending its \$200 million operating budget, and as Budget Analyst for its Budget Office.

From August 1974 through September 1978, Ms. Carpenter worked for the EXOP, first as Management Analyst and then as Budget Examiner. As EXOP Budget Examiner

from 1977 to 1978, she reviewed budgets, legislation and policy initiatives for

CONTINUED ON PAGE 14

which Ms.

# SEC Celebrates Black History Month

FROM PAGE 1

Former New York City Mayor David Dinkins Keynote Speaker

Black Employment Program, welcomed everyone to the ceremony. The SEC Unity Choir, under the direction of Mary Smittick, performed the anthem "Lift Every Voice and Sing." After expressing his appreciation for the large turnout, Chairman Levitt spoke about his personal commitment to diversity within the SEC and in the securities industry and his diversity initiatives. The Chairman then introduced the keynote speaker, David Dinkins, former Mayor of New York City.

Mr. Dinkins emphasized that the pro-

gress African Americans have made and obstacles they have encountered on the path to empowerment cannot be understood unless Americans talk "openly about what has divided us as a society and what brings us together. The benefits of inclusion—and the dangers of alienation. In recent years, government, business, academia, and other institutions have begun to recognize the value of opening such a dialogue."

Mr. Dinkins praised Chairman Levitt for taking the lead in sponsoring a series of roundtables where CEOs of investment firms and the Chairman share ideas on diversity. He noted that Chairman Levitt also participated in Jesse Jackson's recent Wall Street conference, which brought national attention to the fact that African Americans and other minorities have limited access to investment capital, financial training and well-paying jobs in the financial industries. The overflow audience gave Mr. Dinkins a sustained ovation at the end of his speech. After the program, Mr. Dinkins stayed to greet and have photos taken with SEC employees.

#### Kwanzaa Workshop

The tradition and meaning of Kwanzaa was the theme of the workshop conducted by Audrey Davis and Lillian Patterson of the Alexandria Black Historical Resource Center, Kwanzaa.

Historical Resource Center. Kwanzaa,

#### LILLIAN PATTERSON

which is observed from December 26 through January 1, is a unique holiday that pays tribute to the rich culture of African Americans.

The holiday was founded in 1966 by Dr. Maulana Karenga, a professor of Black Studies. Kwanzaa is not a religious holiday, but rather a cultural one based on the following seven principles: (1) unity, (2) self-determination, (3) collective work and responsibility, (4) cooperative economics, (5) purpose, (6) creativity and (7) faith. Ms. Davis and Ms. Patterson described the typical

Kwanzaa family celebration. They stressed that the holiday can be celebrated in a number of ways even with limited funds. They described the Kwanzaa table setting and the significance of each item on the table. During the seven days of Kwanzaa, the family gathers around the table and lights a candle representing one of the seven principals of Kwanzaa.

### Genealogy Workshop

Barbara J. Walker, National President of the Afro-American Historical and Genealogical Society, presented a

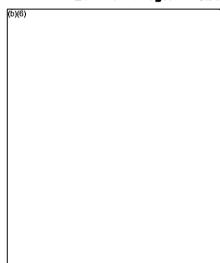
workshop (b)(6) to help individuals trace their family origins. Ms. Walker discussed how to begin a genealogical research project using a variety of sources such as

sour- BARBARA WALKER

birth, marriage and death certificates; church records; the Library of Congress; and information from family members. Ms. Walker provided the audience with family tree charts and other documents to help organize and document their research. She also relayed many interesting stories about problems she encountered over more than 14 years of personal family research.

# Chicago Symposium "A Tremendous Success"

On February 19, the Midwest Regional Office, in conjunction with more than 20 sponsoring organizations and schools, hosted the Symposium on Career Options for Minority Students in the Securities and Commodity Futures Industries at Northwestern University School of Law in Chicago. SEC



From left, SEC Commissioner Hunt and Senator Carol Moseley-Braun.

Commissioner Isaac Hunt, one of the keynote speakers, termed the event a "tremendous success" and commended

CONTINUED ON PAGE 15

CONTINUED FROM P. 1

# Chairman Levitt Encourages

The full text of Chairmen Levitt's speech on diversity in the securities industry follows. Chairmen Levitt spoke at the First Annual Contenence of the Rainbow PUSH Coalition Wall Street Project on January 16 in New York City

Today, as we recall the achievements of Rev. Martin Luther King Jr., we recommit ourselves to the ideals that he fought for: closer understanding among all people, and a greater sense of justice throughout our society.

Dr. King recognized that national greatness requires moral goodness. He never lost his faith that those who had long been excluded would find their way into America's mainstream. But he knew that progress is neither easy nor automatic.

The truth, as we all know it, is that Wall Street serves America-but it does not yet look like America.

"Human progress never rolls in on wheels of inevitability," he wrote. "It comes through the tireless efforts of men willing to be co-workers with God. And without this hard work, time itself becomes an ally of the forces of social stagnation. We must use time creatively, in the knowledge that the time is always ripe to do right."

I've spent my professional life involved with Wall Street. My heart is here... My friends are here. I respect the power of our markets, and I appreciate the enormous opportunities that those markets create every day. But the doors to those opportunities were once closed to all but a very few. This was the case not only on Wall Street, but throughout America.

In the course of our history, our society has been infected by many forms of social prejudice: racism, sexism, nativism, anti-Catholicism and anti-Semitism.

Jesse Jackson and Torn Jones, Chairman and CEO, Salomon Smith Barney Asset Management, enjoy a moment in Chairman Arthur Levitt's address.

In fact, until relatively recently in our nation's history, many of those who are attending this conference-not just in the audience, but also at the podium--would not have been welcome in some of our society's key institutions.

It's amazing to imagine, looking back scarcely 50 years, that prejudice once prevented one of the nation's most gifted legal minds—Louis Loss—from getting a job as a Wall Street lawyer. As his obituary in the New York Times recalled just last month, he chose a life in government and scholarship because he felt unwelcome on Wall Street. Yet as a professor at Harvard Law School, he went on to win renown as "the intellectual father of American securities law."

I'm proud that Louis Loss found fulfillment as Associate General Counsel of the SEC-and I'm deeply moved by his commitment to scholarship: He preferred to remain at Harvard rather than accept the SEC chairmanship when President Kennedy offered it to him. Yet it's astonishing to think that the social prejudice against his religious faith was so strong--not so many years agothat it denied a man as brilliant as Louis Loss a chance to use his legal skills as he had originally hoped.

Thankfully, over the years, voices of humanity have been raised, and have touched America's conscience. Voices that encouraged the nation to recognize—and then to uproot—the most public forms of prejudice.

Among those humane voices, the voice of Dr. King stands out. He reminded us that moral right must accompany economic might.

Dr. King's message still echoes across our country, and Americans still learn from his teachings. The New York Stock Exchange deserves great credit for focusing the attention of markets throughout the world on the Martin Luther King national holiday.

The decision to close many of our nation's exchanges gives us all a chance to weigh our conduct in the context of a population that grows increasingly diverse.

We gather here to celebrate how far America has come along the road to equal opportunity, and to take stock of how far we still have to go-particularly in the financial community.

The truth, as we all know it, is that Wall Street serves America--but it does not yet look like America. That's a reflection of a continuing social flaw that goes far beyond Wall Street.

We have created the most virtuous, the most energetic and the most prosperous nation in human history. In theory, we have created a color-blind, gender-blind, market-based democracy. In reality, we have not always included every color and both genders. In theory, the marketplace welcomes everyone who is driven by the spirit of enterprise—and welcomes them on equal terms. In

# Greater Diversity On Wall Street

reality, however, we know that we haven't yet achieved the ideal of equal access; I clearly remember the first time that seats on the New York Stock Exchange went to an African-American man and to a woman. It wasn't until the 1960s and 1970s.

We are all enriched by America's diversity--a diversity of races, religions, languages and ethnic backgrounds. We gain insight into the many threads of humanity that, woven together, create the fabric of a pluralistic society.

That minimal action surely gives us no reason for complacency or self-congratulation. A commitment to policies of inclusion becomes ever more important as our population grows ever more diverse. We are all enriched by America's diversity-a diversity of races, religions, languages and ethnic backgrounds. We gain insight into the many threads of humanity that, woven together, create the fabric of a pluralistic society.

Our society is not monochrome but multi-colored. And the leadership institutions of our society--all of them-should reflect that reality.

Honoring America's diversity has rightly become a national priority. President Clinton and Vice President Gore have set an example for all of us by leading a government that "looks like America."

In that spirit, the SEC is launching a new, nationwide initiative: In conjunction with our "town meetings" around the country, as we help educate investors about the markets, we will often convene "diversity roundtables." In many of the regions that we visit--starting in Los Angeles, three weeks from now [that town meeting took place in early February]--I'll chair a discussion among CEOs and senior executives of securities firms and local corporations to discuss

ways to promote diversity.

Fostering diversity is, and will remain, a priority for the SEC--both in corporate America and within our own agency. For our part, we realize, very pointedly, that we need to do better in diversifying our own staff. Among our other efforts, as we recruit legal talent for the SEC, we have recently intensified our diversity outreach to federal judicial clerks--one of our country's best talent pools, and a group that already has a very strong diversity record. We are reinforcing our efforts in this area--for we realize that every organization must seek broader constituencies, in order to seek greater diversity.

We are the heirs of a great tradition, in which financial success has called forth social commitment.

As America reinvigorates its economy to meet the challenge of a global marketplace—as we invest in raising the skill level of every individual—we are investing in our nation's future productive capacity. Yet we don't have to look very far to see evidence that economic opportunity remains a distant dream for many Americans.

We can do better. We can do a lot better--including those of us in the financial community. We are the heirs of a great tradition, in which financial success has called forth social commitment. We need to open the door of opportunity more widely to members of minority groups. We need to invite a broader spectrum of Americans to participate in the markets. And we need to reach out to young people who might not otherwise consider careers in finance to help broaden their professional options.

I don't mean to overlook the industry's progress in encouraging diversity. But I'd be kidding you if I said we've done nearly enough. None of us should feel as if we can rest until there are more people who come from groups that have been excluded for too long-African-Americans, Hispanics, Asians,

women--serving as branch managers, as heads of syndicate departments, as members of boards of directors.

I ask that all of us join together to encourage, teach, recruit, hire, mentor, retain and promote members of minority communities.

Here today, I'm proposing a stronger partnership between the securities industry--the exchanges, the securities bar, the academic community--and its regulators. I want all of us to aim higher--to set an even better leadership example for the nation. Working together as never before, the financial community should push itself to "look more like America."

I ask that all of us join together to encourage, teach, recruit, hire, mentor, retain and promote members of minority communities.

Reaching young minds, and starting them thinking about the nature of the market-place, can help inspire a personal spirit of enterprise.

Of all the things we can do, nothing compares to education—starting as early as possible. Reaching young minds, and starting them thinking about the nature of the marketplace, can help inspire a personal spirit of enterprise. That spirit will serve them well throughout their lives.

As Wall Street knows better than almost any other industry, there are at least two types of "capital" in our modern economy: the financial capital of the marketplace and the human capital of our people. By helping younger people develop a stronger base of learning and broader pathways for personal contacts, we can help them accumulate a

CONTINUED ON NEXT PAGE



# Chairman Levitt Encourages

storehouse of social knowledge, social networks and social mobility.

- As they draw on their expanded resources of "social capital," young people will be able to envision careers in the leadership echelons of our society-perhaps in finance—when they are ready to take their place as professionals and community leaders.

We all must pledge to intensify our efforts. At the Commission, we intend to dedicate ourselves to progress across a wide range of diversity issues--starting with the following specific concerns, and broadening our efforts as we move forward.

At the Commission, we intend to dedicate ourselves to progress across a wide range of diversity issues.

In the following six areas, I'll cite some current "best practices" and suggest some new initiatives. I hope this framework will elicit even more ideas and offer direction for future action.

• First: We should intensify economic education on the secondary school level, especially in economically hardpressed areas. Efforts like Merrill Lynch's "Scholarship Builder" program -- adopting hundreds of first graders, and offering to pay their college expenses if they finish high school-can help establish a lasting rapport with students in minority communities. Sandy Weill's "Academy of Finance" has helped strengthen curriculum development. Over the last 15 years, more than 10,000 students in 70 cities have graduated from, or are participating in, this program. An expanded effort might also include the broader distribution of the successful "Stock Market Game." Developed by the Securities Industry Association, that learning tool has already reached about 700,000 highschool and junior high students.

One community that has taken the lead in this program is Chicago, where every school now has access to the game. And financial firms can get directly involved by taking part in

"career days" in the schools, telling students what finance is all about--and telling students how they, too, can build successful careers.

- Second: We need to broaden outreach to students on the undergraduate level--seeking partnerships with such groups as the NAACP, the Urban League and the American Association of University Women. Last spring, Commissioner Issac Hunt and I were heartened to see a strong turnout at Catholic University in Washington at a symposium sponsored by the D.C. Bar Association and the SEC. At that series of seminars, hundreds of students heard presentations about financial careers. Securities firms should also consider an expansion of internship programs like the industry-wide "Sponsors for Educational Opportunity." That effort links promising minority undergraduates, during the summer college vacation, with role models in the profession.
- Third: We should create an industry-university partnership at the graduate school level. This outreach and information effort should not stop with students at business schools. Who are already on a track toward financial careers. Regulators and the industry alike might also step up recruiting among students in law schools, and those who are in advanced degree programs in public service. We should include arts and sciences graduate programs as well --in economics, history, engineering and foreign languages--whose students have academic skills that fit the changing needs of a global industry. For example, as we discuss the "Year 2000" computer problem. Wall Street is certainly seeing the importance of engineering skills in information-driven age--and computer specialists need to know of the career opportunities for them in finance.
- Fourth: Beyond the campuses, we must strengthen the focus on minorities in the programs for mid-career hiring and recruitment. Many mid-career professionals are seeking ways to refine their already seasoned skills and they need to know that their choices include

finance. There's an added bonus, too; a minority group member in mid-career is likely to have a network of professional friends and colleagues who may also be interested in developing a career in finance.

• Fifth: Within the financial community, we must strengthen mentoring programs, to encourage recently hired professionals to stay and build a "critical mass" of minority participation. It's not good enough merely to recruit talented people, only to have them leave because they feel they receive little support. The "sink or swim" practice that often transitions brokers from salaried trainees to commissioned professionals must be modified to ensure a greater retention rate among members of minority groups.

In addition to improving mentoring, firms need to create an incentive structure for executives that makes improved diversity a top priority. One promising experiment is underway at some of Wall Street's leading firms: Merrill Lynch links some top managers' annual bonuses to their results in promoting diversity, and every manager at Salomon Smith Barney has a specific portion of his or her annual bonus linked directly to diversity.

We must strengthen mentoring programs, to encourage recently hired professionals to stay and build a "critical mass" of minority participation.

• Sixth: The exchanges can play a more vigilant watchdog role in monitoring "best practices." The exchanges, working with securities firms, should consider setting up high-level panels to monitor the career development of minorities and women. A good model is the program administered by the Association of the Bar of the City of New York, which has enlisted many of New York's most influential law firms to help track the hiring and advancement of minority lawyers.

# Greater Diversity On Wall Street

Again, these are ideas for where we might begin. But wherever the practical effort begins, the moral responsibility resides with us.

There's a compelling philosophical case for greater diversity. But let's also remember that there are strong business-minded reasons for diversity, too. In

So "diversity" isn't just a soft-hearted buzzword. It's a hard-headed business word.

this case, as in so many others, good corporate citizenship is also sensible business practice. Reaching out to new communities is an opportunity to create new customers—even as it means empowerment for millions of Americans whose needs have been neglected.

Energizing the untapped financial power of those under-served Americans --with assets estimated at more than \$400 billion in the African-American community alone--will help stimulate new sectors of our economy. The Securities Industry Association has put together impressive data about the economic potential in under-invested communities.

So "diversity" isn't just a softhearted buzzword. It's a hard-headed business word.

Diversity is a form of civic enrichment. Prejudice, by contrast, impoverishes us as a society and deters our nation from fulfilling its potential.

Energetic corporate leadership will help expand the circle of opportunity to include even more Americans. Good corporate citizenship can give business a chance to market their products in new communities, to new customers, through an increasingly diversified work force. Wall Street can continue to prosper, even as it helps break down the barriers of social exclusion. That's what I call a

"win-win" approach.

Diversity is a form of civic enrichment. Prejudice, by contrast, impoverishes us as a society and deters our nation from fulfilling its potential.

The financial markets wield not just economic power, which they deploy on behalf of America's investors. The markets also wield moral power, which they deploy on behalf of America's interests. And surely there are few greater national interests than racial harmony, social stability and economic opportunity.

Diversity is all about offering people opportunity. It is not about fixed numerical quotas, it is not about preferential treatment for anyone. It means giving everyone a fair chance to use his or her talents to their fullest. It means giving every individual a reasonable shot at realizing the American dream. That's the promise of our market system.

But a thriving marketplace is not an end in itself. It is a means to an end: It is the way to create a more just, more harmonious society—to liberate the human spirit and to lift our national vision.

Thanks to the creativity of our marketplace, millions of Americans-across the spectrum of our society—are now enjoying a standard of living that they scarcely could have dreamed of just a few years ago.

But a thriving marketplace is not an end in itself. It is a means to an end: It is the way to create a more just, more harmonious society--to liberate the human spirit and to lift our national vision.

Dr. King encouraged us to recognize that ideal of greater justice. Dr. King devoted his life to building such a harmonious society. Dr. King knew that progress is possible--and he knew that

inertia is inexcusable. Dr. King knew that America must lift its vision. -And he knew that America has the heart and the will to meet this moral imperative.

Let us honor Dr. King's legacy-not just with our words, but with our work.

Let us work to build an industry where diversity characterizes every areathe syndicate and operations departments, as well as the municipal underwriting department. Let us use mentoring as a standard, rather than as a novelty.

Let us be proactive rather than reactive, as we move toward a color-blind, gender-blind, market-based democracy. Let us work to build an industry where diversity characterizes every area—the syndicate and operations departments, as well as the municipal underwriting department. Let us use mentoring as a standard, rather than as a novelty. Let us never take the path of least resistance by accepting the status quo. Let us never fall back on old excuses about "not being able to find qualified people." Let us never tire in our search for human talent.

Let us make it happen.

Let us be able to look back five years from now and be able to say, in truth, that we have provided not just the capital to enrich our nation's wealth but the energy to enrich our society's spirit.

Let us never fall back on old excuses about "not being able to find qualified people."

By working together to broaden opportunity for all our people, we can live up to the high moral standard that Dr. King taught us. And, in that way, we can truly honor Dr. King's memory—not just on the holiday that's celebrated in his honor, but every day.

## Introducing Some SEC Assistant Directors

This is the third and last in a series of articles that introduce SEC's Assistant Directors.

Large photo: From the left are Assistant Directors Richard Wulff, Kathleen Hamm, Shirley Slocum and Leonard Wang. Small photo: Assistant Director Helena McGee. (Photos by Christopher Ullman)

#### Richard K. Wulff

Richard Wulff has been an Assistant Director in the Division of Corporation Finance since 1985. His job is to oversee the Office of Small Business, and his responsibilities are varied. He oversees the processing of company filings, works as federal liaison with regulators of state securities commissions and promotes the development of small businesses.

During 25 years at the SEC, Richard has made a significant contribution to the Commission's full disclosure program. He jelled the Commission as a Branch Attorney in 1972 and later moved to the Office of Chief Counsel, Disclosure Policy, as divisional special counsel. In 1985, he was appointed Chief of the Office of Small Business.

As small business policy chief, Richard has worked on many fronts to support small business operations. He headed the small business initiatives project in 1992. Last year he assumed responsibility for all Regulation A and small business filings from regional and district SEC offices. He established, led and has been the inspiration behind the SEC's Government-Business Forum, which just completed its 15th year. In 1996, he was involved in 10 SEC town hall meetings designed to give small businesses an opportunity to learn what is happening at the Commission and the Small Business Administration.

For his contribution to the SEC's full disclosure program, Richard received the Barney Woodside Award at the Commission's Awards Ceremony in December.

Richard received his JD from St.

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Fordham University. (b)(6)

Shirley A. Slocum

Shirley Slocum, an Assistant Director in the Office of Filings and Information Services, oversees the Public Reference Room and the Office of Records Management.

John's University and an AB from

Since joining the Commission in 1974, Shirley has been involved in managing official SEC filings. She began as a Documents Clerk, advanced to a Contract Representative in 1979, to Documents Supervisor in 1981 and FOIA Specialist in 1984. In 1985, she was named EDGAR Operations Assistant, and in 1987 she became EDGAR Operations Branch Chief. She advanced to Assistant Director in 1990.

Shirley was the first Branch Chief for the newly developed Branch of Filer Support. She worked on contract proposals for operational EDGAR. And she has worked to keep EDGAR lines open during the Commission's business hours. During the 1987 snowstorm that closed Washington, and the SEC, for four days, Shirley reported to duty and kept the pilot EDGAR lines open so companies voluntarily filing on EDGAR could meet their filing deadlines. For her dedicated service, then Chairman Richard Breeden and Executive Director George Kundahl sent her letters of recognition and appreciation.

Before joining the Commission, Shirley worked for the C&P Telephone Company and the Department of Navy in Washington and the National Archives in Kansas City, Mo.

Kathleen M. Hamm

Kathleen Hamm was appointed Assistant Director in the Division of Enforcement last September. Her job is to coordinate and supervise all aspects of the work of the three enforcement branches that investigate potential violations of the federal securities laws.

Kathleen joined the Commission in early 1991 as a Staff Attorney in the Division of Enforcement, where she rose to Senior Counsel in 1992, Branch Chief in 1995 and Assistant Director in 1997.

She came to the Commission following two years' work as a Corporate and Securities Associate at Streich, Lang, Week & Cardon, P.A. in Phoenix. There she represented both public and private companies, partnerships, boards of directors and dissident shareholders in corporate and securities transactions and other business matters.

She earned a JD from Duke University School of Law in 1988 and an LLM in Securities Regulation from Georgetown University Law Center in 1994. She was the Thomas Bradbury Chetwood, S.J. Prize Recipient for graduating first in the LLM, Securities Regulation Program. She received a BS in Business Administration, concentrated in the Registered Accounting Program, from the State University of New York at Buffalo in 1985.

#### Leonard W. Wang

Leonard Wang has been an Assistant Director in the Division of Enforcement since 1994. As Assistant Director, Leo supervises enforcement investigations of individuals or corporations suspected of securities violations.

Leo joined the Division in 1982 in the position of staff attorney and was named Senior Counsel and then Branch Chief

before his appointment as Assistant Director.

In 1996, Leo was a leader in the SEC enforcement action brought against the National Association of Securities Dealers (NASD) in connection with its alleged failure to comply with its own rules and its failure to enforce compliance by Nasdaq market makers. He also played an important part in writing the report on the investigation of the NASD and the Nasdag market. Leo received two awards for his outstanding work on the NASD matter--the 1996 Stanley Sporkin Award and, as a member of the Nasdaq team, the 1996 Chairman's Award for Excellence, Before ioin-

ing the Commission, Leo was an Associate at Foley & Lardner where he specialized in corporate law.

Leo received a JD at the University of Wisconsin (Madison) in 1978 where he was a member of the Order of the Coif and an articles editor of the law review. He received a BA with honors from the same university, and was a member of Phi Beta Kappa and Phi Kappa Phi.

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#### Helena K. McGee

Helena McGee is an Assistant Director in the Office of Compliance Inspections and Examinations. As Assistant

Sun Tzu, the Chinese military strategist, wrote in <u>The Art of War.</u>
A victorious army wins its victories before seeking battle, an army destined to defeat fights in the hope of winning.\*

Misamoto Musashi, a 17th century samural, wrote in A Book of Five Rings: "Put yourself in your opponent's place. People tend to think of a robber trapped in a house as a formidable opponent. However, if we put ourselves in his place, we will feel that the whole world is against us and that there is no escape."

Leonard W. Wang

Working with small companies; I have come to a fuller appreciation of the true value of the Commission's full disclosure program and its importance to both the companies subject to the compliance requirements and investors who are the intended beneficiaries.

Richard Wulff

I remember I had been working here for approximately a year, and I naticed one of my coworkers earned eight hours of annual leave a pay period. I asked how did it work: I was told you had to have 15 years or more of government work. I replied, "I guess I will never earn eight hours. Here I am with 25 years."

Sharley Slocum

Director, she oversees SEC inspections of self-regulatory organization (SRO) programs, including SRO examination, arbitration, listing and disciplinary programs. For her excellent leadership skills in coaching and training her staff

to produce quality results, undertake a myriad of inspections, stay abreast of the results and work on special projects, Helena received the: Supervisory Excellence Award last December.

Helena joined the Commission in 1992 as Attorney-Advisor in the Division of Market Regulation. In 1995, she became a Senior Counsel and in 1996 a Branch Chief in OCIE.

Helena participated in a special inspection of the Philadelphia Stock Exchange that arose amid allegations of a conflict of interest of the former Chairman of the exchange, Vincent Casella. The inspection led to significant changes in the governance structure of the exchange.

Before joining the Commission, Helena was an associate with the law firm of Anderson, Hibey and Blair during the period 1990-1992. She began her legal career and served from 1989-1990 as a Judicial Clerk in the District of Columbia Court of Appeals.

Helena received a JD with honors from George Washington University School of Law in 1989 and

a BA cum laude in political science and German from Wellesley College in 1986.

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### Seidman Heads OAPM

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Women's Bureau.

For several years, Ms. Seidman worked in the private sector as Director of Development for the Employee Benefit Research Institute, a private non-profit organization, and then for the Pension Benefit Guaranty Corporation, a government organization.

Ms. Seidman received an MBA degree from George Washington University in Washington, D.C. and a BA from Carnegie Mellon University in Pittsburgh.

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### **Balducchi EEO Director**

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Ms. Balducchi joined the Commission in late 1992 as Special Assistant to the Associate Executive Director for OAPM. She then served as Deputy Director of OFIS before joining the Office of EEO.

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### **New Server Replaces Mainframe**

If you've ever researched names on NRSI, entered case information in CATS, logged a complaint in ACTS or updated leave records in ETA, then you've used the SEC's mainframe computer. In fact, on any given day, most Commission employees access either an application or a database running on the SEC's mainframe. Unknown to staff, however, was the recent seamless replacement of the agency's old IBM ES9000 mainframe with a new state-of-the-art system.

"This was no small task," commented Mike Bartell, Associate Executive Director for the Office of Information Technology (OIT). "I've spoken with counterparts at other agencies who are working on similar projects and what they expect will take them a year to do. OIT's team successfully completed the job in about three months with no disruption to staff during the transition. That's a major accomplishment."

"The whole effort started over a year and a half ago when the Office of Management and Bunget (OMB) required all agencies to consolidate their data centers," said Donna Duffrin, Systems Branch Chief for OIT. "When we finished our analysis, the findings strongly supported keeping our operations inhouse while moving to a new technology

that was less costly to own and operate. In fact, the arguments were compelling enough to convince OMB officials to issue the SEC a waiver from some of the requirements in the directive."

With the waiver in hand, OIT staff put in many long days and weekends over a twelve-week period to transition to a new CMOS system. CMOS stands for Complementary Metal Oxide Semiconductor System. Ken Drews, Manager of OIT's Office of Central Services. stated that the new technology is much more efficient and cost-effective. What will users notice when they log on to the new CMOS? Donna Duffrin stated, "Initially, most users will benefit from improved performance and response times. The offices that will see the most dramatic improvements will be those that are data intensive, like the Office of Economic Analysis that needs a considerable amount of space on the system to store, manipulate and analyze data."

"In the long run though," added Duffrin, "this positions OIT to use the CMOS technology to give users better access to data that reside on the mainframe. This provides a path for us to make mainframe data more readily available through user-friendly screens and queries."

The CMOS project team included: Donna Duffrin, Kathy Meushaw, John Clark, Joan Grindell, Claudette Gonter and Stan Fink. Fully operational since Dec. 13, 1997, the CMOS is now managed and maintained by OIT's Operations Branch staff.

### **Comptroller Named**

Continued from Fage 8

the U.S. Geological Survey, Bureau of Mines, Minerals Management Service and Office of Surface Mining.

In response to a question about her new job, Ms. Carpenter said, "I have thoroughly enjoyed the transition to a smaller, business-oriented agency, and I look forward to doing my part to help the Commission continue to meet its objectives,"

Ms. Carpenter received an MBA degree from the University of Michigan in 1974 and a BA in economics from Smith College in 1970.

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campaigns of World War II.

Mr. Chappell described his experiences at the famous Freeman Field Incident. He was one of 101 officers who spontaneously risked court-martialing and physical abuse only because they wanted to dine in the segregated officers' hall. Mr. Martin wowed everyone with a description of his plane being shot down behind enemy lines during a night-strafing mission. His determination to survive the ordeal as the "best pilot in the world" was aweinspiring.

Musical guests included Dwaine Armstrong, a tenor saxophone player and record producer who has been featured with such jazz greats as Herbie Hancock and Freddie Hubbard. Along with bass guitar player Dennis Bryan (brother of SEC employee Sherry Bryan), Armstrong performed a stirring rendition of Amazing Grace and electrified everyone with a gold record tune from Grover Washington.

### **MRO** Celebrates Black History Month

On February 26, the Tuskegee Airmen landed at the SEC Midwest Regional Office. Roy Chappell and Robert Martin from the Chicago Chapter of Tuskegee Airmen, Inc. were the special guests. The event's theme was Translating History Into Today's Causes. James Hardaway, staff accountant, was the event moderator.

During the 1940s, the U.S. Air Force reflected the segregation of society and provided only one facility for the flight training of African American pilots. As individuals and as a team, the Tuskegee Airmen represent one of the most successful military endeavors in recorded history. Tuskegee graduates received

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Tuskegee Airmen Roy Chappel (left) and Robert Martin.

150 Distinguished Flying Crosses, Legions of Merit and other honors. In addition, not one bomber was shot down while being escorted by Tuskegee Airmen on the United States military

### ADMINISTRATIVE AND PERSONNEL MATTERS

### Did You Know?...

● The maximum amount of Thrift Savings Plan (TSP) contributions allowable in 1998 is \$10,000. Employees under the Civil Service Retirement System (CSRS) may contribute up to five percent of their gross income each pay period, and employees under the Federal Employees Retirement System (FERS) may contribute not more than 10 percent of their gross income or up to the maximum dollar value.

GSA's website

http://www.finance.gsa.gov/csrs.htm helps employees calculate a rough estimate of their future retirement annuities. CSRS employees can do calculations online, and FERS employees can download an Excel spreadsheet to use for annuity estimates.

- Enrollment in the Federal Employees Health Benefits program may be cancelled or changed from Family to Self Only at any time. Other enrollment changes are allowed only during open season unless listed on the Table of Permissible Changes.
- Employees suffering from terminal illness with a life expectancy of no more than 24 months may assign their Federal Employees Group Life Insurance (FEGLI) coverage to a private insurance company in exchange for cash. The employee receives a percentage of the face value of the total FEGLI coverage while still living. Upon the employee's death, the private company receives the insurance proceeds.

To receive additional information regarding any of these matters, please call the Office of Administrative and Personnel Management, Processing and Benefits Branch at (202) 942-4080.

### Internet Access

by Jun McConnell >

Some of you may have seen the recent article in our clips about the high ranking employees of a brokerage firm who were fired for using their work computers to download pornographic images.

As the fired employees discovered, it is simply not possible to anonymously visit websites that would be embarrassing to you or to your employer. There is no personal privacy on the internet or on your work computer. When you access a website from an SEC computer, you carry with you an identifier showing you are from the SEC. That identifier makes it possible for others to monitor your activity on a website and to collect extensive information about you. Because it is impossible to aponymously visit sites. Internet access to the Web puts a high degree of responsibility on us to be thoughtful about the sites we visit. The SEC considers inappropriate use of the internet to be an extremely serious matter. In February, I distributed a new Internet Usage Policy to all employees with Internet access. That policy is very clear. Employees who misuse or inappropriately use internet actess are subject to disciplinary action, including suspension or termination. Be aware that the SEC periodically monitors all Web browsing activities to ensure compliance with the policy. Access logs capture the date, time, and address of sites visited by any workstation-using the SEC network.

### Chicago Symposium: "A Tremendous Success"

**CONTINUED FROM PAGE 7** 

the MRO for doing "a spectacular job in organizing the event."

Commissioner Hunt, along with Senator Carol Moseley-Braun, Senator Richard Durbin, CFTC Chairperson Brooksley Born, former SEC Chairman David Ruder and an impressive panel of industry leaders participated in the symposium, attended by over 240 law, business and accounting students from area colleges. Representatives from the SEC, the Senate, the securities industry and securities law highlighted the event.

Commissioner Hunt remarked on the SEC's commitment to increasing diversity in the industry and the impact of the international marketplace on the U.S. economy.

Keynote speaker Senator Moseley-Braun revealed encouraging statistics on the opportunities in the industries that are the result of industry economic growth.

William Brodsky, Chairman of the Chicago Board Options Exchange, spoke of the opportunities within the industry for salespeople and summer interns and described various positions that provide the experience necessary to qualify for exchange professional positions.

Giving a formula for success in gaining employment in the industries, Clarissa Cerda, securities attorney, told students to take risks, assess and evaluate the obstacles and seek out a mentor who is respected and well known.

Fund Manager Lou Holland described

the characteristics needed to be successful in the industries. They included mental toughness, common sense, hard work, intellectual honesty and the development of good sales and communications skills.

Following the keynote speakers and panel discussions, students were given the opportunity to attend eight break-out groups that addressed specific disciplines within the industries, such as traders, attorneys, accountants, fund managers, and operations. The break-out groups were offered twice during the afternoon and allowed students to ask questions. The day culminated with a reception where students were encouraged to network with the panelists, career-service professionals and industry leaders.

### ADO Celebrates Women's History Month

Office The Atlanta District sponsored a Women's History Month Program on March 25. Kent Anderson Leslie, Administrative Director of Oglethorpe Women's Studies at University, was the keynote speaker. Dr. Leslie, an educator, scholar, author and historian, has a keen interest in women's history, southern women in history and the conflicts created for southern women because of their culture.

Dr. Leslie focused her presentation on the history of how women obtained the right to vote, emphasizing the theme of Women's History Month, Living the Legacy of Women's Rights. In recognition of the 150th anniversary of the Women's Rights Movement, Dr. Leslie described the first Women's Rights Convention, held in Seneca Falls, New York in 1848. Organized by Elizabeth Cady Stanton, the convention resulted in the drafting of the Woman's Declaration of Independence, which included a resolution for women to "secure themselves their sacred right to the elective franchise." Dr. Leslie also outlined significant suffrage events that occurred during the 72 years between the convention and the ratification of the 19th Amendment to the U.S. Constitution in 1920. The 19th Amendment granted women the right to vote.

After her presentation, Dr. Leslie, in answering questions from the staff, recounted the story of Amanda America Dickson, the illegitimate daughter of a slave and a wealthy landowner and the ancestor of an ADO employee. Members of the family of Dickson's father challenged her right to inherit a substantial amount of land from him because as a slave she was viewed as chattel under the law. The story of Amanda America Dickson is retold in the book, Women of Color, Daughter of Privilege: Amanda America Dickson, 1849-1893, by Dr. Leslie, and demonstrates that many women fought for their rights and, on rare occasions, those rights were upheld by the courts.

### SEC-Insignia Sportswear and Gifts

(SEC Recreation & Welfare Association)

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# SEC EMPLOYEE NEWS

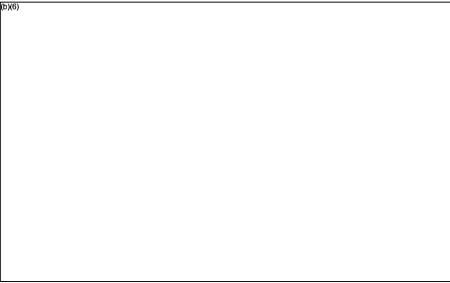
United States Securities and Exchange Commission

Vol. 22, No. 4

Washington, D.C.

May/June 1998

## SEC Launches Financial Literacy Campaign



NATIONAL TOWN MEETING, WASHINGTON, D.C.

From the left, Chairman Levitt, NASAA President Denise Voigt Crawford, ICI board member Larry Lasser and financial planner Betty O'Lear were panelists for the National Town Meeting.

### Walker Named Director of Enforcement

Richard H. Walker was appointed Director of the Division of Enforcement on April 8. He succeeds William McLucas, who served as director since December 1989.

Mr. Walker joined the Commission in 1991 and has served as General Counsel for the past two years. Prior to that, he was the Director of the Northeast Regional Office for four years. As General Counsel, Mr. Walker helped coordinate the government's successful appeal to the Supreme court in U.S. v. O'Hagan, a case that upheld the misappropriation theory of insider trading. In addition, he oversaw the preparation of a report to the President and the Congress on the impact of the Private Securities Litigation Reform Act of 1995.

As director of the SEC's largest region, with offices in New York, Boston and Philadelphia, Mr. Walker supervised numerous

important investigations and prosecutions, including ground breaking insider trading and municipal secur-

(b)(6)	CONTIN	UED ON	PAGES	2,236
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RICHARD WALKER

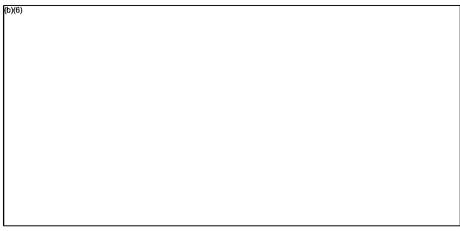
What better way is there to help people achieve financial security and protect themselves in the markets than a public awareness campaign that encourages people to learn how to save and invest, take control of their finances, and prepare for retirement even if living paycheck to paycheck?

The SEC and the North American Securities Administrators Association (NASAA), along with a national coalition of government agencies, industry associations and consumer organizations, answered that question by launching the Facts on Saving and Investing Campaign. The campaign, which seeks to motivate Americans to "get the facts" they need to invest wisely avoid costly mistakes. simultaneously launched by securities regulators in more than 20 North, Central and South American countries.

The U.S. campaign was kicked-off during the week of March 29 to April 4 with a series of educational programs and activities in 45 states, starting with the first-ever National Roundtable on Saving and Investing. The roundtable assembled more than 20 of the leading voices from government, industry, consumer groups and the media, including SEC Chairman Arthur Levitt, FTC Chairman Robert Pitofsky, NYSE Chairman Richard Grasso, and NASD Chairman Frank Zarb.

"We are in the midst of a financial literacy crisis, and many people will pay a high price for their lack of financial knowledge," Levitt said. "We will succeed only if the discussion we have around this table is repeated at kitchen tables across America." Participants and attendees alike agreed that the two-hour forum was an extraordinary success that

CONTINUED ON PAGE 12:5



SEC TUTORS WITH D.C. GRADE SCHOOLERS

### SEC Volunteers Lunch With Students

### More Drivers Wanted

Have you noticed the crowd gathering at 12:15 Monday afternoons near the 6th Street parking garage entrance? Wondered what they are up to? Through the District of Columbia Public Schools tutoring campaign entitled "Everybody Reads," these SEC volunteers recently began spending their Monday lunch hours, from 12:15 to 1:15, traveling to nearby Montgomery Elementary School at 421 P St., NW, and reading for 35 minutes with 60 second and third grade students. Having quickly grown from 20 to 60 in number, the tutors work primarily with students needing help with reading and comprehension skills. Their goals are to have fun, to help the students improve their reading skills and to be a source of encouragement and motivation for the students.

So far, students, tutors and school administrators seem very pleased. Spiffed up in dresses and ties, students are actually willing to forego their outdoor recess to meet with their tutors for 35 minutes. One tutor, Claire Delabar, Division of Corporation Finance, relayed a touching account a few weeks ago: "[My student] said he was about to cry because he thought his tutor wasn't there. His expression of joy was priceless when we found each other in the hall. I know that this whole program makes his day (and mine) special!" The tutoring program "represents the best the SEC offers regarding volunteer services provided to the local government," said Tom Ford, Market Surveillance Analyst.

Working closely with the tutors are school Principal (b)(6) and her two coordinators, (b)(6) (b)(6) . who serve as liaisons between the tutors and the six second and third grade teachers whose students participate. Both (b)(6) said on behalf of the school staff, "We feel that the partnership with the SEC extends and supports the goals and objectives of the classroom instructional program. The volunteers from the SEC have provided immeasurable worth to the school program. The tutoring campaign turned out to be timely. Shortly after its inception, President Clinton, on April 22, issued a directive, as reported in the "Federal Diary" section of the Washington Post on April 24, encouraging federal agencies to support staff volunteer efforts.

The program is structured so that interested SEC employees can participate weekly or on a drop-in basis. If you are interested in tutoring a student this summer or fall, either once per week or just when your schedule permits, the students welcome your friendship and help.

Transportation has been an ongoing problem for the tutors. Anybody with in-and-out parking privileges in the SEC parking garage or elsewhere is particularly invited either to join the program or lend a vehicle. Approximately half of the 10 drivers, who normally commute by Metro, drive to work on Mondays and must pay twice for public parking. So far, five volunteers with SEC parking

privileges have volunteered the use of their cars. One driver, Nancy Smith, Director of the Office of Investor Education and Assistance, commented, "I've joined to tutor and drive. It's not only a worthwhile program, it's fun because the kids are great."

Contact Darcy Flynn at x4764 or email him at FlynnD for an application or more information. Please indicate whether you can provide a vehicle and, if so, how many passengers you can carry.

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### FC EMPLOYEE NEWS

The SEC Employee News is published by monthly by the Office of Public Affairs. Policy Evaluation and Research. U.S. Securities and Exchange Commission, 950 5th St., N.W., Washington, D.C. 20549. Readers are encouraged to submit articles for publication and should send material to:

Editor SEC Employee News Room 7103

They should address Issues, not bersonalities and should be submitted with a name and telephone numbers

Mary Teel, Editor Donald Kovener, Art Editor Office of Public Affairs, Policy Evaluation, and Research

COPY DEADLINE: The deadline for articles for publication in the SEC Employee News is the second week of the month prior to the month in which the News is published.

### Goldschmid Named General Counsel

HARVEY GOLDSCHMID

Harvey J. Goldschmid was named the Commission's General Counsel in May. Mr. Goldschmid expects to join the Commission in early July 1998.

Arthur Lavitt (b)(6) said, "Harvey will be dragura General Counsel. The breadth and depth of his legal knowledge and scholarship will be a tremendous asset to Commission. the Over the years Harvey has shared his great wisdom and insight with the Commission on a variety of critical issues." Levitt added, "On behalf of the Commission. Ī thank Colleen Mahoney, for-

merly the Commission's Deputy Enforcement Director, for serving as Acting General Counsel until Harvey ioins us."

"This is a pivotal and dynamic time in the financial markets," said Harvey

CONTINUED FROM PAGE A

Goldschmid. "I am excited by the challenges and the opportunity to make a contribution. The SEC is a great agency. I look forward with delight to

working with Chairman Levitt, the Commission and the SEC staff."

As General Counsel, Mr. Goldschmid will be the chief legal officer of the Commission. His responsibilities will include representing the Commission on all actions pending in appellate courts, advising the Commissioners on all enforcement and rulemaking matters, supervising the Commission's responsibili-

ties under the bankruptcy code, assisting the Commission with adjudicatory responsibilities when it sits as an appellate tribunal, representing the Commission in actions arising out of enforcement investigations and other actions when the Commission is a defendant, and counseling the Commissioners and staff on ethics issues.

Since 1984, Mr. Goldschmid has been the Dwight Professor of Law at Columbia University School of Law. From 1970 to 1984 he served as Assistant Professor, Associate Professor, and Professor of Law at Columbia University School of Law. Between 1966 and 1970 he was an Associate at Debevoise & Plimpton in New York City and from 1965 to 1966 he was a law clerk to Judge Paul R. Hays of the Second Circuit Court of Appeals. And since 1995 he has served as Of Counsel at Arnold & Porter.

Mr. Goldschmid is the author of numerous legal and scholarly books and publications and a frequent lecturer at international legal seminars, and has received several teaching awards, including Columbia Law School's Willis L.M. Reese Award for Excellence in Teaching in 1996 and 1997.

Mr. Goldschmid received his J.D., magna cum laude, from Columbia University School of Law, and his B.A., magna cum laude, from Columbia College. He was a Phi Beta Kappa at Columbia College.

### Walker Replaces McLucas As Director of Enforcement

ities cases, and cases involving the fraudulent sale of securities by Towers Financial Corporation, The Foundation for New Era Philanthropy and Bennett Funding Corporation. He also was instrumental in supporting the U.S. Attorney for the Southern District of New York and the FBI in a sting operation that netted 45 arrests in

October 1996 and has resulted in 30

Commission enforcement actions to date.

Chairman Levitt said, "Dick Walker represents a great combination of 'outside' experience and 'inside' knowledge. In private as well as public service, Dick has demonstrated his good judgment, extraordinary intelligence and deep dedication to investor protection.

Dick's talent as a litigator, and as a prosecutor, is remarkable. Throughout his service at the Commission, Dick has provided the most trusted and sage counsel to me and my fellow Commissioners."

"We will continue to fight fraud in the microcap market, insider trading, financial accounting abuses, fraud in the municipal securities market and violations of law by those in the securities industry," Mr. Walker said at the briefing announcing his appointment. "Those in the bucket shops, boiler rooms and other fraudulent enterprises that are capitalizing on this bull market ought to think about some other line of business." Mr. Walker went on to call outgoing director William McLucas a "consummate public servant."

Mr. Walker received the Presidential

Rank Distinguished Executive Award for 1997—the highest federal award for government service. He also received the Commission's Law and Policy Award in 1997 for his participation in O'Hagan. In 1997, he received the Chairman's Award for Excellence.

Prior to joining the Commission, Mr. Walker was a litigation partner for 15 years in the New York office of Cadwalader, Wickersham & Taft. From 1975 to 1976, Mr. Walker served as law clerk to the Honorable Collins J. Seitz, former Chief Judge of the U.S. Court of Appeals for the Third Circuit. Mr. Walker is a 1972 Phi Beta Kappa graduate of Trinity College and a 1975 graduate cum laude of Temple Law School, where he served as Editor-in-Chief of the Temple Law Quarterly.

### Turner Appointed Chief Accountant

Lynn E. Turner was appointed SEC Chief Accountant, effective July 1. Mr. Turner succeeds Michael Sutton.

Arthur Levitt (b)(6) "Lynn said, has worked at the SEC as an auditor, as a standard setter, and most recently as the CFO of a high-tech company. He has sat on all four sides of the table, giving him a keen understanding of the various and sometimes competing needs and views of the participants in the financial reporting

process. This unique

Commission."

"I am excited about the challenges of the new position and look forward to rejoining the SEC," said Lynn Turner. "I feel my experience in

the private sector-both as CFO of an international hightechnology company and as a Coopers & Lybrand audit partner-will enable me to forge strong relationships with all constituencies."

As Chief Accountant, Mr. Turner will manage a number of important accounting issues, including the development and

coordination of international accounting standards and professional independence

Since 1996 Mr. Turner has served as Chief Financial Officer and Vice President of Symbios, Inc., a Colorado-based manufacturer of semiconductors and storage systems. Prior to that he was a partner at Coopers & Lybrand, where he was designated as an SEC Consulting partner. He also was appointed as the National Practice Leader for the Coopers & Lybrand High Technology Audit Practice, with responsibility for more than 1,000 professionals. Mr. Turner has worked on various industry task forces, including the AICPA Task Force on Acfor Software Revenue counting Recognition.

From 1989 to 1991 he served as a Professional Accounting Fellow at the Securities and Exchange Commission, where he focused on oversight of the professional standard setting practice. And from 1976 to 1989 Turner served in various auditor and management positions at Coopers & Lybrand.

Mr. Turner received his M.A. in Accounting from the University of Nebraska and his B.A. in Business Administration from Colorado State University. He is a member of the AICPA and the Financial Executives Institute.

### Colleen Mahoney Named Acting GC

**COLLEEN MAHONEY** 

LYNN E. TURNER

Colleen P. Mahoney was appointed Acting General Counsel on April 19 and will serve in that position until Harvey

background, combined with a zeal for

fairness and transparency, will make

Lynn an effective advocate for investors.

I am pleased to welcome him back to the

Goldschmid, the new (b)(6) General Counsel, joins Commission the July. Ms. Mahoney will then return to private practice.

Ms. Mahoney succeeds Richard Walker. who took over the Commission's Division of Enforcement on May 5, 1998. Prior to this appointment, Ms. Mahoney

Enforcement Director.

Chairman Arthur Levitt said, "I am delighted that Colleen has agreed to serve as the Commission's top legal advisor. In her 15 years at the Com-

Collecn has distinguished herself in every position that she has held. Colleen is a superb lawyer whose

> intellectual abilities are matched by her common sense and practical skills. Her guidance on any number of upcoming securities and legislative issues will be invaluable to me and my fellow Commissioners."

> Since 1994 Ms. Mahoney has served as the Deputy Director of the Division of Enforcement. Prior to that, she served as Executive Assistant to Chairman Levitt, Chief Counsel

of the Division of Enforcement and Assistant General Counsel. From 1981 to 1983 Ms. Mahoney was a litigation attorney at Steptoe & Johnson in Washington, D.C.

In 1996 Ms. Mahoney received the

Presidential Rank Award of Distinguished Executive and the SEC Chairman's Award for Excellence in 1991. Ms. Mahoney is a summa cum laude graduate of American University Law School, and a magna cum laude graduate of the American University School of Government and Public Administration.

### U.S. Savings Bonds New Interest Rate Declared

The Bureau of the Public Debt announced on May 1 that the rate for Series EE savings bonds issued on or after May 1, 1997 that enter semiannual earnings periods from May through October 1998 is 5.06%. This rate is 90 percent of the average five-year Treasury securities yields for the preceding six A new interest rate is announced effective each May 1 and November 1. A three-month interest penalty is applied to these bonds if redeemed before five years.

SEC EMPLOYEE NEWS

# Franklin Roosevelt And The SEC

Last year, President Clinton dedicated a memorial to Franklin Delano Roosevelt, the 32nd president of this nation. Roosevelt was president from March 1933 until his death in office in April 1945. He led the nation out of the Great Depression and through World War II; strengthened, enlarged and modernized the federal government; and created agencies and policies that remain today.

During his first 100 days in office, FDR introduced the New Deal, a program to counter the Depression and the stock market collapse, with employment on public works, farm loans

at low rates and social reforms such as old age and unemployment insurance, prevention of child labor, protection of employees against unfair practices by employers and loans to local authorities for slum clearance. He introduced and pushed through Congress hundreds of programs and economic initiatives.

When FDR took office in March 1933, 12 million Americans were unemployed. In some cities, the jobiess rate was 50%. Nearly 1,300 local governments were in default. Seventeen percent of the banks had failed; 40% of home mortgages were in default and income of farmers had dropped 70%.

The stock market had collapsed in October 1929.

The market value of all stocks listed on the New York Stock Exchange amounted to \$89 billion before the crash. By the middle of 1932, their market value had declined to \$15 billion.

Senate hearings conducted from 1932 to 1934 by the Senate Banking Committee into the causes of the stock market crash were led by counsel Ferdinand Pecora, who became one of the first SEC Commissioners. The hearings disclosed a number of abuses in stock market practices and set up a demand for reform.

The much publicized hearings and the public support for reform paved the way for the Securities Act of 1933, the first effective federal legislation regulating corporate finance.

Several attempts were made at drafting a securities law that would receive congressional approval. Finally, the administration turned to Harvard law professor Felix Frankfurter. He gathered together three young lawyers who had been his top

students-Benjamin Cohen, 39, James Landis, 34, and "Tommy the Cork" Corcoran, 33-on Friday, April 7, 1933 at the Carlton Hotel in Washington. By the end of the weekend, they had drafted a new bill. The bill was rushed through the House by Interstate Commerce Committee Chairman Sam Rayburn and passed on May 27.

The 1933 Act was placed under the administration of the Federal Trade Commission. It required disclosure of financial and other information on new issues of corporate securities and prohibited fraud in the sale of all securities.

As Pecora's investigation continued to expose abuses, momentum grew for a bill to regulate the stock exchanges. Approached by a Pecora aide to draft a stock exchange bill, Landis, Cohen and Corcoran turned the initial work over to two young government attorneys who produced 12 drafts of the bill before Cohen shaped the final product.

After they changed the bill to make it more palatable to the financial community, it finally passed on June 1, 1934. One of the major amendments to the bill removed oversight of the exchanges from the jurisdiction of the Federal Trade Commission, and the Federal Reserve Board, placing it under a new separate commission. With

The SEC was a child of The New Deal
Professor Joel Seligmen, University of Artsons



The memorial's largest bronze of a seated Frenklin Delano Roosevelt by Neil Estern is 8 feet, 7 inches tell. Photo by Christoper Ullman

the passage of the bill, the Securities and Exchange Commission was born.

From the Democrats appointed to the first Commission-Joseph P. Kennedy, James M. Landis and Ferdinand Pecora-President Roosevelt chose Kennedy as SEC Chairman, disappointing both Landis and Pecora. (Landis went on to become the third SEC Chairman and later Harvard Law School Dean, while Pecora became a Justice on the New York Supreme Court.)

The remaining four securities laws were also enacted during FDR's administration: the Public Utilities Holding Company Act (also drafted primarily by Benjamin Cohen) was enacted in 1935, the Trust Indenture Act in 1939 and the Investment Company and Investment Advisers Acts were enacted in 1940.

The new FDR memorial is featured on pages 6 and 7.



FDR's presidential seal sculpted by Nei Estern for Room One of the Memorial.

#### Photos by Christopher Ulbnan, OPAPER

The presidency of Franklin Delano Roosevelt, the 32nd of American presidents, is marked by an impressive new memorial located on the Tidal Basin in West Potomac Park. The memorial opened in April 1997.

Designed by landscape architect Lawrence Halprin, the FDR memorial park expands over seven and one-half acres. The park is made up of four outdoor rooms, each representing one of Roosevelt's terms. The park is bounded by twelve-foot walls of carnelian granite that protect it from the sounds of sports and other activities on the nearby Mall. The granite was mined in South Dakots.

Sculptors Leonard Baskin, Neil Estern, Robert Graham, Tom Hardy and George Segal created art works to tell the story of FDR's presidency, while six waterfalls of varying force and many magnificent trees suggest through their ruggedness and volume of sound the atmosphere of the times. For instance, one waterfall suggests the construction of dams, another the destruction of war.

The outdoor rooms cover these periods: the Early Years (1932-36), the years of Social Policy (1936-40), the War Years (1940-44) and the Seeds of Peace (1944-45). Twenty-one quotations from FDR's speeches chiseled in stone recall the issues of the times. These inscriptions were carved by master stone carver John Benson, whose stone carving business dates back to 1705. Three passageways ease the transition from room to room.

Congress authorized the Franklin Delano Roosevelt Memorial Commission in 1946, which in the 1970s made several unsuccessful tries before selecting landscape architect Lawrence Halprin (through a competition) to design the memorial. By that time, the FDR Commission gave up its plan for a heroic monument and specified a rose garden adorned by a statue of the

# The FDR Memorial

great president. From that plan, under the direction of Halprin, the memorial evolved to its present form.

The site was designated in 1901 by the McMillan Plan as a monument site. The FDR Memorial provides the final point of the kite-shaped axis (of the plan) formed by the Washington, Lincoln and Jefferson Memorials. And each of those memorials can be seen from some spot in the FDR Memorial. From the entrance to the FDR Memorial, the visitor can look back to see the Lincoln Memorial; from Room One an opening unexpectedly provides a view of the Washington Monument, and the walkway from the FDR Memorial leads to the Jefferson Memorial.

During his lifetime, FDR told Supreme Court Justice Felix Frankfurter

This great nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.

From Franklin Roossvell's first inaugural address.

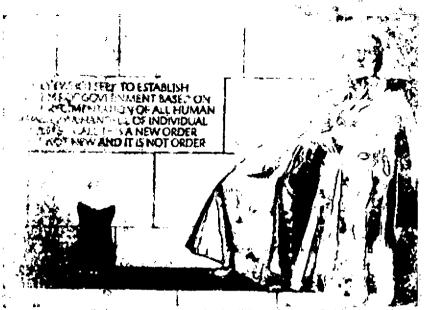
that he wanted only a modest monument, nothing more than a block of stone. His friends provided that in 1967 on a small grassy triangle in front of the National Archives.

The new memorial invites contemplation on the recent past, the difficult times this country has survived and its good fortune in having had great leaders when they were most needed.

Room Three: The War Years features a free form sculpture by designer Lawrence Halprin symbolizing the destruction of war.



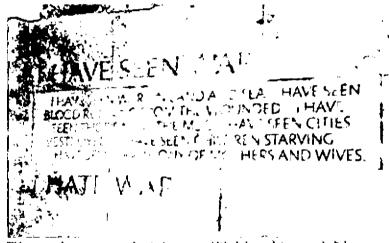
6 SEC EMPLOYEE NEWS



President Franklin D. Rossevett and his little dog Fele sculpted by Neil Estein for Room. Three of the memorial, depicting the War Years.



One of three sculptures created by George Segal, "The Firecide Chet," helps tell the story of Shuisi Pohoy during FDR's years as president.



This quotation gives meaning to Lawrence Halprin's soulpture symbolizing war and destruction (see proto at bottom of page 6).

Visitoria (to the normalish) can set their own price. They can prouse to their act of even go through the entire memorial back to front. But however and whitever they wander, they will always the something of interest, for this is not one big space but a sequence of variegated claces, each with a its own unique character. This maintaint is as much a journey and d in a destination.

Benjumin Furgey, Wastington Past



"The Bread Line" was eculpted by George Sagal for Room Two.



Neil Extern a configure of Elegnor Ropeswell is the first of a first lady; at Washington's possidential memorials.

## Commission Dedicates Library To Louis Loss

His stame, at the entrance to our library, will help require tomorrow's atholars that they ben corry on his work by continuing to develop the law; both in scatterie theory and in everyday practice.

Chairman Levits, at the dedication

The U.S. Securities and Exchange Commission named its library The Louis Loss Library in a dedication ceremony held on Tuesday, May 12 in room 1C30 of SEC headquarters.

The library was named in memory of Louis Loss, a former SEC staff member who is widely considered to be the intellectual father of securities law.

Speakers at the ceremony included SEC Chairman Arthur Levitt, former SEC Commissioner A.A. Sommer Jr., former SEC Associate General Counsel Milton Kroll, Dean of the University of Arizona College of Law and co-author of the third edition of Securities Regulation Joel Seligman and Loss's daughter Margaret, who is an attorney. Guests included friends and colleagues of Professor Loss from Harvard University.

Margaret Loss, on behalf of Aspen Law and Business, presented to the Commission a reproduction of the Gardner Cox painting of Loss, which is owned by Harvard Law School. It will hang in the SEC Loss Library.

"Louis Loss was among the most admired individuals ever to serve at the U.S. Securities and Exchange Commission," Chairman Levitt said. "Through his scholarship, diligence and comprehensive understanding of the logic within the law, he has become one of the icons of securities history. Renaming our library in Louis Loss's memory will help preserve his legacy as a model of legal scholarship and civic commitment."

Mr. Loss joined the SEC as a staff lawyer in 1937, three years after the agency was founded. He served as Chief Counsel of the Division of Trading and Exchanges from 1944 to 1948 and as Associate General Counsel from 1948 Prof. Loss is best known for his long and distinguished career at the Harvard Law School. Before joining the Harvard faculty, he served in this agency for 15 years in a career that itself was admirable. He joined the SEC at the age of 23 in 1937, three years after the agency was orested. He rose to become the chief lawyer of the division that regulated securities markets and stockbrokers. Later, as Associate General County (D)(6)

sel, he wrote briefs and delivered oral arguments in appellate cases that established bedrock principles

A man of considerable energy, as well as intellect, he wrote and published in 1951 a treatise in the field of work in which he had become an expert. He

entitled it Securities. Regulation. That phrase did not exist prior to that time. He needed a title and invented it. In a way, he also invented the subject.

Today, with the securities law well established over six decades, it is easy to lose sight of the enormous significance of Professor Lose's early work. His treatise developed a comprehensive way of looking at a field of law that was then loosely connected. The six statues that comprise what we refer to today as the jederal securities.

laws were not enacted at a single congressional setting nor do they have a single legislative focus. Rather, they were enacted during an eight-year period in the decade of the 1930s—three of those statutes before a Professor Loss came to work at the SEC in 1937, and three after that time.

In the preface to his first edition in 1951 he wrote: "I have concluded that the only way to achieve an inte-

> of the entire field is to treat the six statutes — (other than Chapter X) as a single piece of logislation -which is what ideally they éhould ba Professor Loss's integrated treatment strongly shaped the later development of the law of securities regulation at the SEC and in the courts. His treatise has been

grated treatment

cited over a thousand times by the courts; including over 50 times by the U.S. Supreme Court. And I can testify, as a latter-day old times myself, that when the SEC staff wasn't sure which way to go we would say, 'Look it up in Loss."

After feaving the SRC to join the Harvard faculty in 1952, Professor Loss ultimately attained distinction at the world's preeminent scholar in the field of securities regulation.

We lost a giant when Professor Loss died last fall at the age of 83:

Paul Gorson, SEC Solicitor, at the dedication

CONTINUED ON NEXT PAGE

### **Hoffman Accepts Key FTC Post**

Henry Hoffman left his position as Assistant Comptroller of the Commission on May 8, 1998 to become the Chief Financial Manager of the Federal Trade Commission. Mr. Hoffman began his career at the SEC as a budget analyst in the Office of the Comptroller in 1972. He became the Budget Branch Chief in 1978, Assistant Comptroller in 1984, and served as Acting Comptroller from June 1995 to May 1996.

As Assistant Comptroller, Mr. Hoffman was largely responsible for overseeing the Commission's compliance with the various laws and regulations related to the funding that the agency received from Congress. He was also instrumental in the development of the Commission's budget requests and policies for use of the funds. Mr. Hoffman's technical expertise on financial related matters helped the Commission avoid agency furloughs and other

work disruptions during periods when Congress and the President could not agree on a federal budget. He contributed extensively to provisions of Securities National Markets Improvement Act of 1996, which included the elimination of miscellaneous filing fees the Commission collected the Independent Offices Appropriations Act of 1952. Hoffman also chaired the Commission's Government Performance and Results Act Task Force.

Mr. Hoffman's efforts for his work on the budget and financial implications of legislative initiatives were recognized by his colleagues at the Commission and those who worked with him from other federal agencies, OMB, and Capitol Hill. When asked what he would miss about the Commission, he said the people who he had worked with over the years.

### **PRO Director Cacheris To Leave West Coast**

Elaine M. Cacheris, Director of the Pacific Regional Office, announced on April 16 that she will be leaving her position in the near future to relocate to Washington, D.C.

As Regional Director, Ms. Cacheris oversees Commission offices in Los Angeles and San Francisco and is responsible for the administration of the agency's enforcement and regulatory programs on the West Coast. Ms. Cacheris was appointed by former Chairman Richard C. Breeden in February 1992, and is currently the Commission's longest serving regional director.

During her tenure, Ms. Cacheris directed a number of high profile investigations and prosecuted some of the Commission's most significant enforcement cases. Until recently, Ms. Cacheris led the Commission's ongoing investigation into the financial collapse of Orange County, and was responsible for the landmark enforcement actions against the County, its officials, and under-

writer, CS First Boston. Ms. Cacheris was also instrumental in drafting the Commission's Report of Investigation concerning Orange County and its Board of Supervisors. This report has been widely recognized as a watershed pronouncement on the disclosure obligations of municipal governments under the federal securities laws.

Under Ms. Cacheris' leadership, the Pacific Regional Office also led an aggressive examination program and pursued a variety of cases against regulated entities and a series of significant cases involving pension administrators. Several important enforcement actions were also initiated against company insiders for financial fraud and insider trading in the securities of LA Gear, Wilshire Technologies, California Micro Devices and IDB Communications.

At the time of her appointment, Ms. Cacheris was involved in the Commission's prosecution of California

money manager Steven Wymer, who engaged in a scheme to defraud a number of local governments of more than \$100 million. The Commission's investigation also resulted in Wymer's indictment on 30 felony counts and more than a dozen other civil or administrative actions against Wymer's accomplices and associates.

Ms. Cacheris said, "I feel fortunate to have had such a challenging and rewarding position. I would like to recognize and thank the enormously talented and dedicated staff in the Pacific Regional Office, all of whom I will greatly miss."

Ms. Cacheris began her career with the Commission in 1984 as a staff attorney in the agency's Fort Worth office, transferring to Los Angeles in 1987. In Los Angeles, she rose through the ranks to become head of the region's enforcement program, prior to her appointment to the region's top post. Before joining the Commission staff, Ms. Cacheris was an Assistant Attorney General for the State of Texas and also in private practice.

### Louis Loss Library

CONTINUED FROM PAGE 8

to 1952. He left the Commission in 1952 to join the faculty at Harvard Law School, where he served as Professor of Law from 1952 to 1962 and William Nelson Cromwell Professor of Law from 1962 to 1984. He became William Nelson Cromwell Professor of Law, Emeritus, in 1984. Among his many students during those years were U.S. Supreme Court Justices Kennedy, Ginsburg, Scalia and Souter.

Mr. Loss is the author of the 11-volume treatise Securities Regulation. This treatise, long considered the definitive work on the subject, distinguishes Loss as a giant of legal scholarship. His work has been cited in more than 1,000 court decisions, including more than 50 by the U.S. Supreme Court.

### A MATTER OF ETHICS

### Spring Cleaning or A Potpourt Of Ethics leaues by Barkárd B-Hamilgan - Ethics Course

As we aware out the conwebs, clean out our files; and reorganize the Ethics Office after a move. I thought it would be a good time to mention some general housekeeping matters, current initiatives and our plans for the rest of the year.

### Relocation Of Ethics Office

On May 15, 1998 the Bithica. Office moved from our temporary location on the 2nd floor to our permanent space on the 6th floor (Suite 6110). The general telephone number for the Bithics Office remains the same: (202) 942-0970.

#### **Ethics Counseling System**

We very much appreciate your cooperation in our Ethics Counseling System. Please continue to first seek advice from your office's Ethics Liaison Officer or Deputy. (The names and telephone numbers for the Liaisons and Deputies for each division and office are listed in the back of the SEC employee telephone directory under the tab for "Program Information."): Your Liaison or Deputy will call the Officer of the Day in our office if he or she needs assistance in responding to your questions. As many of you know, each member of the ethics legal staff takes a turn acting as the Officer of the Day and answering all the counseling calls and e-mails to the Bihics Office one day per week.

Of course, employees should always feel free to contact us directly via e-mail or telephone on questions related to seeking outside employment and other sensitive or unusual issues. Also, the Bthics Team attorneys serve as the Liaisons for the Office of the General Counsel. Please address your e-mails to the Ethics Office secretaries, Tamara Smith and Vania Erlwein (@ Smith!) and @ Eriwein's with a re line indicating that the message pertains to an Officer of the Day question.

At the Commission, we are very fortunated to have highly qualified senior staff who have agreed to serve as Linkons and Depluties. Please keep in mind that your Linkons and Depluties have many significant duties and they will respond to your questions as seen as possible given their other responsibilities.

### Ethics Team

For your convenience, the members of the Ethics Team are listed below.

Assistant Ethics Counsels Audrey C. Bredhoff Richard Connor William Lenox Anita T. Purcell

Ethics Paralegal Specialist Cheryl Smith

Ethics Office Secretaries
Vania Eriwein
Tamara Smith

## The State Of The Ethics Office

Your continued cooperation with the Officer of the Day and the Linkson and Deputy systems enables our small office to respond quickly to the numerous requests for advice that we receive daily from current and former Commissioners and employees. To give you an idea of the volume of inquiries we receive, in FY 1997, we handled over 1,400 requests for counseling!

In addition to these counseling inquiries, we recently have participated in a number of challenging pro-

jects, including the following

 Working with the White House Counsel's Office and the U.S. Office of Government Bthics on the nominations of two new Commissioners; on the Chairman's renomination, and conducting related othics briefings,

 Obtaining Commission approval to rafer three matters concerning professional emisconduct by attorneys to state bar associations.

Coordinating with the Inspector General's Office on investigations and an important report on the Commission's commitment to ethical standards and staff integrity.

• Conducting and coordinating athies training on seeking and negotiating outside employment for 400 employees; holding biweekly ethics orientation sessions for new employers; and providing special ethics training sessions for the Executive staff, Commissioners, and several offices.

 Establishing the Ethics Bulletin Board on the SEC's LAN to provide easily accessible guidance and updates on ethics issues to all regional and headquarters employees. The posted items include a series of plain English articles on frequently arising ethics issues.

Counseling incoming senior staff, academic follows, and outside gonsultants on government ethics rules and potential conflicts of interest.

 Assisting the Office of Compliance Inspections and Braminations in developing ethics guidelines for examiners and working with the Brecutive Director's Office on a new rule governing employee participation in outside meetings.

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### A MATTER OF ETHICS

CONTINUED FROM PAGE 10

### Ethics Bulletin Board

We are delighted with the positive feedback you've sent to us on the Ethics Bulletin Board (EBB) on the Commission's LAN system. Please do keep surfing it! At Dan Shea's excellent suggestion, we will now notify Regional Directors and District Administrators, as well as Division Directors and Office Heads, and Ethics Liaison Officers and Deputies each time we post a new ethics item on the EBB. Presently, the following articles are posted:

 Political Activity Under the Hatch Act Reform Amendments

Seeking and Negotiating Employment

• New "Widely Attended Gatherings" Exception to Cift Rules

- Frequently Arising Ethics Issues (Part 1)
  - Frequently Arising Ethios Issues (Part 2)
  - Frequently Arising Ethics Issues (Part 3)
  - Post-Employment Memorandum
- · Post-Employment Sample Letters
- Publication Clearance Process
- Enforcement Division's Recusal Policy Training Plan for 1998

### **Training Plan For 1998**

The Ethics Team is very excited about this year's training plans. In both headquarters and the regions, we are planning to conduct an in-depth ethics course for all Liaisons, Deputies, and employees who file Public Finan-

cial Disclosure Reports (Form SF 278). We hope to visit and conduct ethics training in all of the regions this year and have requested input from the regions on any unique training issues, including the potential need for special training for examiners. Of course, we would also welcome any training suggestions from headquarters employees.

We are very fortunate that Anita Purcell, who had extensive experience in BROA before joining the Ethics Team, will focus on regional office training needs and serving as the overall Ethics Training Coordinator for the regions and headquarters. Also, if you've ever attended one of Bill Lenox's sessions you'll be happy to hear that he'll be presenting many of the headquarters sessions again this year.

In addition to general ethics training, we strongly recommend that the offices and divisions consider including in ethics component in their substantive training programs. The Ethics Team has assisted the Division of Enforcement, the Office of Compliance Inspections and Examinations, and the Office of Information Technology by preparing and presenting special ethics sessions tailored to the needs of their employees, and we would be happy to work with other divisions and offices in this regard.

If you have any suggestions or ideas concerning training, guidelines, or topics for future newsletters on EBB items, please let us hear them.

As always, remember to be smart and stay ethical, and enjoy the Suinmer!

### ADMINISTRATIVE AND PERSONNEL MATTERS

### Dispute Resolution at the SEC

(The New Grievance System)

The initiative to review and revise the SEC's grievance system started last October. During the intervening months, staff of the Employee and Management Relations Unit conducted numerous workshops with small groups of employees and groups of managers, both in the field and at head-quarters, to get input. A significant number of managers and employees offered constructive recommendations for the new system.

The majority of workshop attendees welcomed the idea of using mediation, a form of Alternative Dispute Resolution, as a means for early resolution of problems at an informal stage of the process. Mediation promotes constructive communication between the parties through the assistance of a neutral, third party, the mediator. Participants were strongly in favor of the possibility of replacing the existing single deciding official with a three-member review panel at the formal stage.

The Office of Administrative and Personnel Management anticipates that, following the policy review and approval process, the new grievance policy will be implemented by this Summer.

### Farewell To SEC Retirees

The Commission bids fond farewell to our recent retirees:

EMPLOYEE	OFC	SVC. YEARS	RETIRED
*	X.		\$
Joseph P. Dion, Jr.	CRO	32	Feb 27
William M. Heggn	MRO	35	Feb 27
Lillian R. Young	NERO	. 20	Mar 15
Virginia A. Monacelli	OriS	30	Mar 3
John H. Oliver	OC.	19	Mar 1:3
Lucia E. Eguiguren	OAPM	13	Mar 31
lowin Conen	NERO	28	Apr 1
Amy L. Hollman	OC	18	Apr 3
Sidney L. Cimmet	IM	85	Apr 30
Charles D. Hochmuth	SERO	38	May 1
Mary Latuciano	BDO	35	May 1
John P. Simmons, Jr.	ADO	30	May 1

## SEC Launches Financial Literacy Campaign

#### CONTINUED FROM PAGE 1

identified numerous ways that government, industry and the media can work together to help educate American investors.

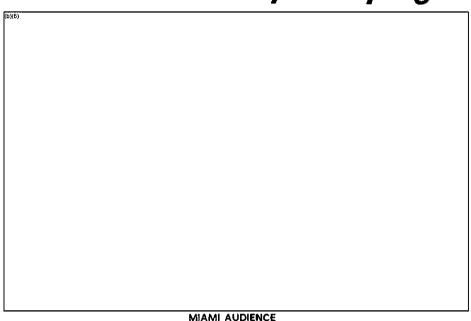
Not surprisingly, organizing a campaign of this magnitude depended on SEC staff from throughout the agency, many of whom joined the Office of Investor Education and Assistance temporarily on detail. "One of the things that makes this campaign so rewarding is working with so many talented and dedicated people throughout the SEC on behalf of helping investors protect themselves," said OIEA Director Nancy Smith.

Campaign activities included national distribution of the Ballpark Estimate, a one-page worksheet created by the American Savings Education Council. The Ballpark Estimate helps people quickly calculate how much money they should save each year for retirement. Businesses and government agencies actively encouraged their employees to fill out this simple, six-step worksheet. Several states even distributed it with government paychecks. The SEC's Philadelphia office took an imaginative approach, passing out copies of the Ballpark Estimate on downtown street corners during lunch hour.

The campaign designated Thursday, April 2, "Teach Our Children Day," to highlight the importance of financial literacy programs in the schools. Chairman Levitt and NASAA President Denise Voigt Crawford visited New York City's High School of Economics and Finance, and encouraged the young adults to become financially aware and fiscally savvy.

Other programs showcased during the week included Money 2000, a nationwide grassroots program developed in part by the U.S. Department of Agriculture. The program challenges people to save or reduce their debt by \$2,000 by the year 2000.

But perhaps the highlight of the kickoff week was the concluding event, a National Town Meeting on Saving and Investing that was broadcast live by



Attendees at the Miemi downlink site listen and take notes during the question and enswer session. Commissioner Hunt participated on a live panel in Miami.

satellite from Washington, D.C. to more than 30 locations across the country. The town meeting, hosted by CNBC news anchor Tyler Mathisen, featured panelists Arthur Levitt, Crawford. financial planner Betty O'Lear, and ICI board member Larry The two-hour public forum offered audience members tips on how to save, invest wisely and protect themselves against fraud. During the last hour audience members from across the country called in with financial questions for the experts. In addition, attendees were able to pick up free informational literature provided by campaign partners such as the Investment Company Institute, the Bond Market Association, and the New York Stock Exchange.

Many of the states that aired the Washington, D.C. telecast also provided live panels with additional experts to answer questions, including Commissioners Isaac Hunt and Laura Unger. Hunt participated in Miami, while Unger spoke at the Boston event. Hispanic outreach efforts included live translations at several town meeting sites, distribution of Spanish language brochures, establishing working relationships with major Hispanic organizations and media and creating a network of SEC staff with a strong interest in investor education out-

reach to the Hispanic community.

The success of the U.S. campaign was mirrored throughout the Western Hemisphere. Marisa Lago, Director of the Office of International Affairs, said, "The campaign has had a significant, direct impact on the Americas--its people, its regulators and its markets. Thousands of investors received valuable, non-biased information that they need to make informed saving and investing decisions. Securities regulators enhanced their relationships, with the great success of the campaign evidencing a new high water mark for international cooperation."

The Facts on Saving and Investing Campaign kick-off was a major undertaking, which involved the efforts of many people across the country. Undoubtedly, there is still much to be done in the way of educating and motivating Americans to get the facts on saving and investing. But the sheer determination and dedication of those involved with the campaign, combined with the enthusiasm of investors eager to learn, will surely prove to be a winning combination.

If you would like more information about the Facts on Saving and Investing Campaign, please visit the Campaign website at www.investoreducation.org or call 1-800-SEC-0330.

12 SEC EMPLOYEE NEWS

#### IN THIS EDITION

- Staff Achievments Recognized at Annual Awards Ceremony
- Sarbanes, Oxley Reflect on 10th Anniversary of SOX
- SEC New Faces
- Ethics Corner
- Staff Spotlight: Tamisha Miller

#### SEC TRIVIA —

Q: This Month

After July 21, midsized advisers in 48 states moved to state from federal registration. Can you name the two states whose advisers remain federally registered?

Be the first to answer correctly - email answer to: newsletter@sec.gov

Last Month

In June 1990, SEC Chairman Richard Breeden attended the reopening of this stock exchange. Can you name the exchange?

> A: The Budapest Stock Exchange

First three to answer correctly:

Colin Ray

Office of Compliance Inspections and Examinations

Nicholas Shwayri
Division of Trading and Markets

Tabatha Akins Division of Corporation Finance

Feedback? Send your comments about the newsletter and story suggestions for future editions to:

newsletter@sec.gov

### Staff Achievements Recognized at Annual Awards Ceremony

The summer months at the SEC began with a proud look back at the staff's achievements of the past year as more than 200 employees were honored at the agency's 57th Annual Awards Ceremony.

Commissioner Elisse Walter kicked off the June 5 event by praising the agency's role and declaring its employees' work as "meaningful and vital."

This year's Chairman's Award for Excellence went to two teams, the Aberrational Performance Initiative Team and the Continuous Review Program Team, and to one individual, Chief Litigation Counsel Matthew Martens. Five others -- Michael Conley and Teri Swanson of the Office of the General Counsel, Director of the Denver Regional Office Donald Hoerl, Jennifer McHugh of the Executive Staff, and Ida Williams of the Office of the Secretary -- were honored with the Distinguished Service Award.



Employees were recognized for their work in a wide array of areas, including accounting, business operations, economic research, and information technology. Two community service awards were given; one went to the Investor Alert Team for its work on the Cobell Indian Trust Settlement Payout; the other went to Nathan Haselhorst of the Chicago Regional Office for organizing an annual office blood drive.

Continued on Page 2

### Sarbanes, Oxley Reflect on 10-Year Anniversary of SOX

The SEC marked the 10-year anniversary of the enactment of the Sarbanes-Oxley Act, or SOX, by hearing from its co-sponsors, former Sen. Paul Sarbanes and former Rep. Michael Oxley.

At a presentation to the SEC staff moderated by Chairman Mary Schapiro, the bill's co-authors recalled the corporate accounting scandals at Enron Corp. and other firms that prompted Congress to act.

"One cable channel was just all Enron all the time," said Oxley, R-Ohio, who chaired the House Financial Services Committee when Enron collapsed in late 2001 after revealing it had inflated earnings.



SEC Chairman Mary Schapiro joined in applauding former Sen. Paul Sarbanes and former Rep. Michael Oxley, the co-authors of the 2002 Sarbanes-Oxley Act.

Massive accounting fraud at WorldCom, which declared bankruptcy in July 2002, "gave tremendous impetus" to reform efforts, said Sarbanes, D-Md., the former chairman of the Senate Banking Committee. He noted proudly

### Staff Achievements Recognized at Annual Awards Ceremony

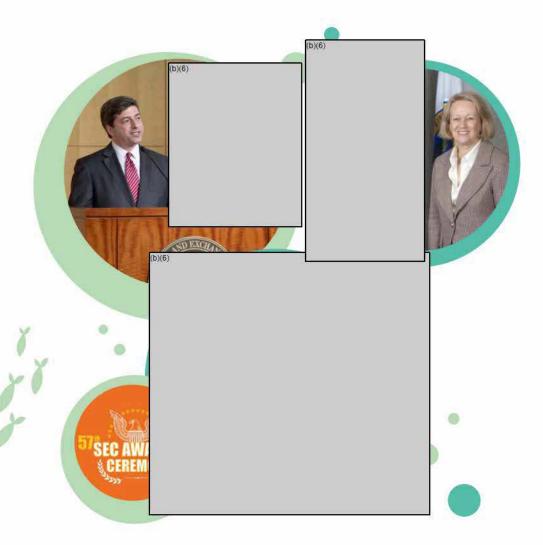
Continued from page 1...

Several employees received multiple awards, including Barbara Jacobs of the Division of Corporation Finance, who received recognition for her work on diversity and inclusion and for her contributions to the Commission's full disclosure program.

In the Enforcement Division, Thomas Sporkin, Director of the Office of Market Intelligence, received the Irving M. Pollack Award.

Sanjay Wadhwa, Deputy Chief of the Market Abuse Unit, received the Stanley Sporkin Award named for (b)(6)

SEC Chairman Mary Schapiro congratulated employees for their "remarkable talent and tenacity" and said she was glad to present honorees with "the recognition they so richly deserve."



### Sarbanes, Oxley Reflect On 10-Year Anniversary of SOX

Continued from page 1...

that "we really, truly, had a bipartisan bill," which passed the House on a 423-3 vote. and cleared the Senate by 99-0. President George W. Bush signed it into law on July 30, 2002.

SOX sought to restore investor confidence by increasing the accountability and transparency of corporate financial reporting. It ended self-regulation of the accounting profession and replaced it with oversight by the newly created Public Company Accounting Oversight Board, whose members are appointed and overseen by the SEC. SOX also tightened requirements for auditor independence, corporate governance, and internal controls, and increased protections for whistleblowers. In addition, a "Fair Fund" provision allowed the SEC to distribute disgorgement and penalties it obtains to fraud victims.

"You all know it in a sense better than we do, because you live with it all the time," Sarbanes told the audience. The law survived a challenge that went all the way to the Supreme Court, which ruled in 2010 that the oversight board is constitutional.

And it has proven to be popular worldwide. Japan has its own version, dubbed "J-SOX," and Europe has "E-SOX."

Both sponsors view the law as a success. and dismiss suggestions that it failed to prevent the recent financial crisis.

SOX wasn't designed to address risk management failures, said Oxley. "It was about accounting fraud." As for whether the JOBS Act of 2012 will weaken protections in SOX, he added, "only time will tell."

### **NEW FACES AT THE SEC**

(b)(6)	Sidney Boykin: A staff accountant in the Treasury Operations Branch of the Office of Financial Management, Sidney is primarily responsible for disgorgement distributions and disbursements.  (b)(6)	(b)(6)	Aimée Primeaux: The branch chief of Policy, Training, and Compliance in the Office of Records Management Services is working to update records schedules, internal policies, and records management training tools for SEC staff. Aimée previously worked in preservation programs at the (b)(6)
(b)(6)	Matthew Solomon: The new Deputy Chief Litigation Counsel has more than (b)(6)	(b)(6)	Samantha Warren: An attorney in the Office of Ethics Counsel, Samantha comes to the SEC from the (b)(6)

# **ETHICS** CORNER

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions received from SEC employees.

She can be reached with additional questions by calling or e-mailing (b)(6)

This month, Shira answers questions about accepting gift subscriptions to publications.



### Q. I attended a conference and after it, the conference sponsor sent me an e-mail offering a free subscription to its monthly journal. Can I accept the subscription?

A: It depends. Unless an exception applies, government employees cannot accept gifts from prohibited sources or gifts that are given due to the employee's official position. A prohibited source for an SEC employee is any public company and employee of a public company, every lawyer at every law firm with a securities practice, and every accountant and accounting firm that audits public companies.

If an annual subscription to the journal costs less than \$20, or the subscription is being offered to you because of a personal relationship or an outside business or employment relationship, you may be able to accept it. Additionally, if the journal subscription is free to all members of the public or all government employees, it is not considered a gift under the gift rules and you can accept.

However, if the publication is being given only to a certain class of people, for example, to SEC and Treasury Department employees, but not to employees of the Justice Department or the Federal Communications Commission, and does not fall into another exception, it is a prohibited gift. These rules do not apply to subscriptions paid for by the SEC, as these are not considered gifts.

When in doubt, do not assume that you can accept free subscriptions or other tangible items, like books, when they appear in your inbox or mailbox. If you are uncertain as to whether you can accept a publication under the gift rules, contact the Ethics Office for assistance!

(b)(6)

STAFF SPOTLIGHT Q&A Tamisha Miller

### SEC **OFFICE SPOTLIGHT**



OFFICE OF THE

### **CHIEF OPERATING** OFFICER

"OCOO"

#### TOTAL EMPLOYEES

15 in the central OCOO itself, plus 1,150 employees and contractors in the five offices that comprise the entire organization.

We develop and execute management policies and coordinate the agency's compliance with the Government Performance and Results Act and other requirements imposed by Congress and the executive branch.

We recently restructured and now are comprised of the Offices of Acquisitions, Financial Management, Human Resources, Information Technology, and Support Operations.

Through substantial improvements in technology, processes, servicing and operational efficiencies, we've enabled the SEC to address internal audit weaknesses and recoup millions of dollars in cost savings opportunities.

SEC EMPLOYEE NEWSLETTER SEPTEMBER 2012 EDITION 25



#### IN THIS EDITION

- First-Ever Face-Off for SEC Softball Teams
- Summer Intern Program Comes to a Close
- Ethics Corner
- SEC New Faces
- Staff Spotlight: Virginia Mayberry

#### SEC TRIVIA

### This Month

Which U.S. President referred to the SEC as "my favorite agency"?

Be the first to answer correctly - email answer to: newsletter@sec.gov

#### Last Month

After July 21, midsized advisers in 48 states moved to state from federal registration. Can you name the two states whose advisers remain federally registered?

#### A: New York and Wyoming

First three to answer correctly:

Marc Sharma Office of Investor Education

and Advocacy

William Delmage

New York Regional Office

Jay Bragga Office of the Ethics Counsel

Feedback? Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov

### First-Ever Face-Off for SEC Softball Teams

It was tough to know which team to root for in this summer's first-ever intra-Commission softball game, pitting the two SEC Congressional League teams against one another. Chairman Schapiro played it down the middle, sending an e-mail wishing luck to both teams in the match-up.

Plenty was riding on the outcome. The more established team, the Naked Shorts, came into the mid-August game with a 9-2 record, putting them in the top 10 out of the nearly 100 teams in the Washington, D.C. league.

"Certainly, pride was on the line," says Brian Fitzsimons, a senior counsel in the Enforcement Division who is the Naked Shorts captain and shortstop. "We do pride ourselves on playing competitive ball."

The other SEC team, the 42nd ranked Red Stocks, had something to prove: it was formed in 2011 as a spin-off of the Naked Shorts, whose surplus of players left many sidelined during games. After one season with the Naked Shorts, Nick Shwayri, a

0)(6)

Red Stocks outfielder Stephen Kaiser and Naked Shorts third baseman Brian Vann may be rivals on the field but off it, both are senior counsels in the Enforcement Division.

special counsel in the Division of Trading and Markets, started the Red Stocks, naming the team after his beloved Boston Red Sox. This is his second year as Red Stocks' captain and center fielder.

Continued on Page 2

### Summer Intern Program Comes to a Close

The Summer Honors Program wrapped up another successful season after offering valuable work experience to nearly 300 students from across the country.

Unpaid internships at the SEC are highly competitive. This year, more than 8,000 students applied for the summer program, which gives participants direct exposure to securities regulation and public service work. More than 200 law school students were chosen, with about 100 MBA candidates and undergraduates accounting for the remaining slots.

Austin Rochon, an undergraduate at the University of Hawaii, traveled the farthest for an internship, landing in the Division of Trading and Markets. Others in the program attend schools near or in cities with an SEC office, with Georgetown University, George Washington University, Harvard University, New

York University, and UCLA providing many summer interns.

"It's an awesome opportunity," says intern Brenda Beauchamp, who is entering her third year at Cornell University Law School.

Beauchamp's internship brought her to the Office of Minority and Women Inclusion (OMWI), created by the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act. Over the course of the summer, she participated in outreach events, wrote memos on the newly enacted JOBS Act, and helped draft rules required by the Dodd-Frank Act.

"Brenda's enthusiasm and initiative have been of great value," says OMWI Deputy Director Laura Stomski, who supervised Beauchamp this summer. In fact, Beauchamp proved her SEC EMPLOYEE NEWSLETTER SEPTEMBER 2012 **EDITION 25** 

### First-Ever Face-Off for SEC Softball Teams

Continued from page 1...

The face-off with the Naked Shorts was the last game of the season for the Red Stocks and Shwayri says the team went in "thinking we had a shot to win" against one of the best in the league. After all, the Red Stocks had amassed a winning record in 2012 and some big wins, including a 33-3 rout of the Treasury Department team.

The Red Stocks scored a run in the first inning of the match-up and tried to keep it competitive. Shwayri, (b)(6) (b)(6)

got high-fives from the team when he

later delivered a solo homer. But the Naked Shorts more than met the challenge, ultimately winning 13-6.

"Everyone played great," says first-year captain Fitzsimons. The Naked Shorts finished third in the league last year. This year, Fitzsimons says, "The team's goal is to win the league championship and bring a trophy back to the Commission."

Both SEC teams are prepared to continue the rivalry, which the teams say remains a friendly one. After the game, Naked Shorts and Red Stocks players left the field on the National Mall and headed off for burgers, beer, and post-game analysis at a nearby bar.

Shwayri is taking a patient, long-term approach. "Give the Red Stocks a couple of more years, we'll be turning it around," he predicts.

The Naked Shorts captain says he welcomes a challenge from all comers. With all the athletic talent at the agency, Fitzsimons says, "who's to say, maybe we'll have a third SEC team someday."

### Summer Intern Program Comes to a Close

Continued from page 1...

value to the point that she earned herself a spot as an intern in the Division of Enforcement this fall, when she will be a visiting student at Georgetown University Law Center.

Other interns say they enjoyed interacting with the SEC staff and applying what they've learned in school to real-life situations.

"I'm excited about finance again. Working here really makes concepts come alive," says Nick Adkins, who interned in the Office of Markets in the Division of Risk. Strategy, and Financial Innovation.

Adkins, who is entering his senior year at Princeton University, spent the summer researching the potential economic effects of new SEC rules, such as the requirement to create a consolidated audit trail. He leaves with what the program coordinators hope to instill: an appreciation for the Commission's work.

"I really like the SEC," says Adkins. "Seeing it from a firsthand perspective gives me a respect for the government that I don't think I would have otherwise."

From left to right, interns Tobin Kearn, Alan Boulier, Hugo Chang, and Cynthia Cook



# **ETHICS** CORNER

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions received from SEC employees.

She can be reached with additional questions by calling (b)(6) or e-mailing (b)(6)

Q. We had a terrific intern who worked in our office this summer and she has asked if I would write her a letter of recommendation. I'd like to help, but is it OK for me to use SEC letterhead, and my SEC title, in a letter of recommendation?

A: Yes. There are two instances in which you may use SEC letterhead and your SEC title to write a letter of recommendation for someone, namely if you worked with the person in federal government service, or the person is applying for work in the federal government service. If either of these is true, it's OK to use SEC letterhead and your title. If neither is true, you cannot use SEC letterhead and you can only mention your SEC position as one of several biographical details and you cannot give it any more prominence than any other biographical detail.



SEC EMPLOYEE NEWSLETTER EDITION 25 SEPTEMBER 2012

### NEW FACES AT THE SEC

9)(6)	Rosemary Alexander: A realty specialist in the Office of Administrative Services, Rosemary works to ensure a suitable environment for the staff while adhering to a presidential mandate to reduce the U.S. government's environmental footprint (b)(6)	(b)(6)	Emily Asante: Emily joins the Division of Trading and Markets as a financial analyst on the Alternative Net Capital Monitoring Team.  (b)(6)
	David Coombs: A budget analyst in the Office of Financial Management, David previously was a budget analyst for U.S. Immigration and Customs Enforcement.		Hans Heidle: A financial economist in the Division of Risk, Strategy, and Financial Innovation, Hans (b)(6)
	Justin Monaldo: An economics research associate in the Division of Risk, Strategy, and Financial Innovation, (b)(6)		David Nicolardi: An attorney advisor in the Office of Credit Ratings, David (b)(6)
	Michele Sanchez: A senior advisor in the Office of Human Resources, Michele previously served as Division Chief of Policy and Program Development at the (b)(6)		Edward Schmidt: The new Senior Technology Officer for the National Examination Program (b)(6)

SEC EMPLOYEE NEWSLETTER SEPTEMBER 2012 EDITION 25

(b)(6)

### SEC OFFICE SPOTLIGHT



GENERAL COUNSEL

ALSO KNOWN AS

OGC or just GC for short.

TOTAL EMPLOYEES

About 140

#### WHAT WE DO

OGC serves as the chief legal officer of the Commission and provides legal analysis and advice to the Chairman, Commissioners, and operating divisions and offices on all aspects of the Commission's activities. OGC also defends the Commission in federal district courts, represents the Commission in all appellate matters and amicus curiae filings, and oversees the SEC's bankruptcy program.

#### WORTHY OF NOTE

Solicitor Jake Stillman (the SEC's chief appellate lawyer) recently celebrated 50 years with the Commission.

Two former General Counsels served on the Commission at the same time -- Harvey Pitt and Harvey Goldschmid. Pitt was Chairman from 2001-2003; Goldschmid was a Commissioner from 2002 to 2005.

SEC EMPLOYEE NEWSLETTER OCTOBER 2012 EDITION 26



#### IN THIS EDITION

- SEC Exceeds First-Year Food Drive Goal
- OCR Director: Oversight Changing Industry for the Better
- Ethics Corner
- SEC New Faces
- Staff Spotlight: Rick Carter

#### **SEC TRIVIA**

This Month

In October 2001, just weeks after the terrorist attacks of Sept. 11, the New York Regional Office reopened in a new location. Where was it?

Be the first to answer correctly - email answer to: newsletter@sec.gov

Last Month

Which U.S. President referred to the SEC as "my favorite agency"?

A: Franklin D. Roosevelt

First three to answer correctly:

Joseph Bassing Office of Information Technology

Wyvon Byrd
Division of Enforcement

Jean Minarick Division of Investment Management



Feedback? Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov

### SEC Exceeds First-Year Food Drive Goal

This summer, SEC staff struck a blow against hunger in the U.S. by contributing more than two and a half tons of food for the Feds Feed Families campaign.

The Feds Feed Families drive was timed to assist food pantries in summer, when donations decline and many school nutrition programs are closed, increasing the strain on households that are struggling to keep food on the table.

In all, the government-wide campaign collected 7.3 million pounds of food this year, up 25 percent from 2011. Although the federal effort is now in its fourth year, 2012 marked the first time the SEC took part in it, and organizers couldn't be happier with the results.

"This program was a great success for us," says Tim Buckley, an assistant director in the Office of Human Resources who chaired the SEC's drive. "Some places just went nuts."

Thanks to generous donations from employees, the SEC provided 5,316 pounds of non-perishable food to the drive, beating



its 5,000-pound target. OHR was one of the standouts, donating more than 900 pounds of foodstuffs, nearly half of the total haul from the Washington, D.C. headquarters.

The Los Angeles Regional Office was another leader. The office had a contest to see which of its five floors could donate the most food. Organizers planned to reward employees on the winning floor with SK's Donuts, a local favorite, and ultimately

Continued on Page 2

Office of Credit Ratings
Director: Oversight
Changing Industry for
the Better

U.S. regulatory oversight of credit rating firms may be new, but it is already having a big impact, says Thomas Butler, the inaugural director of the SEC's Office of Credit Ratings.

"At the OCR, we operate in a world of regulation. The credit rating agencies haven't. It's a real shift in mindset for their world," says Butler, who joined the SEC in June. Asked if changes are underway, he says: "Absolutely - the industry is a better industry as a result of our oversight."

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Continued on Page 2

SEC EMPLOYEE NEWSLETTER OCTOBER 2012 **EDITION 26** 

### SEC Exceeds First-Year Food Drive Goal

Continued from page 1...

ordered far more crullers and creamfilled pastries than they had anticipated.

"All of the floors were really very generous and we wound up buying donuts for the entire L.A. office," says Carol Lally,

a senior counsel in the Enforcement Division in Los Angeles, who coordinated the food drive there. Donations from the Los Angeles Regional Office totaled 1,136 pounds, second only to SEC headquarters, and went to the Los Angeles Regional Food Bank, which distributed food to more than one million people in Los Angeles County in 2011. "It is a really worthwhile cause and people are very happy to participate in it," says Lally.

### Office of Credit Ratings Director:

Oversight Changing Industry for the Better Continued from page 1...

Rating industry oversight came with the 2010 Dodd-Frank Act, which called for creation of an office to regulate and annually examine SEC-registered rating firms known as Nationally Recognized Statistical Rating Organizations, or NRSROs.

NRSRO exams were conducted last year by the SEC's Office of Compliance Inspections and Examinations. This year, OCR has completed the exams and plans to publicly report its findings this fall. Butler calls that "a huge accomplishment" that gets to "what the core of the program is about."

Under Butler's direction, the office has grown to 26 employees and is tackling policy and rule-writing in addition to examinations and enforcement referrals. More hires are expected, in part because of the potential expansion in the number of NRSROs: there are nine now, with two more seeking the designation.

In conducting exams, Butler says the approach must be flexible enough to keep pace with industry changes and the differences among the NRSROs. In monitoring the industry, he favors a broad approach with input from investors, issuers, arrangers, and others in addition to rating firms. "It's a different conversation because they have different concerns," he says.

The industry is a better industry as a result of our oversight.

Butler brings significant outside experience: he previously worked (b)(6)

his time between New York and Washington, D.C., because the office has staff in both cities.

Butler is new to federal employment and says he's impressed by the hard work and dedication of the SEC staff. He adds that the new office receives "terrific support" from other offices and divisions and that the Chairman and the other Commissioners and their staffs "have been very open with their thoughts and their time" as the office gets up and running.





# **ETHICS** CORNER

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions received from SEC employees.

She can be reached with additional questions by calling (b)(6) or e-mailing

Q. I was discussing a case on the Metro with a co-worker and, as it turns out, another co-worker was sitting behind us. The next day, that other co-worker told me that I shouldn't have been discussing the case on the Metro because we were sharing non-public information. Isn't that a little nuts??

A: Not at all! As an SEC employee, you work with all kinds of non-public information on a daily basis. It is extremely important that you not disclose this information to anyone before checking with an ethics official, your supervisor, or the press office. Both the ethics rules and U.S. securities laws prohibit disclosure of non-public information. In fact, you may not use or disclose non-public information without the express consent of the Commission. Violations may result in serious consequences, so you must be very careful to maintain the confidentiality of Commission information when discussing your work in public places, such as elevators, restaurants, taxis, airplanes, and yes, the Metro. Similar discretion is required when discussing your work with family and friends.

You must be especially vigilant about withholding non-public information when talking to the press. The SEC's press policy can be found here.

## NEW FACES AT THE SEC

	attorney in the Office of isel's appellate litigation	Valentina Minak Deng: An attorney advisor in the Division of Trading and Markets' Office of Financial Responsibility, Valentina previously worked in the
ager in the Offic Gwendolyn has m	s: A human capital man- e of Human Resources, ore than 20 years of fed- ervice. Before coming to	Peter Melvin: A professional analyst fellow in the Division of Corporation Finance's Office of Financial Services, Peter previously (b)(6)
	erchant: A professional ow in the Office of the ot, Chris has (b)(6)	Eileen Parlow: The new staff accountant in the Office of Financial Management has a (b)(6) (b)(6)
sistant chief litiga	gelmilch: The new as- ation counsel in the En- on's trial unit has more	Laura Tuttle: A financial economist in the Division of Risk, Strategy, and Financial Innovation, Laura previously was (b)(6)

SEC EMPLOYEE NEWSLETTER **EDITION 26** 

(b)(6)

### SEC **OFFICE SPOTLIGHT**

(b)(6)

### OFFICE OF **SUPPORT OPERATIONS**

ALSO KNOWN AS

"OSO"

About 100

#### WHAT WE DO

OSO runs a variety of programs to manage the agency's facilities and assets. It is responsible for processing requests under the Freedom of Information Act (FOIA) and the Privacy Act, managing agency records in accordance with the Federal Records Act, printing and publishing, and overall building operations, including property and equipment management, construction and leasing, as well as maintaining the security and safety of SEC facilities.

### THINGS YOU MAY NOT KNOW ABOUT US

OSO was created in July through the merger of the FOIA, Records Management and Security offices with the Office of Administrative Services (OAS) except for OAS's acquisitions function, which is now a standalone office.



SEC EMPLOYEE NEWSLETTER NOVEMBER 2012 | EDITION 27

### IN THIS EDITION-

- Weathering Hurricane Sandy
- SEC Reaches Out to Seniors In Puerto Rico
- Ethics Corner
- SEC New Faces
- Staff Spotlight: Christof Stahel

#### SEC TRIVIA

This Month

SEC Chairman Arthur
Levitt encouraged staff to
view a screening of this 2000
film. What was it?

Be the first to answer correctly - email answer to: newsletter@sec.gov

Last Month

In October 2001, just weeks after the terrorist attacks of Sept. 11, the New York Regional Office reopened in a new location. Where was it?

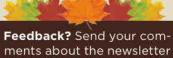
#### A: The Woolworth Building

First three to answer correctly:

Michael Bloise
Office of the General Counsel

James Diercksen
New York Regional Office

Margaret Cain
Division of Enforcement



Feedback? Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov

### Weathering Hurricane Sandy

Sandy, the largest Atlantic hurricane on record, slammed into the East Coast on Oct. 29, shutting U.S. stock markets and federal government facilities, including the SEC's headquarters and three regional offices.

As a preventive measure, all of the SEC offices in the storm's path powered off or down before its arrival and shifted data systems to alternate locations. The shift maintained service and allowed staff to work safely from home while offices were shut during and after the storm.

"The IT guys did a great job," says Ed Fallacaro, Assistant Regional Director of Operations in the Philadelphia Regional Office. He views the agency's experience with Sandy as a big improvement over Hurricane Irene in 2011, where "we were blind – we didn't have access to our e-mail or data storage system."

NotiFind, an external system that blasts text, e-mail, and voice messages to advise staff of office closings also came in handy.



"It's a really effective tool for us," says Fallacaro.

Sandy shut down SEC headquarters and the Philadelphia office on Oct. 29 and Oct. 30. Stock exchanges also were closed, the first unscheduled shutdown since the terrorist attacks on the U.S. on Sept. 11, 2001.

"Even though we were working largely from home that Monday and Tuesday, all things considered, it wasn't that difficult to stay in communication with each other and the industry," says Trading and Markets Deputy Director John Ramsay.

The decision to shutter the markets came late Sunday, Oct. 28, after teleconferences with market operators, participants, and regulators.

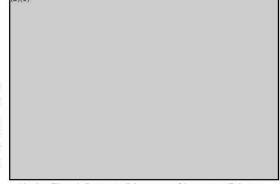
Continued on Page 2

### SEC Reaches Out to Seniors In Puerto Rico

Language was no barrier for SEC staffers at last month's Baby Boomers and Seniors Expo in San Juan, Puerto Rico. The event, held Sat., Oct. 13, and Sun., Oct. 14, offered seniors information on investing and other topics, providing a good venue for the SEC's education efforts.

"We got a great response from people, they were really very happy to see us there," says Glenn Gordon, Associate Regional Director for Enforcement in the Miami Regional Office, who attended the free event.

The Miami Regional Office's jurisdiction includes Puerto Rico, so it examines brokers and investment advisers there and has brought



Kathy Floyd, Deputy Director of Investor Education, and Lisa Roberts, Attorney Advisor in the Miami Regional Office, staffed the SEC's booth at the Baby Boomers and Seniors Expo in San Juan, Puerto Rico.

enforcement cases, including one this summer involving a Ponzi scheme that targeted evangelical Christians and factory workers in Puerto Rico.

Continued on Page 2

SEC EMPLOYEE NEWSLETTER **NOVEMBER 2012 EDITION 27** 

### Weathering Hurricane Sandy

Continued from page 1...

The SEC staff quickly provided guidance and proposed relief for public companies, broker-dealers, and others hobbled by the storm and unable to perform regulatory requirements such as EDGAR filings or net capital calculations.

New York was hardest hit, and the SEC's office remained shut for an entire week. Although the office didn't lose power,

it was without heat, and transportation was snarled by flooding that closed some subway and commuter rail lines. Meetings and speaking engagements were cancelled, and those lucky enough to have power at home worked remotely.

After the New York office reopened the following week, a second storm, a nor'easter, brought intense cold and

dumped more than a foot of heavy snow in some areas.

"The snow didn't help," says New York Regional Office Director Andrew Calamari. Since the office was still without heat, "people started to put on heavy coats at work." Despite that, he says the office continued to function and "the spirit was not broken."

### SEC Reaches Out to Seniors In Puerto Rico

Continued from page 1...

But until last month, "we had never been there for an outreach event," says Lisa Roberts, an Attorney Advisor in the Miami Regional Office. "We had no idea what to expect."

Turnout was strong, with the expo attracting approximately 20,000. Large crowds gathered at the SEC's booth, eager to get Spanish-language brochures and learn more about investing.

"We spoke to lots and lots of people who had questions about the financial system and how it works," says Kathy Floyd, Deputy Director of Investor Education in the Office of Investor Education and Advocacy.

One man drove three hours to the event and provided a lead on a potential enforcement matter. Others described a possible foreign exchange fraud that the SEC staff later shared with the Commodity Futures Trading Commission.

In addition to one-on-one conversations, the SEC staff offered presentations on "Outsmarting Investment Fraud," which Roberts conducted in Spanish. (b)(6) so it wasn't that difficult for me," she says.

Floyd says the event was so successful that she'd like to do it again. But she would bring more materials, since most of the Spanish-language brochures were snapped up on Saturday and "by Sunday noon, we had none left."



CFC Chili Cook Off & Bake Sale! December 11th, 11am - 2pm in Room 9300.

# ETHIC

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions received from SEC emplovees.

She can be reached with additional questions by calling (b)(6) or e-mailing

Q. I keep getting e-mails telling me I need to complete my ethics training, but it seems like I just received this training last year. Am I being singled out or punished? A: No, under Office of Government Ethics regulations, annual ethics training is mandatory for all employees in positions requiring the filing of a financial disclosure form (OGE Form 450 or OGE Form 278). The training covers topics like conflicts of interests, government-wide Standards of Ethical Conduct, and SEC supplemental ethics rules.

Q. I'm an OGE Form 450 filer and I was told I had to take the training in person, but my colleague gets to complete hers online. Why can't I just do the online module?

A: The ethics regulations specify that every three years, individuals filing OGE Form 450 must receive training in person by a qualified instructor. To meet the requirement, OGE Form 450 filers have been divided into three groups and one group will receive in-person training per year, on a rotating

basis. The other two groups will complete computer-based ethics training using SE-CU's learning management system, LEAP.

Q. I just received ethics training as part of my new employee orientation. Now you're telling me I have to complete another ethics course this year because I'm an OGE Form 450 filer, Isn't this overkill?

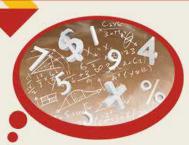
A: New employees who completed ethics training this year as part of their orientation will be considered to have met the requirement for annual ethics training in 2012. However, if you receive instructions to complete your training in LEAP, do not ignore them. Please contact the Ethics Office so that we may update our records and ensure you receive credit for the annual training requirement.

b)(6)	John Adams: A broker-dealer examiner in the Atlanta Regional Office, John spent (b)(6)	(b)(6)	John Gately: A project manager in the Office of Information Technology, John returns to the SEC after a three-year absence. He worked in OIT from 2007 to 2009 (b)(6)
	Christopher Kearny: The Office of Minority and Women Inclusion's business and administrative officer (b)(6)		Elaina Labossiere: The investment adviser examiner in the Atlanta Regional Office (b)(6)
	Jeanine McGinniss: The director of operational risk management in the Office of the Chief Operating Officer is working on agency-wide operational risk frameworks and standards. Jeanine (b)(6)		S. Katie Moon: A financial economist in the Division of Risk, Strategy, and Financial Innovation, Katie provides cost-benefit analyses for SEC rulemaking.  (b)(6)
	Michelle Stasny: The special counsel in the Division of Corporation Finance's Office of Structured Finance reviews disclosure and works on rulemaking involving asset-backed securities (b)(6)		Jay "Dru" Taylor: The IT specialist in the Division of Trading and Markets (b)(6) (b)(6)

SEC EMPLOYEE NEWSLETTER NOVEMBER 2012 **EDITION 27** 

(b)(6)

### SEC **OFFICE SPOTLIGHT**



DIVISION OF

### RISK, STRATEGY, AND

**FINANCIAL** 

INNOVATION

ALSO KNOWN AS

"RiskFin"

### TOTAL EMPLOYEES

About 100

### WHAT WE DO

RiskFin helps the Commission identify, analyze, and respond to risks and trends, including those associated with new financial products and strategies. We also provide economic and statistical analysis for the Commission and other divisions and offices.

### POINT OF PRIDE

The diversity of nations represented by our staff.

### THINGS YOU MAY NOT KNOW ABOUT US

We have a regular running group and two book clubs.

### WORTHY OF NOTE

Economists have been advising the Commission since 1935. Early advisors included Paul Gourrich, author of "Is Capitalism on Trial?" (1931) and director of a 1938 SEC study on investment company abuses.

SEC EMPLOYEE NEWSLETTER JANUARY 2013 | EDITION 28



### IN THIS EDITION

- Yes, We Gave At The Office
- OMWI Showcases 2012 Accomplishments
- SEC Trivia Winners 2012
- SEC New Faces
- Staff Spotlight: Ray Thorpe

### SEC TRIVIA

This Month

This city, home to an SEC regional office, has been called the "Wall Street of the West." Can you name it?

Be the first to answer correctly - email answer to: newsletter@sec.gov

\_ Last Month

SEC Chairman Arthur Levitt encouraged staff to view a screening of this 2000 film. What was it?

A: Boiler Room

First three to answer correctly:

Heather Maples
Division of
Corporation Finance

Kevin Brennan

Office of Compliance Inspections and Examinations

Jeffrey Berger Office of the General Counsel

Feedback? Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov



## Giving is a big part of the holiday sea-

son, and the SEC staff once again gave its time, talent, and funds to charities last year.

Donations to the annual U.S. Marine Corps Reserves "Toys for Tots" drive, sponsored by the Veterans Committee, provided hundreds of items, including board games, puzzles, stuffed animals, dolls, action figures, cars and trucks, building blocks, art supplies, and even a few playhouses.

The SEC staff also contributed to the Combined Federal Campaign (CFC), which supports thousands of international, national, and local charities. The agency raised \$518,000, exceeding its goal of \$516,000. Fundraising efforts included a chili cook-off and bake sale held at SEC headquarters in December. Attendees paid to vote for their favorite chilies and winners split the funds, which were donated on behalf of their offices to the CFC.

Chili cooks got creative. There was venison chili, said to be a favorite of President Lyndon B. Johnson, a buffalo chili, a beef brisket chili, a turkey chili, and a bacon and sausage chili. There were vegetarian and vegan options, and a Weight Watchers chili for those trying to watch their figure. The chilies ranged from mildly spicy to habanero-grade hot, and were spiked with everything from honey to dark beer to whiskey.

Continued on Page 2

### OMWI Showcases 2012 Accomplishments

The past year was a busy one for the Office of Minority and Women Inclusion (OMWI) and its inaugural director, Pamela Gibbs.

Charged with promoting workforce diversity, the office took part in dozens of outreach and recruitment efforts across the country, including career fairs, law school camps and seminars, and conferences. OMWI also worked with the Office of Investor Education and Advocacy on a "shadowing" program that paired Academy of Finance high school students with SEC professionals. And, it partnered with the Division of Enforcement to recruit attorneys to the SEC through Diverse Partners Network, a network of minority managing partners at large law firms.

OMWI's effort is starting to pay off. In 2012, 20 percent of the SEC's new hires were women, 13 percent were African-American, 13 percent were Asian-American, and two percent were Hispanic-American. While hiring of African-Americans and Asian-Americans was up compared to the prior year, Gibbs says there is still more work to be done on workplace diversity.

(0)(0)

The Office of Minority and Women Inclusion (OMWI) team led by Pamela Gibbs, seated second from right, bottom row.

In addition, OMWI provided technical assistance to more than 150 minority-owned and women-owned businesses and collaborated with the Office of Acquisitions to increase contracting dollars flowing to such businesses. Nearly 25 percent of all SEC contracting dollars went to minority and women-owned businesses last year, up from 23 percent in 2011.

But as one of the SEC's newer offices, OMWI is still working to get its message out.

SEC EMPLOYEE NEWSLETTER JANUARY 2013 **EDITION 28** 

### Yes, We Gave At The Office (b)(6)

Continued from page 1...

Sidney Boykin of the Office of Financial Management took first place with his cauliflower vegetarian chili. Kurt Diercksmeier of the Office of Compliance Inspections and Examinations came in second with a beef chili recipe he called "The Chairman's Favorite." Third place went to Brian Chamowitz of the Division of Enforcement, for a chili he called "The Enforcer."

Although her five-pepper chili didn't win any awards, Lori Schock, Director of the Office of Investor Education and Advocacy, says she was happy to be part of the event, saying: "It's all for a good cause."

### **OMWI Showcases 2012 Accomplishments**

Continued from page 1...

"A lot of people don't know us," says Gibbs. "I want to change that in 2013."

The office springs from the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, which included a provision requiring the SEC and many other federal financial regulators to establish offices devoted to workforce and supplier diversity, and to assess the diversity policies and practices at businesses they regulate.

Since Gibbs arrived last year, OMWI has expanded to a staff of 10, and created a steering committee comprised of senior staff from other SEC divisions and offices, which provides input on how OMWI can best fulfill its mission.

If you're interested in learning more, check out "OMWI: A Year in Review," which Gibbs says was developed "to give our colleagues a glimpse of who we are. what we do, and what we've accomplished in 2012."

### SEC TRIVIA BUFFS

You may have thought we weren't keeping track, but congratulations to the Top 10 highest scorers in SEC trivia for the 2012 calendar year. Keep guessing in 2013!

\*1 point for each correct answer... Total of 3 points awarded when the correct answer was among the first 3 received that month.





NEW FACES AT THE SEC	
Marsha Dixon: The attorney advisor in the Division of Trading and Markets' Office of Market Supervision joins the SEC (b)(6)	Rory Flynn: An associate general counsel, Rory heads the Office of the General Counsel's Adjudication Group. He spent 10 years in the Enforcement Division before  (b)(6)
David Marcinkus: An attorney advisor in the Division of Investment Management's Office of Investment Company Regulation, Dave previously worked in (b)(6)	Eugene Mooring: The staff accountant in the Atlanta Regional Office has been (b)(6)
Shannon Sobotka: A staff accountant in the Division of Corporation Finance, Shannon reviews disclosures for accounting, auditing, or financial reporting deficiencies.  (b)(6)	Troy Stoddard: An attorney advisor in the Division of Trading and Markets' Office of Chief Counsel, Troy (b)(6)
Jarrett Torno: A staff accountant in the Division of Corporation Finance's Office of Disclosure Operations, (b)(6)	Amanda Wagner: The attorney advisor in the Division of Investment Management's Office of Regulatory Policy was  (b)(6)

SEC EMPLOYEE NEWSLETTER JANUARY 2013 EDITION 28

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(b)(6)

### SEC OFFICE SPOTLIGHT

## **OFFICE**

)F

## **INFORMATION TECHNOLOGY**

ALSO KNOWN AS

"OIT"

### TOTAL EMPLOYEES

About 150 employees and 450 contractors

### WHAT WE DO

We are responsible for IT application development, infrastructure operations and engineering, user support, program management, capital planning, security, and enterprise architecture. We maintain SEC.gov and operate EDGAR, the Electronic Data Gathering, Analysis, and Retrieval system, which receives, processes, and disseminates more than 500,000 financial statements a year.

## THINGS YOU MAY NOT KNOW ABOUT US

We support 12 petabytes of data storage, equal to 160 years of continuous High Definition video recording.

### POINT OF PRIDE

This year, we did a wall-to-wall inventory of assets and deployed Windows 7, Office 2010, and SharePoint 2010 across the agency. We also moved more than 50 applications, including SEC. gov, to "cloud" computing, so they will never go down.



### IN THIS EDITION

- Congressional Fellowship Brings SEC Staff To Hill
- SEC Couples Find A Way to Balance Work, Life
- Ethics Corner
- SEC New Faces
- Staff Spotlight: Eric Young

### SEC TRIVIA

### Q:

### This Month

Who was the first African-American Commissioner?

Be the first to answer correctly - email answer to: <u>newsletter@sec.gov</u>

### Q:

### Last Month

This city, home to an SEC Regional Office, has been called the "Wall Street of the West." Can you name it?

### A: Denver

First three to answer correctly:

Houghton Hallock Division of Investment Management

James Diercksen New York Regional Office

> Kathy Bateman Division of Trading and Markets

Feedback? Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov

(b)(6)

### Congressional Fellowship Brings SEC Staff To Hill

This year, Mellissa Duru took leave from her job as special counsel in the Office of Mergers and Acquisitions in the Division of Corporation Finance to work as a fellow for Sen. Jack Reed, D-Rhode Island, a member of the Senate Banking Committee, which oversees the SEC.

Duru is the SEC's newest participant in the Brookings Legis Congressional Fellowship, a program that sends up to 50 state and federal employees to work for a year in Congress. The year begins with a two-week orientation, followed by interviews with congressional staff to help fellows find the right assignment.

About half of the fellows head to the House of Representatives and half to the Senate. Because Duru wanted to work in the Senate on financial issues, joining Sen. Reed's office was an easy choice.

"I thought for me, this would be the best fit," she says.



Michelle Lacko, the SEC's 2012 congressional fellow, with Sen. Patrick Leahy, D-Vermont.

Other SEC staffers who have participated in the program say they would do it again in a heartbeat.

"I would recommend it whole-heartedly," says Michelle Lacko, who was working in the Office of Enforcement Liaison when she was chosen as the SEC's 2012 congressional fellow. "It was amazing."

Lacko opted for the Senate Judiciary Committee, where she handled financial and environmental issues and some external

Continued on Page 2

Continued on Page 2

### SEC Couples Find A Way to Balance Work, Life

On Valentine's Day, some SEC staff didn't have to travel far to deliver candy, flowers, or other tokens of affection. The reason? Their spouse works for the SEC, too.	
(b)(6)	SEC couples say working for the same agency helps them understand the other's workplace demands and brings them closer, especially if they can commute together. There are also a lot of "convenience factors," (b)(6)
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SEC EMPLOYEE NEWSLETTER FEBRUARY 2013 | EDITION 29

### Congressional Fellowship Brings SEC Staff To Hill

Continued from page 1....

communications – including press releases and tweets – for the committee's chairman, Sen. Patrick Leahy, D-Vermont.

Like Duru, Robert Peak worked for Sen. Reed during his 2011 fellowship year, and helped with preparation for Senate Banking Committee hearings covering everything from flood insurance to market structure.

"I'm not a lawyer but I fit in very well in that office," says Peak, a staff accountant in the Division of Enforcement. "I wrote legislation. I wrote speeches. I wrote floor statements. I analyzed bills." Fellows say the program deepens their understanding of the legislative process and gives members of Congress and their staff more insight into their agency, a give-and-take that the program's supporters view as one of its strengths.

"It's really a win-win, both for Congress and the agency," says Geoff Abbott, a faculty member in SEC University's College of Leadership and Development, which administers the SEC's participation in external fellowship programs.

lan Dubin, a senior program manager at Brookings Executive Education who directs the fellowship program,

acknowledges that for participating agencies, "it's a big investment - you're paying a salary to someone who isn't there for a year."

While some agencies send several fellows each year, the SEC has one who is chosen by a panel of senior officers. Peak, the first SEC congressional fellow, favors sending more, saying the experience "makes us better at what we do," and would bolster the SEC's commitment to investing in its staff and building leadership internally.

"You learn so much," he says. "If I could do it again, I would."

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## ETHICS CORNER

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions received from SEC employees.

She can be reached with additional questions by calling (b)(6) or e-mailing

Q. What's the difference between the financial disclosure filing on Form 450 or 278 and the PTCS Annual Certification? If I file Form 450 or 278, do I also have to file to PTCS?

A: Yes, these are separate requirements. The purpose of the financial disclosure filings, which are used across the executive branch, is to help federal employees and agencies identify and avoid potential conflicts of interest. Reviewing your financial disclosure report enables SEC officials and you to identify whether your financial interests, outside activities, or other affiliations create any real or apparent conflicts with your official SEC duties, to avoid having you work on a matter that presents a conflict.

The purpose of the PTCS Annual Certification is to ensure employee compliance with the SEC Supplemental Ethics Regulation. Because of its responsibility for investor protection and securities industry oversight, employees of the SEC

are prohibited from certain securities transactions, such as owning interests in entities that are directly regulated by the SEC or transacting in securities of entities that are under SEC investigation. Applying these restrictions to all, regardless of their duties, helps to combat the perception that SEC employees have the potential to unlawfully enrich themselves through non-public information. All employees are required to make an affirmative statement via the Annual Certification process that they have complied with the SEC Ethics Supplemental Regulation, which includes all pre-clearance, reporting, and holding period requirements for trades as well as the rules regarding prohibited holdings.

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## SEC OFFICE SPOTLIGHT



# EQUAL EMPLOYMENT OPPORTUNITY

ALSO KNOWN AS

"EEO"

TOTAL EMPLOYEES

8

### WHAT WE DO

We deliver equal employment opportunity (EEO) programs that empower the workforce through enforcement, education and outreach to value and comply with EEO laws to best achieve the SEC's mission of protecting the nation's investors.

## THINGS YOU MAY NOT KNOW ABOUT US

We sponsor and coordinate events and initiatives for eight of the SEC's special emphasis programs. You can read more online here.

### POINT OF PRIDE

We led the SEC to a 98% completion rate on the mandatory 2012 NO FEAR Act training.

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### IN THIS EDITION

- Office of Municipal Securities Tackles \$3.7 Trillion Market
- A Night Out with Staff
- Update on Shelly Luisi
- Ethics Corner
- SEC New Faces
- Staff Spotlight: David Cohen

### SEC TRIVIA

### This Month

This 1989 book features a Wall Street CEO who was charged by the SEC for failing to supervise a rogue trader. What is the book titled?

Be the first to answer correctly - email answer to: newsletter@sec.gov

### Last Month

Who was the first African-American Commissioner?

### A: Aulana Peters

First three to answer correctly: Jav Bragga Office of the Ethics Counsel

Michael Devaney New York Regional Office

Ashley Vroman-Lee Division of Investment Management

Feedback? Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov

### Office of Municipal Securities Tackles \$3.7 Trillion Market

John Cross, the inaugural director of the SEC's Office of Municipal Securities, doesn't shy away from a challenge. He came to the SEC last fall to head an office that oversees the \$3.7 trillion municipal bond market with a handful of staff.

Despite its small size, the office has big tasks: It interfaces with Congress and consults with other SEC offices and divisions on everything from muni-bond enforcement cases to oversight of rulemaking by the Municipal Securities Rulemaking Board.

While the SEC previously had a municipal securities office within the Division of Trading and Markets, the 2010 Dodd-Frank Act mandated creation of a separate office whose head reports directly to the SEC Chairman.

The new office is working closely with Trading and Markets on a final rule to register advisors to municipal issuers, as required by the Dodd-Frank Act, and worked with it on an April 16



John Cross is the inaugural director of the Office of Municipal Securities.

roundtable on municipal and corporate bonds. The roundtable followed a 2012 Commission report, led by Commissioner Elisse Walter, which called for improved price transparency and authority for the SEC to set disclosure requirements

Continued on Page 2

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### **UPDATE** on Shelly Luisi



### Office of Municipal Securities Tackles \$3.7 Trillion Market

Continued from page 1...

for municipal bond issuers, rather than do so indirectly through its broker-dealer oversight.

"That report offers a great roadmap of initiatives for our office," says Cross.

Cross sees a need for more uniform and timely disclosure on municipal bonds and the office is working with the Division of Corporation Finance on that front. He predicts the effort will benefit investors and issuers, with improved disclosure attracting a broader pool of investors, thereby improving pricing.

A graduate of

and

(b)(6) Cross has worked in private practice in Atlanta and Washington, D.C., and at the Internal Revenue Service and the U.S. Treasury Department. He joined the SEC from Treasury's Office of Tax Policy, where he led Treasury's response to municipal bond market issues arising from the financial crisis and worked on the \$180 billion Build America Bonds program contained in President Obama's 2009 economic stimulus package.

Cross already had a sense of the SEC because (b)(6)
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Now that he's here, Cross says he's found the SEC to be a welcoming place with topnotch staff.

"I'd always heard they had great lawyers at the SEC and I've been struck by the high caliber of the attorneys, economists, and other professionals we work with here," says Cross. "The SEC stands out in that regard."

## ETHICS CORNER

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions received from SEC employees.

She can be reached with additional questions by calling (b)(6) or e-mailing (b)(6)

## Q. I understand the Hatch Act has been updated. What has changed for federal employees?

A. On Dec. 28, 2012, President Obama signed the Hatch Act Modernization Act of 2012 that amends certain provisions of the law preventing executive branch employees from engaging in partisan political activity. One change expanded the range of possible disciplinary actions under the Hatch Act. Previously, federal employees could be removed from their positions or subject to a suspension of 30 or more days. Now, possible penalties also include a reduction in grade,

debarment from federal employment for up to five years, and civil penalties of up to \$1,000.

In addition, the Act now allows federal government employees who live in the District of Columbia to participate in political management or campaigns involving their municipality or political subdivision, putting them on par with Maryland and Virginia residents. Federal government employees living in Washington, D.C., are therefore permitted to run as independent candidates in partisan elections for local offices.

Ryan Adams: An attorney advisor in the Division of Corporation Finance's Disclosure Operations group, Ryan [1960]  Christina D'Amico: The public affairs specialist in the Office of Public Affairs handles press inquiries and internal communications strategy. Christina [1960]  Julia Lee: The new staff accountant in the Office of Financial Management's Treasury Operating Branch [1960]  Julia Lee: The new staff accountant in the Office of Financial Management's Treasury Operating Branch [1960]  Rebecca Rose: As communications manager for the Office of Compliance Inspections and Examinations, Rebecca directs internal communications for OCIE's National Exam Program. [1960]  Rebecca Rose: As communications for OCIE's National Exam Program. [1960]  Ada Sarmento: An attorney advisor in the Division of Corporation Finance, Ada [1960]  Ada Sarmento: An attorney advisor in the Division of Corporation Finance, Ada [1960]  Ada Sarmento: An attorney advisor in the Division of Corporation Finance, Ada [1960]				
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		ager for the Office of Compliance Inspections and Examinations, Rebecca directs internal communications for OCIE's National Exam Program. (b)(6)		the Division of Corporation Finance, Ada

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### SEC OFFICE SPOTLIGHT

## OFFICE OF INVESTOR EDUCATION AND ADVOCACY

#### ALSO KNOWN AS

"OIEA"

#### TOTAL EMPLOYEES

Approximately 45

### WHAT WE DO

We seek to provide individual investors with the information they need to make sound decisions about investments in the securities markets. OIEA promotes this mission through three primary programs: assisting individual investors with complaints and inquiries, conducting educational outreach, and providing the Commission and its staff with input from the perspective of the individual investor.

### THINGS YOU MAY NOT KNOW ABOUT US

OIEA created and maintains Investor.gov, a website designed for retail investors. The website includes information such as how to research investments and investment professionals, understand fees, and detect fraud.

### POINT OF PRIDE

OIEA maintains a Twitter account, @SEC\_Investor\_Ed, that regularly publishes information on issues that affect individual investors. As of April 2013, OIEA's Twitter account had about 35,000 followers.

### IN THIS EDITION

- Seven SEC Employees
   Selected as AAFEA
   Fellows
- SEC Websites Undergo Visible Changes
- Ethics Corner
- SEC New Faces
- Staff Spotlight: Sauntia Warfield

### SEC TRIVIA

### This Month

These former American
League teammates settled
SEC charges of insider trading
ahead of a corporate buyout.
Can you name them?

Be the first to answer correctly - email answer to: newsletter@sec.gov

### Last Month

This 1989 book features a Wall Street CEO who was charged by the SEC for failing to supervise a rogue trader. What is the book titled?

### A: Liar's Poker

First three to answer correctly: Ross Goetz

Division of Economic and Risk Analysis

Matthew Archer-Beck
Office of the General Counsel

Robert Soffer

Office of the General Counsel

Feedback? Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov

### Seven SEC Employees Selected as AAFEA Fellows

The African American Federal Executives Association (AAFEA) Fellows for 2013-14 is a select group of 17 federal employees, and seven of them work at the SEC.

"The SEC makes up 41 percent of this year's class," says Jeffrey Weaver, the human capital program manager in the Office of Human Resources and one of this year's AAFEA Fellows. "We're surprised but elated."

SEC University chief learning officer Steven Mosier says some of the credit goes to the help that OHR got from the Office of Minority and Women Inclusion and the Office of Equal Employment Opportunity to promote the fellowship. He expects the AAFEA program will provide "tremendous opportunities for personal and professional growth to those selected and some great exposure for the SEC as well."

The executive mentoring program provides guidance on professional development,



E. Laurita Finch, Renee Stroud, and Jeffrey Weaver are among those chosen as this year's AAFEA Fellows.

networking opportunities, and exposure to high-level government activities. Program participants attend the Congressional Black Caucus Conference in September and participate in "A Day on the Hill," where they meet with members of Congress and attend congressional hearings.

Continued on Page 2

### SEC Websites Undergo Visible Changes

The SEC's public face is more attractive than ever. A project to modernize SEC.gov is well underway and some of the changes are now clearly visible.

A redesigned EDGAR search page debuted May 31, along with a new search engine powered by USASearch, a free tool from the General Services Administration's Office of Citizen Services and Innovative Technologies.

The new search engine can be used to find documents on SEC.gov and Investor.gov, which is targeted to individual investors.

"It provides better, more accurate results and people are happy with that," says Web Operations branch chief Simon Park.



Other changes include a switch to Akami's content delivery network, which means pages on the sites load more quickly, in some cases three times faster than before.

Data from ForeSee surveys and Google Analytics, installed last year, has brought new understanding of who uses the SEC's sites and what they think about them.

### Seven SEC Employees Selected as AAFEA Fellows

Continued from page 1...

"I saw it advertised on the Insider and it seemed like a great opportunity for mentoring and professional development," says Joy Best, a supervisory staff accountant with the Office of Compliance Inspections and Examinations in the New York Regional Office.

Renee Stroud, an accountant with the Office of Financial Management, says she's excited about the networking opportunities and training offered by the program.

"I want to further my career and am looking for like-minded folks who want to get more exposure to senior leadership," says Stroud, who spent nearly (b)(6)

before joining the SEC as an IT auditor in the Office of the Inspector General.

Fellows are paired with a mentor who is a current or retired member of the federal senior executive staff. E. Laurita Finch, a senior counsel in the Office of the Chief Counsel in the Division of Enforcement, has already spoken on the phone to her mentor, a businessman who works outside the financial services industry.

"I'm sure he'll have good mentoring advice and I'm definitely honored to be a part of the process," says Finch.

### 2013–2014 SEC AAFEA Fellows

Joy Best - New York Regional Office

Willie Davis - Chicago Regional Office

E. Laurita Finch - Enforcement

Johnathon Jackson – Philadelphia Regional Office

Deloris Rankins - Atlanta Regional Office

Renee Stroud – Office of Financial Management

**Jeffrey Weaver** – Office of Human Resources

### SEC Websites Undergo Visible Changes

Continued from page 1...

"People like our content and they're happy with the performance of the site. But, they are frustrated by inconsistent navigation," says Laura Egerdal, public affairs specialist in the Office of Public Affairs, who is leading user experience and content strategy for the moderization project.

But, "modernization will make the site more informative, easier and more intuitive to navigate, better able to support evolving content and functionalities, and more secure," says Ngoc Vu, a branch chief in the

You can subscribe to weekly reports on web traffic, popular search terms and social media outreach at analytics@



Office of Information Technology and program manager for the project.

Starting this summer, a new content management system will be used to publish online material. It will automate processes now done manually, making it easier for staff to post new material to the website and update materials already online.

Next year, when use of smart phones and tablets to access the Internet overtakes desktop computers, SEC.gov will be ready with mobile and tablet applications, a customizable home page and personalized alerts on new content.

## ETHICS CORNER

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions received from SEC employees.

She can be reached with additional questions by calling (b)(6) or e-mailing

Q. I have some investments and want to be sure none of them would be considered "prohibited holdings" for SEC employees. Can you help?

A. SEC employees are not permitted to purchase or hold a security or other financial interest in an entity directly regulated by the SEC. Examples of prohibited holdings include broker-dealers, registered investment advisers, banks with subsidiaries that are registered brokerdealers or investment advisers, national securities exchanges, registered securities associations, nationally recognized statistical rating organizations (NRSROs), clearing agents, transfer agents, and securities information processors.

### Q. Are there any exceptions?

A. Yes. You may be able to hold securities in directly regulated entities if you or your spouse received the securities as compensation from a current or former

employer or if the securities are held in certain trusts. Please contact the Ethics Office for more information.

### Q. How do I know if an entity is "directly regulated"?

A. Employees must pre-clear securities transactions in the Personal Trading Compliance System (PTCS) so that the Ethics Office can confirm they are not prohibited.

### Q. I hold a security that sounds like it could be a prohibited holding. What should I do?

A.Please contact the Ethics Office. We can help determine if it is a security that would require divestiture.

Candice Bruno: An internal communications specialist in the Office of the Chief Operating Officer, Candice (b)(6)	(b)(6)	Nicole Gmitter: The Office of Financial Management senior budget analyst has (b)(6)
Jacob Loshin: An attorney in the appellate group of the Office of the General Counsel, Jacob (b)(6) (b)(6)  (b)(6)  Jacob (b)(6)		Peter McPhun: The Division of Corporation Finance staff accountant has (b)(6)
Richard Rodgers: The Division of Investment Management's senior special counsel for derivatives policy (b)(6)		Verngina Smith: The program support specialist in the Office of Equal Employment Opportunity previously worked in the Office of the Inspector General.
Mary Ward: The Office of the Secretary's senior program information specialist had		Chungfang "Anne" Yang: A financial economist in the Office of Investments and Intermediaries in the Division of Economic and Risk Analysis, Anne joins the SEC from the

### SEC OFFICE SPOTLIGHT

## OFFICE OF THE SECRETARY

ALSO KNOWN AS

"OS"

### TOTAL EMPLOYEES

Nearly 40 including contractors

### WHAT WE DO

Our Legal and Operations Branch handles Commission meetings, administers its seriatim and duty officer processes, prepares and maintains records of Commission actions, and reviews and issues Commission-approved documents. Our Library Branch provides reference and other library services to SEC staff and the public and is responsible for the Insider, the SEC's intranet site. Our Web Operations staff creates and publishes content on SEC.gov, the public website.

## THINGS YOU MAY NOT KNOW ABOUT US

To date, there have been 31 SEC Chairmen and only eight Secretaries, thanks in large part to Orval L. DuBois and Jack Katz, who served for 30 and 20 years, respectively. Secretary Elizabeth Murphy says she will need to work until age 80 to beat Orval's record.

### POINT OF PRIDE

We handle a very high volume of work. In fiscal 2012, the Legal and Operations Branch reviewed and published 3,536 Commission releases, the Library Branch provided electronic information and services to more than 20,000 password users, and the Web Operations Branch processed more than 315,000 comment letters.

# The Exchange Published by the Office of Public Affairs

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### IN THIS EDITION

- Office of Market Intelligence Connects the Dots that Point to Fraud
- SEC Honors Excellence at 58th Annual Awards Ceremony
- Ethics Corner
- SEC New Faces

### SEC TRIVIA

This Month

Who was the youngest person ever to serve as chair of the SEC?

Be the first to answer correctly - email answer to: newsletter@sec.gov

Last Month

These former American League teammates settled SEC charges of insider trading ahead of a corporate buyout. Can you name them?

### A: Eddie Murray and Doug DeCinces

First three to answer correctly:

**Ross Goetz** 

Division of Economic and Risk Analysis

Jay Bragga Office of the Ethics Counsel

K. Scott Davey Office of Credit Ratings

Feedback? Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov

## Office of Market Intelligence Connects the Dots that Point to Fraud

You do have to make some quick decisions in order to keep on top of it all.

-Vincente Martinez Chief, Office of Market Intelligence

"Triage" is a word that is commonly used on battlefields and in hospital emergency rooms. But it also describes the work done by the SEC's Office of Market Intelligence (OMI), which was created in 2010 as part of a major restructuring of the SEC's Enforcement Division. Just as medical professionals use triage to decide which patients need care urgently, the OMI staff use it to treat the approximately 15,000 tips, complaints and referrals that flow into the agency each year.

Vincente Martinez, who became the OMI Chief in February, likens the work of the office to a scene in the movie "Pearl Harbor," where nurses quickly sorted the wounded and marked their priority for treatment using lipstick.

"You do have to make some quick decisions in order to keep on top of it all," says Martinez.

Martinez oversees an office that consists of about 50 attorneys, paralegals, accountants, market surveillance specialists and FBI agents who record incoming tips in a central database, analyze them, and determine what follow-up is needed.

■Continued on Page 2

### SEC HONORS EXCELLENCE AT 58th ANNUAL AWARDS CEREMONY

SEC Chair Mary Jo White presided over the agency's 58th Annual Awards Ceremony on June 12, and used the occasion to praise the talent, motivation, and all-around excellence of SEC staff, including the award winners.

Award winners were recognized for accomplishments in a host of areas, including information technology, business operations, community service, and labor-management relations.

This year's Chairman's Award for Excellence went to three different teams – the review programs development team in the Division of Corporation Finance, the team responsible for the Consolidated Audit Trail rule, which spanned three divisions and two offices, and the team responsible for the relocation of the SEC data center.

Other teams that won recognition included the Knight Capital exam team, which was honored for its outstanding work examining the market-making firm's technology glitch last August which caused it hundreds of millions of dollars in trading losses.

■Continued on Page 4

SEC EMPLOYEE NEWSLETTER **SUMMER 2013 EDITION 32** 

### Office of Market Intelligence Connects the Dots that Point to Fraud

Continued from page 1...

"We always knew anecdotally that there was much more fraud out there than we could get our hands on, and I think OMI is making a huge difference," says Martinez. "This office enables us to connect the dots and to identify schemes as they're developing."

This is Martinez's second stint at the SEC. He rejoined the agency from a position at the Commodity Futures Trading Commission (CFTC). Before that, he spent eight years in the SEC's Enforcement Division, starting as a staff attorney in 2003, soon after Congress adopted the Sarbanes-Oxley Act to improve public company accounting.

"A lot of companies were coming out of the woodwork with financial restatements that resulted in terrific cases," Martinez recalls. After working on a task force devoted to accounting fraud cases, he moved to OMI, then left in 2011 to become the first director of

the whistleblower office at the CFTC, which he says, "seemed like a natural progression."

Martinez planned on a legal career early on, inspired in part by the SEC's insidertrading cases against Ivan Boesky and Michael Milken.

(b)(6)

worked at two law firms before applying at the SEC a decade ago. He says he's happy to be back at the agency again and is hoping to use his new role to strengthen relationships with other regulators and self-regulatory organizations and to crack down on "the really bad actors - career wrongdoers."



## **ETHICS** CORNER

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions received from SEC employees.

She can be reached with additional questions by calling (b)(6) or e-mailing (b)(6)

Q. I've been invited to attend a conference for free even though I am not speaking at the conference - is this something I can accept?

A: Check with the Ethics Office anytime you are offered gifts by a prohibited source for free attendance to an event such as a conference, lunch, or dinner.

If you want to attend such an event and the cost is more than \$20, you will have to fill out Form 2846 and have it approved by the Ethics Office prior to acceptance. Here are some examples of when you would need to fill out a 2846:

John has been invited to speak at a three-day conference in Washington, D.C., hosted by the AOB. The cost of attendance at the conference is \$350. Because John will be speaking on the first day of the conference, AOB has offered him free attendance on the second and third days of the conference. John needs to fill out the 2846 and submit it to the Ethics Office for review before

he can accept the offer of free attendance on the second and third days of the conference.

Shawna has been invited to her former law firm's annual holiday party. She knows the party will cost the firm more than \$20 per person, so she can't rely on the de minimis exception, but she wonders if she can use the exception for widely attended gatherings. Shawna should fill out the 2846. However, since the event is a social one, it is unlikely to be approved by the Ethics Office as a widely attended gathering. The advice from the Ethics Office will most likely be that Shawna should pay her own way to attend the party.

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	to financial services firms and worked in		(b)(6)
	the private and public sector on foreign direct investing (b)(6)		
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	Katie Fox: The Office of Human Re-		Matthau Ianaa Aashaa
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	Arun Manoharan: A financial analyst in		Derek Newman: The Division of In-
	the Division of Trading and Markets' Office		vestment Management communica-
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SEC EMPLOYEE NEWSLETTER SUMMER 2013 EDITION 32

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### SEC HONORS EXCELLENCE AT 58th ANNUAL AWARDS CEREMONY

Continued from page 1...

The Division of Enforcement team in the Denver Regional Office received a separate award for its work on the Thornburg Mortgage case, and the money market fund study team received an award for analytical methods. The diversity and inclusion award went to the diversity committee in the Boston Regional Office.

Kara Brockmeyer and Charles Cain in the Division of Enforcement were this year's recipients of the Irving M. Pollack Award, and David Reece with the Division of Enforcement in the Fort Worth Regional Office, received the Stanley Sporkin Award, named for the former federal judge who once headed the Enforcement Division.

Five individuals received the Distinguished Service Award, the agency's highest honorary award: Brian Bussey in the Division of Trading and Markets, Richard Heaphy with the Office of Compliance Inspections and Examinations in the New York Regional Office, John Nester in the Office of Public Affairs, and Brent Mitchell and Rachel Nonaka in the Division of



### IN THIS EDITION

(b)(6)

- Meet Our Presidential Management Fellows
- SEC's Newest Office Gets Inaugural Director
- Ethics Corner
- SEC New Faces
- Staff Spotlight: Vanessa Meeks

### SEC TRIVIA

### This Issue

Sen. Charles Schumer once called this former SEC Chairman "the Zeus" of the federal securities bar. Can you name the Chairman?

Be the first to answer correctly - email answer to: newsletter@sec.gov

### Last Issue

A former college athlete charged in 2011 by the SEC for defrauding investors in his sports-drink company inspired this 1993 movie. Can you name it?

### A: Rudy

First three to answer correctly:

Abraham Putney
Office of Credit Ratings

John Graubard New York Regional Office

Matthew Spitzer Office of Administrative Law Judges

Feedback? Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov

## Jonathan Abraham, Sean McGonigle, Anthony Kourtakis, Kyle Carney, Carlitos Rodriguez and Nick Anderson are six of the seven fellows. Not pictured: Jeremiah Roberts.

### Meet Our Presidential Management Fellows

The Presidential Management Fellows Program, designed to bring fresh talent to the federal government, has brought seven fellows to SEC offices in Atlanta, New York, Fort Worth, and Washington, D.C.

The seven were selected from hundreds of applicants. "We're getting extremely high-caliber candidates who've gone through a rigorous screening process and shown potential for leadership," says Lei Kreft, a human resources specialist who helps bring students and recent graduates, including

Presidential Management Fellows, to the SEC.

President Jimmy Carter established the fellowship program, which places recent graduates with advanced degrees in federal agencies for two years and requires them to do a six-month rotation within or outside their host agency. In addition to their day-to-day work, fellows are assigned a mentor and receive help with career planning, professional development, and training.

Continued on Page 2

### SEC's Newest Office Gets Inaugural Director

The head of the SEC's newest office has a very clear mission: to speak on behalf of retail investors and ensure their needs are considered in the agency's rulemaking and decision-making.

Unlike the SEC's three-part mission, which includes investor protection, "my mission is more singularly focused," says Rick Fleming, the inaugural director of the Office of the Investor Advocate.

Fleming started in late February as the head of the office, which was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act. One of his first tasks is to name an ombudsman, which Dodd-Frank requires him to do within his first six months. The office also will have a hand in policy. Fleming wants it to be involved at the



Rick Fleming was sworn into office by Chair White in February.

very early stages of the agency's rulemaking efforts and play "a constructive role" in representing investors' interests in the process.

"I don't come in with a lot of preconceived ideas or conclusions," says Fleming.

SEC EMPLOYEE NEWSLETTER MARCH / APRIL 2014 | EDITION 34

### Meet Our Presidential Management Fellows

Continued from page 1...

"It's just a great learning experience," says Sean McGonigle, who had an offer to do his fellowship at a different federal agency, but opted to work as an examiner in the Fort Worth office.

(b)(6)

(b)(6)

efore enrolling in law school, McGonigle will spend most of his fellowship doing broker-dealer and investment adviser exams, with a six-month rotation in the Enforcement Division in Fort Worth.

Nicholas Anderson's fellowship brought him to SEC headquarters, where he is an examiner in the monitoring, policy, and rulemaking branch of the Office of Credit Ratings. It's a big change from the

(b)(6)

school, he applied to the PMF program, which he says offers one of the few opportunities to work in federal government straight out of law school.

After law

"I'm glad I'm here because I really believe in the mission of fair markets," says Anderson.

Anthony Kourtakis, a financial analyst in the Division of Economic and Risk Analysis, whose interest in financial markets dates back to middle school, also is very happy with his SEC assignment.

"It's challenging – I have to master different skills and be very creative in addressing research questions," says Kourtakis.

Kourtakis, a University of Michigan graduate and (b)(6) is conducting research to support SEC rulemaking on hedge funds, money-market funds and REITs. Later, he'll rotate into Office of Compliance Inspections and Examinations for six months to work with its Quantitative Analysis Unit.

After the two-year program ends, fellows may have their positions converted to a permanent position or a term appointment. Some are already looking forward to that prospect. While there's no guarantee of a job offer, McGonigle says, "I hope to be able to stay, if possible."

More information on the SEC's presidential management fellows is available here.

### SEC's Newest Office Gets Inaugural Director

Continued from page 1...

Fleming expects he'll be deeply involved in questions regarding market structure and disclosure reforms, but also plans to spend time hearing from SEC staff about the topics they think belong at the top of his agenda.

While Fleming doesn't expect the office to become a very large one, it will be tackling some very big problems, including the flight of retail investors from U.S. markets in recent years. Fleming notes that only slightly more than 50 percent of U.S. households today hold stocks, bonds, mutual funds or other securities.

down from more than 60 percent before the financial crisis.

"I want to figure out why that is and what reforms will encourage investors to come back to the market, because that would be good for the market and the economy," says Fleming.

The new investor advocate is relatively new to Washington, D.C., arriving (b)(6) in 2011 to work as the deputy general counsel of the North American Securities Administrators Association. He spent most of his career in

He likes the faster-paced life in D.C., and enjoys getting to know the international communities and restaurants near his bi(6) saying "that's something I never would have been able to do (b)(6) ."

## **ETHICS** CORNER

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions from SEC employees. She can be reached by calling (b)(6) or e-mailing (b)(6)

Q. I've heard that the post-employment rules are changing in April. What's happening?

A: Exemptions that exclude many SK-level employees from the one-year cooling-off period will be withdrawn on April 2, 2014. Any SEC employees whose base pay (excluding locality or other increase) exceeds \$156,997.50, will become subject to the one-year cooling-off period. This mostly will affect SEC staff at the SK-15, SK-16, and SK-17 levels, but you should check your base pay to confirm applicability.

## Q. My base pay exceeds that amount, so what restrictions will apply?

A: After leaving the agency, employees covered by the cooling-off period are

prohibited for one year from knowingly making, with the intent to influence, any communication to or appearance before any SEC officer or employee on behalf of any person other than the United States on any matter on which the person seeks official action by any SEC officer or employee. The restrictions apply even if you never worked on the matter at issue while you were an SEC employee.

## Q. Is behind the scenes work also prohibited?

A: No, the ban applies only to representational work. Check with the Ethics Office if you have additional questions.

		(b)(6)	
)(6)	Pei Chung: An Enforcement Division attorney, Pe (b)(6) (b)(6)	(b)(6)	Stephanie Hui: An attorney in the Division of Investment Management's Office of Disclosure and Review, Stephanie (b)(6)
	Amir Katz: An attorney in the Division of Trading and Markets' Office of Market Supervision, Amir (b)(6)		Jennifer Kim: An attorney in the Division of Trading and Markets' Office of Market Supervision, Jennifer (b)(6)
	Paul LaFranchise: The IT contract specialist in the Office of Acquisitions has a		Nathasha Lim: The Office of Public Affairs digital media specialist focuses on social media and the SEC.gov modernization project. (D)(6)
	Mike Nie: A Division of Trading and Markets staff accountant, Mike comes to the SEC (b)(6)		Alan Sorcher: The Office of Investor Education and Advocacy assistant director (b)(6)

EC EMPLOYEE NEWSLETTER MARCH / APRIL 2014

(b)(6)

### SEC OFFICE SPOTLIGHT

# THE DIVISION OF INVESTMENT MANAGEMENT

### ALSO KNOWN AS

"IM"

### TOTAL EMPLOYEES

182 in Washington, D.C. and New York

#### WHAT WE DO

We are responsible for the SEC's regulation of the investment management industry, including mutual funds, investment advisers, and certain insurance products. Our lawyers, accountants, economists, and other specialists assess product and industry risk, review disclosures, and work on rulemaking, exemptive applications, interpretive, and administrative matters.

### THINGS YOU MAY NOT KNOW ABOUT US

We hold periodic "No e-mail days" to encourage division staff to call or speak face-to-face instead of using email. (We do respond to outside e-mails.) Strategically positioned food and coffee provide an extra incentive to step away from the computer.

### POINT OF PRIDE

We feel connected to the average investor. We oversee more than 10,700 investment advisers and 4,200 investment companies. What we do can impact investments used to finance home buying, education, retirement, and everyday expenses for "regular folks."

## The Exchange

### IN THIS EDITION

- Welcome to the Summer Interns
- SEC Staffer Nominated for "Sammie" Award
- Ethics Corner
- SEC New Faces
- Staff Spotlight: Steven Fennell

### SEC TRIVIA

This Issue
In June 2001, this ac-

counting firm paid a \$7 million civil monetary penalty to the SEC. Can you name the firm?

Be the first to answer correctly - email answer to:

newsletter@sec.gov

\_\_\_\_ Last Issue

Sen. Charles Schumer once called this former SEC Chairman as "the Zeus" of the federal securities bar. Can you name the Chairman?

### A: Harvey Pitt

First three to answer correctly:

Robert Soffer Office of the General Counsel

Michael Bloise
Office of the General Counsel

Nathan Haselhorst Chicago Regional Office

Feedback? Send your com ments about the newsletter and story suggestions for future editions to: newsletter@sec.gov

### Welcome to the Summer Interns

b)(6)

Washington, D.C., headquarters interns and employees, including Director of Enforcement Andrew Ceresney, attended the June 19 Washington Nationals baseball game against the Atlanta Braves.

The SEC recently welcomed 280 students to a 10-week internship that offers seminars, field trips, social outings, and mentoring in addition to full-time work experience. The Summer Honors Program draws students from all over the country, with 150 working in SEC regional offices and 130 in the agency's Washington, D.C., headquarters.

Many interns are aiming for a career in law:

about 70 percent are first and second-year law students, with the rest a mix of graduate and undergraduate students.

"Phenomenal," is how honors program manager Kristi Thomas, in the Office of Human Resources, describes the summer interns. "If you look at their resumes, they're very impressive."

Continued on Page 2

### SEC Staffer is First Ever Nominated for "Sammie" Award

(b)(6)

The SEC has a chance to make history this fall when the nonprofit Partnership for Public Service awards its annual Samuel J. Heyman Service to America Medals. A select group of finalists, announced in May, includes the first from the SEC: Sofia Hussain, a senior forensic accountant in the Division of Enforcement in the Boston Regional Office.

Hollywood has the Oscars and Broadway has the Tonys. Like them, the Samuel J. Heyman or "Sammie" award recognizes outstanding performance, in this case, by federal employees. In all,

and specified an

"She's very good at understanding how to harness technology and use it to transform the way that we work," says Thomas Bayer, director of the Office of Information Technology. "She's accomplished a tremendous amount in a very short period of time."

■Continued on Page 2

SEC EMPLOYEE NEWSLETTER JUNE / JULY 2014 EDITION 35

### Welcome to the Summer Interns

Continued from page 1...

How impressive? "One of our interns found the smoking gun email" while searching documents in an investigation last summer, recalls Emlee Hilliard-Smith, a senior counsel in the Chicago Regional Office.

"We want the best and the brightest and we get the best and brightest," Hilliard-Smith says.

Law students interning at the SEC learn how SEC attorneys approach tasks such as legal research and preparing for testimony. Interns also attend closed Commission meetings, meetings with defense counsel, and even trials.

Interns aren't paid, but their schools may offer them stipends, grants, or academic credit and the SEC offers them the chance to get valuable training and work on meaningful projects.

"They're choosing to work for us for free because they believe in the mission, so we really want them to have a great experience," says Kim Chehardy, a special counsel in the Division of Trading and Markets.

Sheena Sullivan just finished her first year at Cornell Law School and is enjoying her work on accounting and microcap fraud cases as an intern in the Enforcement Division. "Your summer experience really is what you make of it and I appreciate how much responsibility and trust they give you," she says.

### SEC Staffer is First Ever Nominated for "Sammie" Award

Continued from page 1...

Hussain's fellow nominees in the "Call to Service" category include an Air Force engineer, a NASA scientist, a Department of Housing and Urban Development official tracking Hurricane Sandy recovery efforts, and a team at the Agency for International Development overseeing public-private loan guarantee programs. Previous winners have been honored for everything from increasing safety for firefighters to creating disguises for undercover CIA operatives.

"It's such a honor to be recognized," says Hussain. "I'm just doing what I was hired to do. But it's rewarding to see that what we're doing is making a difference every day." Hussain began her federal career at the Federal Bureau of Investigation, after graduating college with degrees in English and accounting. She joined the SEC in 2010 and has worked on more than 20 investigations involving accounting fraud, market manipulation, and insider trading.

John Dugan, associate regional director for enforcement in the Boston Regional Office, says Hussain brought a new perspective to investigations and is "constantly looking for different ways to do things better," including tools to sift through large amounts of data contained in bank, telephone, and trading records.

"Used correctly, the tools allow us to find

patterns that human beings probably could not find," as well to work faster, says Paul Levenson, director of the Boston Regional Office. He calls Hussain "absolutely terrific."

The Sammie award winners will be chosen by a committee that includes members from government, the private sector, the media, and philanthropic organizations. Winners will be announced on Sept. 22, and should Hussain be among them, she'll receive \$5,000. She has no plans on how she might spend it, other than to say "some of it will definitely go to charity - if I get an award for being a public servant, that money, like my time, has to go towards helping others."

## **ETHICS** CORNER

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions from SEC employees. She can be reached by calling (b)(6) or e-mailing @sec.gov.

Q. I'm told my position is one that requires I file an OGE Form 450. Why do I have to file this Confidential Financial Disclosure Report in addition to uploading my brokerage statements into PTCS?

A: The purpose of the U.S. Office of

Government Ethics Form 450 is to identify any potential or actual conflicts of interest between your financial interests and your work at the SEC. The reports show your assets and income, certain liabilities, outside activities or businesses, arrangements and agreements, and travel reimbursements. They also cover financial interests imputed to you, such as your spouse's or dependent children's, or any organization in which you are an officer, trustee, or employee. The reports allow your reviewing official and the Ethics Office to help you comply with applicable laws. The criminal conflicts of interest statute prohibits federal employees from working on matters in which they have a financial interest and there are serious potential penalties for violations, so it is very important to avoid these conflicts. Non-lawyers, such as a COR or an

OIT project manager, may still have a conflict of interest if they have a financial interest in an entity for which they are doing business on behalf of the SEC.

Q. How do I report retirement plan holdings on the OGE Form 450?

A: Your own retirement plans must be reported on Part IV, Agreements or Arrangements. If it is a defined benefit plan, it is helpful to note that on the form, but you do not need to report any underlying plan assets. If you or your spouse have a defined contribution plan where you choose how the contributions are invested, you should report on Part I any reportable assets – such as mutual funds or stocks – worth more than \$1,000 or that produced more than \$200 in income during the calendar year.

b)(6)	Anne Bahu: A librarian in the Office of the Secretary, Anne joins the SEC from (b)(6)	(b)(6)	Ben Brown: A counsel to Commissioner Daniel Gallagher, Ben focuses on enforcement and investment management matters.  (b)(6)
	Bradley Smith: The new branch chief and contracting officer for the IT Branch in the Office of Acquisitions (b)(6)		Jeffrey Schwartz: The information technology specialist in the Office of Public Affairs is helping to develop mobile and web applications. Jeff (b)(6)
	Michael Maloney: The Enforcement Division chief accountant (b)(6)		Rebekah Goshorn: Rebekah is very excited to return to the SEC to act as counsel to Commissioner Daniel Gallagher. She spent nearly four years an attorney in the Division of Trading and Markets and (b)(6)
	J		

SEC EMPLOYEE NEWSLETTER JUNE / JULY 2014 EDITION 35

(b)(6)

### SEC OFFICE SPOTLIGHT

### THE OFFICE OF ACQUISITIONS

### ALSO KNOWN AS

"Contracting"

### TOTAL EMPLOYEES

48

### WHAT WE DO

We meet the procurement needs of the SEC, whether through a contract with a private entity, an agreement with another federal agency, or use of the Government Purchase Card. We're also responsible for **Contracting Officer** warrants, Contracting Officer Representatives training and certifications, and soon, Project and Program Manager certifications.

## THINGS YOU MAY NOT KNOW ABOUT US

We're responsible for every dollar added to or removed from a contract. Fifty cents of every reportable dollar awarded on contracts in fiscal year 2013 was awarded to a small business. SEC EMPLOYEE NEWSLETTER FALL 2014 | EDITION 36

# The Exchange Published by the Office of Public Affairs

### IN THIS EDITION

- SEC Sets Food Drive Record
- Emerging Market Regulators Get Training in Fund Oversight
- SEC New Faces
- Ethics Corner

### SEC TRIVIA

This Issue

Before Standard & Poor's launched the S&P 500 Index, how many stocks were in S&P's daily stockmarket index?

Be the first to answer correctly - email answer to: newsletter@sec.gov

### Last Issue

In June 2001, this accounting firm paid a \$7 million civil monetary penalty to the SEC. Can you name the firm?

### A: Arthur Andersen

First three to answer correctly:

Joseph Brusky New York Regional Office

Sharrae Foster Office of Information Technology

Eileen Parlow Office of Financial Management

Feedback? Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov

### SEC Sets Food Drive Record

The SEC vastly exceeded its goals for the 2014 Feds Feed Families campaign, collecting more than 50,000 pounds of donated items to supplement local food banks. The record haul was far more than the agency's goal of 15,000 pounds and nearly twice as large as its 2013

The Fort Worth Regional Office accounted for nearly one-third of the agency's total, contributing almost 16,000 pounds. To encourage participation, the office challenged its enforcement and exam staff to go head-to-head, promising

collection.

a home-cooked breakfast for the group that brought in the most donations.

"It was good, old-fashioned competition and all in good fun," says Jamie Haussecker, a paralegal specialist in the Fort Worth office.

Unlike last year, the enforcement staff in Fort Worth won the challenge by a wide margin, and Marshall Gandy, associate regional director for examinations, served up pancakes and other treats to the whole office.

■Continued on Page 2

### Emerging Market Regulators Get Training in Fund Oversight

SEC staff donate

OF GROCERIES

to local food banks



The Mongolian Stock Exchange soon will add trading in mutual funds and ETFs.

You never know where the SEC will turn up. Mongolia probably wouldn't be anyone's first guess, but it recently hosted a five-day seminar that brought together securities regulators from Australia, Malaysia, South Korea, and the U.S. with those from more

than a dozen emerging markets, including Mongolia.

"The point was to train developing Asia-Pacific countries in the regulation and

Continued on Page 4

SEC EMPLOYEE NEWSLETTER FALL 2014 EDITION 36

### SEC Sets Food Drive Record

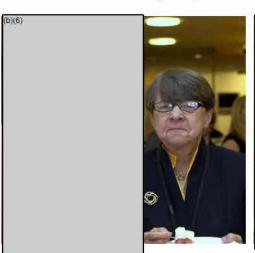
Continued from page 1...

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At SEC headquarters, the food drive featured a cook-off where dozens of staff competed in three categories: appetizers, entrees, and deserts. Those attending the event brought donations for the drive and received small tasting samples and

ballots for voting in the "People's Choice" category. Chair Mary Jo White, commissioners Michael Piwowar and Kara Stein, Office of International Affairs deputy director Alberto Arevalo, Division of Investment Management associate director Eun

Ah Choi, and Office of Information Technology deputy director Pamela Dyson acted as the official judges. Congratulations to all those who helped to feed and inspire us.







## TASTE OF THE SEC: WINNERS

### **Appetizers**

- 1. Black Bean Corn Salsa Juanita Hernandez, Office of the General Counsel
- 2. Buffalo Chicken Dip Verngina Smith, Office of Equal Employment Opportunity
- 3. Wings
  Richard Dominguez, Office of
  Equal Employment Opportunity

### People's Choice

Queso Dip Marchella Scott, Office of Acquisitions

### Entrees

- 1. Indian Biryani with Curry Hemma Ramrattan, Division of Enforcement
- 2. Orecciette Pasta with Chicken Sausage, Roasted Fennel and Sun-dried Tomato Anita Bandy, Division of Enforcement
- 3. Outrageous Orzo Laura Stomski, Office of Minority and Women Inclusion

### People's Choice

Indian Biryani with Curry Hemma Ramrattan, Division of Enforcement

### Desserts

- 1. Bug Cakelets Elisa Spack, Office of Financial Management
- 2. Strawberry Refrigerator Cake Michele Carr, Office of the General Counsel
- 3. Red Velvet Cake with Pecans and Walnuts Deloris Rankins, Atlanta Regional Office

### People's Choice

Strawberry Refrigerator Cake Michele Carr, Office of the General Counsel SEC EMPLOYEE NEWSLETTER FALL 2014 **EDITION 36** 

### **NEW FACES AT THE SEC**

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Stephanie Avakian: The deputy director of the Division of Enforcement returns to the SEC from the New York office of Wilmer Cutler, where she was a partner and a vice chair of its securities practice. Stephanie previously worked as an Enforcement Division branch chief in the New York Regional Office and as a counsel to SEC Commissioner Paul Carey. She has a law degree from Temple University's Beasley School of Law and a bachelor's degree from the College of New Jersey.

Annie Cardona: A procurement analyst with the Office of Acquisitions, Annie has

(b)(6)		4
(b)(6)		Annie is a
(b)(6)	and previous	sly worked as a con-
(b)(6)	ing officer with	

Charles Lin: Charles is a financial economist in the Division of Economic and Risk Analysis who is currently working on the security-based swap rulemakings required by the Dodd-Frank Act. (b)(6)

Chris Tomlinson: In the Enforcement Division's Office of Projects and Planning, Chris supports the project management office and focuses on division-wide process improvement. (b)(6) (b)(6)

5)	Darien Capron: An attorney in the Of-
	fice of Administrative Law Judges, Darien
	rever

Bruce Cheng: The Office of Information Technology's branch chief of security engineering has 20 years of experience in systems engineering, network engineering, and IT security. (b)(6)

Elissa Spencer: An attorney in the general litigation group of the Office of the General Counsel, Elissa (b)(6)

Selina Williams: Selina is a contract specialist in the Office of Acquisitions assigned to the Mission Support team. (6)(6)

FALL 2014 **EDITION 36** SEC EMPLOYEE NEWSLETTER

### Emerging Market Regulators Get Training in Fund Oversight

Continued from page 1...



Khan Statue outside Ulan Bator.

supervision of investment companies," says Thoreau Bartmann, a branch chief in the rulemaking office of the Division of Investment Management. He represented the SEC at the seminar, which was sponsored by the Asian Development Bank

and held in the Mongolian capital, Ulan Bator.

Mongolia, a landlocked country bordered by China and Russia, has the Gobi Desert and extensive mineral deposits. What it didn't have until very recently was legislation governing investment companies. That changed last year when it adopted a new law that governs the licensing and supervision of investment companies in Mongolia. The legislation, written in English and Mongolian, is modeled in part on the U.S. Investment Company Act of 1940, and paves the way for mutual funds in Mongolia.

Other emerging markets also are looking to welcome mutual funds, so Bartmannn says the seminar was designed to get regulators from those countries "up to speed on how to supervise and examine a fund."

In addition to the formal instruction, the visiting regulators toured Mongolia's stock market and were treated to a state dinner where they were served local delicacies such as ox tongue in Jell-O.

They also visited a nine-story statue of Genghis Khan, the founder of the Mongol empire, which Bartmann called "impressive."

"Mongolia was an experience," he says. "It felt really good to help these emerging-market regulators and I would do it again."

## ETHICS CORNER

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions received from SEC employees.

She can be reached with additional questions by calling (b)(6) or e-mailing (b)(6)

Q. I just got married. My spouse and I have agreed to keep our finances separate. Is there anything I need to do in PTCS?

A: Even if you and your spouse maintain separate finances, your spouse's holdings are still subject to the SEC's supplemental regulations. That means that all transactions must be pre-cleared through the Personal Trading Compliance System (PTCS). It also means that your spouse is prohibited from owning stocks that are prohibited for SEC employees. Please check the guidance on prohibited holdings to ensure compliance with these trading rules. And remember, your spouse cannot buy or sell holdings without you first pre-clearing the trades in PTCS. This guidance applies to employees in opposite-sex and same-sex marriages.

Q. How does getting married affect my spouse and me under the ethics rules?

A: The ethics rules affect married employees in a number of ways. If you are required to file a public or confidential financial disclosure report on Form 278 or Form 450, you must include your spouse's finances on your next report. In addition, your spouse's financial interests are treated as if they are your own under the conflict of interest laws, regardless of whether they are in joint accounts. For example, you may not work on any assignments that will affect your spouse's financial interests. That means that even if you keep separate finances, you are obligated to know what your spouse's financial interests are so that you can avoid conflicts with them. Please call the Ethics Office if you have questions.

## The

# EXCHANGE

Published by Office of Public Affairs

INSIDE THIS **EDITION** 

OIT Decks Its Halls with Boughs of Holly (and G/Ons)

In the Regions

**Ethics Corner** 

**SEC New Faces** 

Staff Spotlight: **Eugene Pangalos** 

### SEC TRIVIA

### This Issue

Which SEC chairman played high school football under the same coach as former President Richard M. Nixon?

Be the first to answer correctly - email answer to: newsletter@sec.gov

### Last Issue

G: Before Standard & Poor's launched the S&P 500 Index, how many stocks were in S&P's daily stock index?

### A: 90

First three to answer correctly:

### William Delmage

New York Regional Office

### Pamela Urban

Division of Economic and Risk **Analysis** 

### Tatiana Kitaigorovski

New York Regional Office



## OIT Decks Its Halls with Boughs of Holly (and G/Ons)

This year, the Office of Information Technology got into the holiday spirit with a spirited competition to see which of its 29 branches could create the best-decorated office door.

"We did it as a team-building exercise," says Archana Gahlot, branch chief for OIT's Transition Management Branch. She added that the OIT headquarters staff also wanted to decorate the area where they would hold their holiday party "to make it cheerful."

While the stakes were relatively low - with \$25 and \$50 gift cards for the second and first-place winning groups - nearly every branch participated in the contest and competitive juices were flowing.

Continued on Page 2

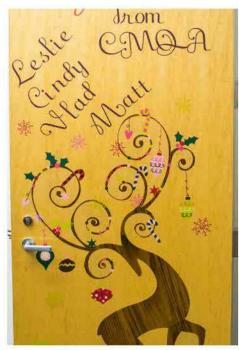


1st place: The Transition Management Branch: Archana Gahlot, Branch Chief I Branch Members: Leslie Wilson, Kenneth Cox, and Gautam Anand

Competing branches brought creativity to the task, along with plenty of wrapping paper, ribbons, bows, glitter and blinking lights. There were candy canes, reindeer, snowmen, wreaths, and jingle bells. And, because it was OIT, door decorations featured items such as a mouse, disk drives, keyboards, circuit boards and old G/Ons.

When the winners were announced at the holiday party, Gahlot's branch nabbed first prize. She credits branch member Leslie Wilson for dreaming up the eye-popping snow globe and the rest of the branch for helping to make it a reality.

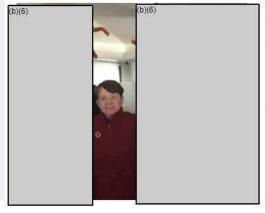
"This is the first time we've tried it and it was great. Everyone had fun and I think we'll do it again next year," says Gahlot.



2nd place: The Configuration Management and Quality Assurance Branch: Leslie Houseman, Branch Chief I Branch Members: Cindy Preston, Vladimir Mazelev, and Matt Cottrill



Honorable Mention: The Customer Support Branch: Andrew Kaplan, Branch Chief I Branch Members: Laima Kuring, Sylvester Jackson, and Andreas Smith



# In the Regions

It was all fun and reindeer games as the staff at the New York Regional Office welcomed Chair Mary Jo White to their mid-December holiday party. Pictured with Chair White from left to right are: Steven Rapkin, a financial economist in the Office of Research and Data Services in the Division of Economic and Risk Analysis, Carlos Maymí, an exam manager in the Office of Compliance Inspections and Examinations (OCIE) Office of Clearance and Settlement, and Richard Liao, senior science advisor in OCIE's Quantitative Analytics Unit.

# ETHICS CORNER

As part of an ongoing feature in *The Exchange*, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions from SEC employees. She can be reached by calling (b)(6) or e-mailing

Q. I took annual leave to speak in my personal capacity at the 35th Annual National Elvis Fan Club Conference. The conference organizer reimbursed me for the \$850 I spent on my round-trip travel and lodging. Do I need to report the reimbursement on my OGE Form 450?

**A.** Yes. Because you accepted a travel and lodging reimbursement from the conference organizer that totaled more than \$375, the cost needs to be reported on your U.S. Office of Government Ethics Form 450. For travel-related reimbursements you should report where you traveled, the purpose, date(s), and nature of the expenses. If you were traveling officially for the SEC and the SEC accepted the travel reimbursements you would not need to report them as a gift on your OGE Form 450.

Q: I got married this year and was told by a colleague that I need to report all of my wedding gifts on my 2015 OGE Form 450. That can't be right, is it?

**A.** It's partially right. You are required to report any gifts totaling more than \$375 that you receive from any one source during

the reporting period. Gifts from relatives, regardless of value, are excluded from that reporting requirement. So, for example, if you received a \$400 wedding gift from your favorite aunt, you are not required to report it. However, if you received a \$400 wedding gift from a friend who works at your former firm, you are required to report it on your OGE Form 450.

Q. Where does the \$375 gift and travel-reimbursement threshold come from?

**A.** The \$375 is connected to the Ethics in Government Act and Office of Government Ethics regulations. The threshold is redefined every three years by the General Services Administration. It was last updated in May 2014 and made retroactively effective to January 2014.





(b)(6)	Alethea Bard: The management and pro-	(b)(6)	Dave Fultz: The Presidential Management
	gram analyst in the Office of International Affairs is a graduate of (b)(6)		Fellow in the Office of Human Resources is
	SAY TO		
	Peter Henry: The Office of Equal Employment Opportunity deputy director (b)(6)		Regina Lau: Regina joins the Office of Financial Management (6)(6)
	(b)(6);		(b)(6)
,			
	George Papadakis: A financial economist in the Division of Economic and Risk Analysis, George (b)(6)		Jasmine Park: Jasmine is a Presidential Management Fellow with the <u>Division of</u> Economic and Risk Analysis. (b)(6)
	(b)(6)		(b)(6)
	Jamie Wohlert: An accountant in the En-		Prashant Yerramalli: An attorney in the
,	forcement Division, Jamie (b)(6)		Division of Enforcement, Prashant (b)(6)

# **SEC OFFICE SPOTLIGHT**

# **OFFICE OF MINORITY** AND WOMEN INCLUSION

#### Also Known As

"OMWI"

#### Number of Employees

> 7

#### What We Do

> We are responsible for developing and implementing strategies to create a diverse and inclusive workforce.

#### Things You May Not Know About Us

> OMWI does not just promote diversity and inclusion, it practices it. Our small staff includes diversity of gender, age, race, ethnicity, and disability. Collectively, team members speak English, Spanish, French, American Sign Language, Greek, Hebrew, Italian, Portuguese, German and Arabic. Individual team members enjoy international travel and recently have visited China, Greece, Egypt, and South Africa.

> The OMWI team - everyone brings outstanding technical skills and commitment to making the SEC one of the best places to work.

# 

the newsletter and story (b)(6)

SEC EMPLOYEE NEWSLETTER WINTER 2014 | EDITION 33



(b)(6)

#### IN THIS EDITION-

- Foreign Regulators Get a Taste of U.S. Life
- Bike Club Promotes Commuting Alternatives
- Ethics Corner
- SEC New Faces
- Staff Spotlight: Julie Davis

#### SEC TRIVIA

# O: This Issue

A former college athlete charged in 2011 by the SEC for defrauding investors in his sports-drink company inspired this 1993 movie. Can you name it?

Be the first to answer correctly - email answer to: newsletter@sec.gov

#### Last Issue

Who was the youngest person ever to serve as chair of the SEC?

#### A: G. Bradford Cook

First three to answer correctly:

Jay Bragga Office of the Ethics Counsel

Matthew Archer-Beck Office of the General Counsel

Jeffrey Berger Office of the General Counsel

Feedback? Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov

# Foreign Regulators Get a Taste of U.S. Life

Yuichiro Enomoto's path to the SEC is unusual to say the least.

(b)(6) he earned his international credentials at an early age, traveling on school breaks through Europe, Africa, and Asia. (b)(6)

"Whenever I had time, I tried to go abroad," says Enomoto, who learned (b)(6)

A law school graduate and Ph.D candidate in economics (D)(6) monitored trading on the Tokyo Stock Exchange for four years before moving to Japan's Financial Services Agency (JFSA). He was JFSA's deputy director for international affairs when he came to the SEC's Office of International Affairs (OIA) in August 2012 through a program that brings overseas regulators to the SEC for a year or two.

Yuichiro Enomoto is one of two overseas regulators seconded to the SEC.

"Yuichiro has impressed us all with his tremendous work ethic, unfailing courtesy, and wonderful collegiality. We are very glad that

Continued on Page 2

## Bike Club Promotes Commuting Alternatives

(b)(6)		

If you're tired of your commute and resolved to get more exercise this year, the SEC's newest club has an idea for you: go ride a bike.

"It's the greatest commute to have," says Steve Simpson, a senior counsel in the Enforcement Division and a Vice Chair of the SEC Bike Club, formed last year. He bicycles to work daily from Capitol Hill and says the mile-long ride takes "maybe ten minutes, including time to take off my helmet and lock up my bike."

Washington, D.C., is designated as a "bike friendly community" by the League of American Bicyclists, and the National Capital

Continued on Page 2

SEC EMPLOYEE NEWSLETTER WINTER 2014 | EDITION 33

### Foreign Regulators Get a Taste of U.S. Life

Continued from page 1...

JFSA agreed that he could spend an additional year at the SEC," says Alberto Arevalo, OIA's chief for international cooperation.

Since 2007, the SEC's Foreign Secondment Program has hosted economists and lawyers from Japan, Israel, Korea, Malaysia, Saudi Arabia, Spain, and Turkey. Enomoto is the third Japanese regulator to take part in the program and one of two overseas regulators now on temporary assignment to the SEC. The second, Dominik Haeuptle, arrived from the Lichtenstein Financial Markets Authority in October and also is working in OIA.

At the SEC, Enomoto works on policy matters and assists with international enforcement matters. His background came in handy in the SEC's recent case against MRI International and chief executive Edwin Fujinaga alleging a Ponzi scheme targeting investors in Japan. Enomoto took testimony from Japanese-speaking witnesses, and his contribution to the SEC's case drew recognition from Japan's Securities and Exchange Surveillance Commission.

While Enomoto finds similarities in the U.S. and Japanese approaches to market regulation, he has noticed plenty of cultural differences. For instance, he says co-workers don't visit each other at home in Japan. Since arriving in Washington, D.C., however, he has been routinely invited to co-workers' homes. He fondly recalls a barbecue where he was introduced to s'mores, making him a fan

of the graham cracker, chocolate, and marshmallow treat.

"Work-life balance here is very good," says Enomoto. "People here know how to enjoy life and work efficiently."

In fact, Enomoto say he now spends more time talking to (b)(6)
via Skype -- than he did when he was living there and working late into the night.
(b)(6)

Another cultural difference he has found is the free exchange of ideas and debate at meetings, something that surprised him at first, but no longer. After more than a year in the U.S., he jokes, "I don't know how I can survive (b)(6) now."

#### Bike Club Promotes Commuting Alternatives

Continued from page 1...

Region Transportation Planning Board estimates that 17 percent of DC-area commuters live less than five miles from their work. Yet the percentage commuting by bike is in the low single digits.

Bike Club organizers want to make the idea less intimidating by helping employees find the safest cycling routes, sharing information, and offering occasional demonstrations on fixing flats and other bike-maintenance basics. Although most members are in the D.C. area, the group hopes to expand to SEC regional offices in other bike-friendly cities.

Those who cycle to SEC headquarters already have showers and locked cages for bikes, and club organizers are working on getting overnight locker storage. The club also worked with the Office of Human Resources on a recently announced program to provide a benefit of up to \$20 a month to bike commuters, which could help recipients cover the costs to maintain, repair, or even buy a bicycle.

The club grew out of the federal Biketo-Work Challenge, a competition between federal employees looking to log the most commuting miles and days during National Bike Month. The SEC fielded several teams in 2013, including the "Flash Crashers," the "Market Cycles," and the "Dodd-Crankers."

The club already has approximately 75 members, including "everything from triathletes to people like me who hop on a bike because it's simply the fastest and most economical way to get to work," says Simpson.

Those interested in learning more may contact <a href="mailto:bikeclub@sec.gov">bikeclub@sec.gov</a>.

# **ETHICS CORNER**

As part of an ongoing feature in The Exchange, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions received from SEC employees. She can be reached with additional questions by calling (b)(6) or e-mailing (b)(6)

Q. Our boss is retiring and our office traditionally takes up a collection to buy a farewell gift on such occasions. In the past, our office was composed entirely of federal employees but we now have a number of government contractor employees working with us. May we ask them for a voluntary nominal donation toward the purchase of the gift?

A: No. As a government employee, you may not solicit or accept gifts from contractors or their employees. Gifts are broadly defined as anything that has monetary value such as food, travel, entertainment, discounts, and loans. Even though you may work together with contractor employees on a daily basis, remember that both agency contractors and their employees are considered "prohibited sources" of gifts to you.

# Q. Are there exceptions to that rule that allow me to accept certain gifts from a contractor?

A: Yes. Although you are never allowed to solicit a gift, you may be able to accept a gift if it falls within an exception. Examples of items that you may generally accept, even from a contractor, include gifts valued at \$20 or less per source per occasion, provided the total value of such gifts does not exceed \$50 per calendar year, or gifts or discounts available to the general public or all government employees. For further advice, ask the Ethics Office!

# NEW FACES AT THE SEC

)(6)	Eun Ah Choi: The Division of Investment Management managing executive  (b)(6)	(b)(6)	Laura Compton: The special counsel in the Division of Trading and Markets' Office of Derivatives Policy (b)(6)
	Caroline Crenshaw: An attorney in the Office of Compliance Inspections and Examinations, Caroline (b)(6)		lan Dattner: An attorney in the Enforcement Division, Ian (b)(6)
	Lori Donovan: The procurement analyst in the Office of Acquisitions brings extensive acquisition and program management experience through her work for the (b)(6)		Joseph Klinko: An accountant in the Natural Resources group in the Division of Corporation Finance, Joe (b)(6)
	Wei Liu: A statistician in the Office of Quantitative Research in the Division of Economic and Risk Analysis, Wei (b)(6)		Andrew McFall: An attorney in the Enforcement Division, Andy (b)(6)

SEC EMPLOYEE NEWSLETTER WINTER 2014 EDITION 33

(b)(6)

#### SEC OFFICE SPOTLIGHT

# OFFICE OF LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS

#### ALSO KNOWN AS

"Leg (pronounced "ledge") Affairs" or "OLIA."

#### TOTAL EMPLOYEES

Five

#### WHAT WE DO

Leg Affairs is the liaison between the SEC and Capitol Hill, so all communication with members of Congress and their staff are channeled through our office. We respond to requests from Congress for information and documents about agency programs and provide technical assistance on legislation affecting investors, the capital markets, or the SEC itself.

# THINGS YOU MAY NOT KNOW ABOUT US

Before congressional hearings, we prepare SEC witnesses, including the Chair, by having Leg Affairs staff fire off rounds of questions – sometimes of the not-so-friendly variety.

#### POINT OF PRIDE

In the past five years, OLIA has staffed 109 congressional hearings where an SEC witness testified and has worked with nearly every SEC office and division to provide technical assistance to Congress as it drafted legislation to amend U.S. securities laws, such as the Dodd-Frank Act, the JOBS Act, and the STOCK Act.



SPRING 2015 EDITION 38 SEC EMPLOYEE NEWSLETTER



INSIDE THIS **EDITION** 

Market Structure Website Wins Digital **Edge Award** 

Crash Course in SEC History **Ethics Corner** 

**New Faces** at the SFC

Staff Spotlight: Nada Smith

# SEC TRIVIA

#### This Issue

What was the most searched term on SEC.gov in 2014?

Be the first to answer correctly - email answer to: newsletter@sec.gov

#### Last Issue

Which SEC Chairman played high school football under the same coach as former president Richard M. Nixon?

#### A: Roderick Hills

First three to answer correctly:

#### Daniel LaBrecaue Office of Information

Technology

**Aaron Washington** Division of Trading and Markets

**Christopher Marino** New York Regional Office

# **MARKET STRUCTURE WEBSITE WINS DIGITAL EDGE AWARD**

Think that government can't be cutting edge? Think again: the SEC's market structure website shows that federal agencies can innovate with the best of them.

The market structure website debuted in October 2013 and this year was recognized as a 2015 Digital Edge Award Winner.

The award, sponsored by IDG Enterprise, publisher of Computerworld and CIO Magazine, recognizes enterprises that have used technology to achieve significant transformation or innovation giving them a "digital edge." A panel of business executives and industry experts selected the 25 winners, a group that includes DreamWorks Animation, Georgetown University, and Royal Bank of Canada. One other government website, the Navy's Cyber Defense Operations Command, was included in the top 25.

U.S. Stocks Trade to Order Volume (%)

MIDAS, the SEC's internal Market Information Data Analytics System, is the foundation for the website, which includes staff papers and research from the Division of Economic and Risk Analysis and the Division of Trading and Markets, along with visualization tools that draw on MIDAS data.

MIDAS contains billions of records on trade orders and quotes, cancellations and modifications as well as executions of trades on and off exchanges. The information is timestamped to one millionth of a second, providing an in-depth look at markets over time.

Chuck Collver, a financial economist in the Division of Trading and Markets' Office of Analytics, says the office didn't want to have to constantly update the website to depict new data. The group knew that interactive graphics would give investors and other market participants a way to produce their own customized studies using MIDAS data, "but we didn't know the SEC had that capability."

Laura Egerdal, director of digital strategy in the SEC's Office of Public Affairs, worked with the Division of Trading and Markets and the Office of Information Technology to develop the interactive graphic tools in house and on a fast-paced schedule.

The tools allow users to create charts and graphs drawing on the vast MI-DAS database and work on all kinds of mobile devices as well as desktop computers.

"Graphics and visualizations make it much easier to interpret complex data. With this tool, we've made market structure data accessible to a broad audience," says Egerdal. In fact, since its launch, the market structure website has been viewed nearly 500,000 times.

"Market participants love the idea," says Collver. "There are market professionals who definitely use this information and rely on it being up to date."

The website now contains dozens of months of data, starting in 2012 and running through the first quarter of 2015.

One goal of the website was to provide data and analysis to dispel "huge misperceptions" about how U.S. markets work and show that conventional wisdom is often inaccurate, Collver adds. Although the website is relatively new, he thinks it already has improved the debate about market structure. He's also pleased with the reaction that the tools have gotten from users, who typically respond by saying: "thank you, thank you, thank you."

(b)(6)

Talk about institutional knowledge: six former SEC chairmen took part in a round-table discussion in February in which they swapped stories about their tenure and offered their views on how to better protect investors in U.S. markets.

The event, moderated by Chair Mary Jo White, packed the auditorium at SEC headquarters and provided a crash course in nearly three decades of the agency's history.

David Ruder recalled being tested early in his tenure by the October 1987 stock market collapse that sent the market down by more than 20 percent in a single day. Harvey Pitt confronted the damage caused by the September 11, 2001, terrorist attacks on the U.S. that destroyed

# Former Chairmen Give Crash Course in SEC History

the SEC's New York Regional Office and shook global financial markets. Mary Schapiro faced the "Flash Crash" of 2010,

with extreme volatility in the futures market and in stocks and exchange-traded funds. Each former chairman praised the quick response by the staff to those historic events and Schapiro remembered being "unbelievably proud of the SEC during that period."

An especially proud moment for William Donaldson came with the creation of the Office of Risk Assessment, now the Division of Economic and Risk Analysis, which he says was formed "with a view toward anticipating where the next problems might be coming from," allowing the agency to respond more quickly.

Enforcement is a large part of the agency's work and the former chairmen compared notes on their approach to it. Richard Breeden described how he once suggested that a defendant in an insider trading case deserved to wind up "naked, homeless, and without wheels." He felt that stance was appropriate because "the circumstances warranted it," and he recommended that the Commission "never yield an inch," to those who abuse investors' trust.

The former chairmen also offered ideas on how to better protect investors in other ways. Elisse Walter called for better transparency into fixed-income markets, while Harvey Pitt recommended harnessing technology to overhaul an "antiquated" disclosure process. Former chairman David Ruder suggested the SEC focus on changes to ensure markets are efficient and fair, while Mary Schapiro endorsed a rule adopted during her tenure that requires the development of a consolidated audit trail, predicting it will "be a game changer" for market regulators.

# ETHICS

As part of an ongoing feature in *The Exchange*, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions from SEC employees. She can be reached by calling (b)(6) or e-mailing

(b)(6)

Q. What is the Personal Trading Compliance System and how can I access it at the SEC?

A. The Personal Trading Compliance System or "PTCS" has been designed and developed by the Office of Information Technology in conjunction with the Office of the Ethics Counsel. The purpose of the system is to help SEC employees comply with regulatory requirements regarding reporting and pre-clearing personal financial interests and transactions. To access the system, click on the PTCS icon on your computer's desktop or type in the PTCS web link: https://ptcs

Q: Why do I have to pre-clear and report my financial transactions?

A. The SEC's Supplemental Ethics Regulation requires pre-clearance and reporting of

your financial transactions. The regulation is posted online here: http://www.sec.gov/rules/final/2010/34-62501.pdf

Q. Who must comply with the SEC's Supplemental Ethics Regulation?

A. The regulation applies to all SEC employees, including permanent staff and employees with temporary status. This includes the Chairman, the commissioners, and all employees, including professionals, support staff, program managers, clerks, and all other employees in all divisions and offices, at headquarters and in all regional offices.



(b)(6).	Diane Fritz: Diane is an accountant in the Division of Corporation Finance Office of Natural Resources.  (b)(6)	(b)(6)	Michael Gonzalez: An attorney in the Office of Credit Ratings, Michael (b)(6)
	Susel Koepke: An attorney in the Office of Administrative Law Judges, Susel (b)(6)		Hanan Idilbi: An attorney in the Office of Human Resources, Hanan (6)(6)
	Jeffrey Rosenblum: The deputy general counsel for general law and management supervises the Office of the General Counsel's general litigation section and its business office.  (b)(6)		Stephen Ng: An attorney in the Office of the General Counsel (b)(6)

# SEC OFFICE SPOTLIGHT

# OFFICE OF HUMAN RESOURCES

#### Also Known As

> "OHR"

#### Number of Employees

> Approximately 115

#### What We Do

> We provide leadership and support to recruit, develop, and retain a competent, effective, and diversified SEC workforce. We strive to provide customer-focused human resources solutions geared at improving overall employee satisfaction, engagement, and performance.

#### Things You May Not Know About Us

Last year, we streamlined the hiring process and reduced the hiring time by 10 percent. The average hiring time is now less than 90 days.

#### Point of Pride

> We are responsible for nearly 100 programs and services. From compensation to speaker vetting, we cover a wide gamut of back office operations to make sure that employees are supported in their work to meet the mission of the agency.

## 

Send your comments about the newsletter and story suggestions for future editions to: newsletter@sec.gov SEC EMPLOYEE NEWSLETTER SUMMER 2015 | EDITION 39

# The EXCHANGE Published by Office of Public Affairs

INSIDE THIS EDITION SEC Golf Club Offers Summer Fun, Friendly Competition OIG Special Agent Brings Home the Gold

(b)(6)

**Ethics Corner** 

New Faces at the SEC

#### SEC TRIVIA

#### This Issue

In September 2008, the price of this money market mutual fund fell below \$1 per share. Can you name it?

Be the first to answer correctly - email answer to: newsletter@sec.gov

#### Last Issue

Q: What was the most searched term on SEC.gov in 2014?

#### A: Alibaba

First three to answer correctly:

#### **Leah Drennan**

Division of Trading and Markets

#### **Gary Yellin**

Office of Information Technology

K. Scott Davey

Office of Credit Ratings

Looking for a way to get out in the sun,

meet new SEC employees, and even get a little competitive? The SEC Golf Club (SECGC) offers a place to do just that.

Started in the 1990s, the club gives staff at the SEC as well as SEC alumni, contractors, friends, and family members a chance to play golf together in the Washington, D.C. area.

The club's season tees off in April and runs through September. It features seven tournaments designed for both individual and team play, in addition to a season-long one-on-one Match Play competition. After participating, golfers linger to socialize and discuss their game while grabbing a bite to eat. Participants enjoyed a catered meal after the annual Fitzsimmons Tour-

o)

nament, held June 6 at the Worthington Manor Golf Club in Urbana, Maryland.

Though tournament winners receive a small prize, the SECGC emphasizes that the club is more about the participation than the award. Competition remains friendly and tournaments are often played as team events to build camaraderie and allow players with less experience a chance to hone their skills and gain confidence.

"Anyone who plays golf should feel like they have a place in these tournaments," says Chris Windsor, SECGC Vice President and Tournament Director.

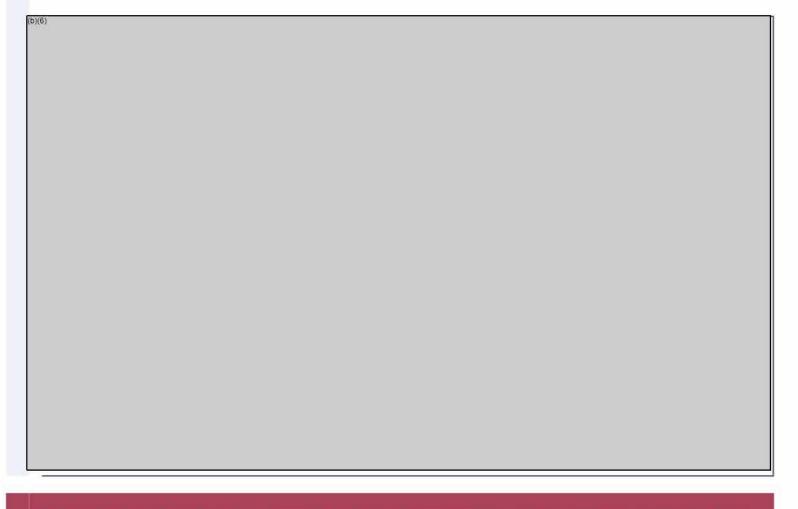
Windsor says the club is a good way for people in different offices and divisions to get to know each other. He says he has met people through the club he would not have otherwise and that after playing a tournament together, players may reach out to one another professionally to get assistance on work-related projects.

"It's a great way to build an informal network," says Windsor.

Those interested in trying the club are free to play as a guest once. Joining requires a \$20 membership fee that covers the club's operating costs, including deposits on future events, USGA Membership, and the handicap system. There are additional fees for tournaments. Players need to provide their own equipment; however, short-term SEC employees, such as interns, may be able to borrow equipment from club members if interested in playing a tournament.

The club is always looking for new members and encourages players of all levels to join.

"No matter your skill level, you still get a chance to play," says club member Chul Park. "For anyone who has a desire to go out and play, I would encourage to them sign up and try it out." Not a golfer? Not a problem! The club also is looking for volunteers to help run its events. Tournaments are scheduled for August 22 at the Landsdowne Resort in Leesburg, Virginia, and September 26 at Old Hickory in Woodbridge, Virginia. You'll find more information about the club here.



# ETHICS

As part of an ongoing feature in *The Exchange*, SEC Ethics Official Shira Pavis Minton is providing answers to some common "Dear Ethics" questions from SEC employees. She can be reached by calling to or e-mailing

(b)(6)

Q. As an intern, am I required to use the Personal Trading and Compliance System (PTCS)?

A. Yes. During your internship, you must use PTCS to pre-clear all securities transactions by or on behalf of yourself, your

spouse, minor children, or any person for whom you serve as legal guardian.

# Q: Am I obligated to report my financial holdings?

**A.** In addition to pre-clearing all securities transactions through PTCS, interns must inform their supervisors of any financial holdings that could conflict with their work at the SEC or of any situations that may give rise to questions about their impartiality. For instance, if you own stock in a company, you should inform your supervisor of this holding if you are assigned or may be assigned to work on a matter involving that entity. Your supervisor may choose to assign matters involving the entity to someone else, consult with the Office of Ethics Counsel, or allow you to recuse from the matter on your own accord.

#### Q. Are there rules concerning outside employment or searching for a job while interning at the SEC?

A. Yes. Unpaid student volunteers must inform their supervisors of outside positions, employment negotiations, or arrangements for future employment, if that prospective employment or outside position is related to the securities industry in any way. This includes employment at a law firm with a securities practice, even if the student's work at the firm is not securities related. This requirement is necessary so that supervisors can adjust work assignments as appropriate to avoid conflict situations and appearance concerns. Also keep in mind that interns may use SEC time and resources only for SEC purposes and may not use their SEC position for the private gain of themselves or anyone else.



b)(6)	Buck Haddix
	An attorney in the Division of Trading and Markets' Office of Derivatives Policy
	and Trading Practices, Buck (b)(6)
	(b)(6)
	Amy Kramer
	Amy is a financial management specialist in the Office of Financial Management's
	Internal Controls Branch. (b)(6)
	Xiya Li
	A supervisory HR specialist in the Office of Human Resources, Xiya previously
	was the Lead HR Specialist at the Architect of the Capitol. (b)(6)
	James McGinnis
	Jamie joins the Chief Counsel's Office in the Division of Investment Management
	as an attorney. (b)(6)



Keegan Murphy
A statistician in the Division of Economic and Risk Analysis' Office of Markets,
Keegan conducts data analyses and provides advice and recommendations
on statistical methods and procedures. (b)(6)
(b)(6)
Dawn Ousley
Dawn is a business analyst in the Division of Corporation Finance's data
management branch. (b)(6)
(b)(6)
Trevor Tatum
irevoi iatum
Trevor works on data and risk assessment models in the Division of Economic and
Risk Analysis' Office of Risk Assessment. (b)(6)
(b)(6)
Emily Torres
Zimiy Torroo
Emily joins the Office of the Deputy Director in the Division of Economic and
Risk Analysis after (6)(6)
(b)(6)
N1096



# The Scoop

A quarterly publication of the Office of the Chief Operating Officer

#### April 2013

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# Facilities Branch Hosts Official Grand Opening Ceremony for PaperclipsEtc. in January

b)(6)		

An official grand opening ceremony for PaperclipsEtc., the agency's new self-service supply store, was held on January 9.

The Office of Support Services (OSO) hosted a grand opening ceremony on January 9 for PaperclipsEtc., the new self-service supply store at SEC headquarters. The event included a ribbon cutting, vendor demonstrations, and door prize and sample giveaways.

"The ceremony was a coordinated effort between the Facilities Branch and the PaperclipsEtc. organization," says Evelyn Williams-White, chief of the Facilities Branch (OSO). "It was also an opportunity for the store executives to come to the new site, look at the store and meet the end users on the government side."

Based in Winston-Salem, N.C., PaperclipsEtc. is a service mark of Winston-Salem Industries for the Blind Inc. and is a preferred vendor of supplies authorized by the Javits-Wagner-O'Day Act, which requires all federal agencies to buy selected products and services from nonprofit agencies employing people who are blind or have other significant disabilities. PaperclipsEtc. employees, including those in the SEC store, are visually impaired or have other disabilities.

The Station Place store had a "soft opening" in late November 2012 to begin stocking shelves. With more than 2,500 products available for same-day delivery, PaperclipsEtc. is now able to offer SEC employees easy access to essential government supplies that are competitively priced and comparable to the SEC's previous supply sources.

"SEC employees have been satisfied — it's one-stop shopping," Williams-White says. "We want to be able to provide all of the supplies that our end users need."

Now that the store has been operating for several months, OSO is performing trend analysis on spending levels and examining operating costs.

Continued on page 3

#### **Chief Operating Officer's Corner**

## Effective Communication and Teamwork are Keys to Success for OCOO



Many of you have asked me what I see as the "big challenges" for the OCOO offices this year. It may surprise you, but sequestration is not one of them — we're in reasonably good shape to weather that storm at the moment. From my perspective, the biggest challenges for the organization are as follows:

(b)(7)(E)

- OSO Space planning, both in Philly where we're moving to a new building and NYRO where a number of the program offices are requesting to house employees, and also here at Station Place. If we receive a budget anything close to what we've requested, we're going to need to house another 600+folks. Revitalizing our COOP program is also a priority for all of us this year, as is sustaining the stellar performance of the FOIA and Records Management operations.
- OFM Continuing to sustain our improvements in financial controls, to include sustaining our GAO audit rating of no material weaknesses. OFM has also recently reorganized, so they are focused on working out normal kinks that come along with that process. We also still have some stabilization efforts in front of us after the transition of financial transaction processing to DOT. Putting the FY 14 and FY 15 budget together is also a huge priority.
- OA There are a number of process improvements underway to make the procurement space more efficient and effective. We also are trying to significantly enhance the skill of our contracting officer representatives (CORs).
- OHR A particular area of focus is on improving our recruiting program: we need to speed up the time to hire and be prepared

for a significant amount of recruiting activity if our budget request is approved. Also, all things related to improving our "Employee Viewpoint Survey." Although not exclusively OHR's to solve, they play a big facilitation role and contribute immeasurably in this space. Additionally, we've increased the amount of training budget available for your professional development; SEC University is well positioned to assist in that effort.

 OCOO-specific – Two big priorities for me: We're beginning to build out both an operational risk management competency to improve our ability to self-identify and selfcorrect our risks and a program management office to help centrally manage the interdependencies between the OCOO organizations. In addition to continuing to enhance our internal communications program, we also have a significant amount of business process redesign work teed up - hopefully you'll be the beneficiary of a number of administrative process improvements. We also have a number of regional office leases that we are transitioning to GSA to manage. And finally, as mentioned above, I really do want to focus on anything we can do to lift the EVS scores, so that serves as a top priority as well, and I welcome your feedback for ideas in this area.

Overall, I'm proud of the progress our organization is making to support the agency's mission. I'd like all of us to continue our focus on providing customer-centric, innovative solutions that support our customer base while fostering a collaborative environment between the various offices in the COO organization. There is very little we do that does not require effective coordination between OHR, OA, OSO, OIT, and OFM employees. Effective teamwork has been key to achieving a number of significant accomplishments already this year:

- OA worked with OHR and OGC to provide a number of training sessions to help SEC employees understand how to award and work alongside contractors. The training was recorded with OSO's help and loaded into LEAP by OHR, with frequent communications planned with the help of the OCOO communications team.
- OFM has worked with many divisions and offices to craft an operating budget for this fiscal year that protects the agency from furloughs or reductions-in-force resulting from sequestration. OFM and OA have worked together closely to devise a new approach for reviewing and processing contract closeouts and de-obligations. If successful, this approach will provide new funds for the agency's budget and will address a key aspect of one of the SEC's remaining significant deficiencies in its internal controls.

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- With the help of over a hundred stakeholders across the SEC, which included key members across the entire OCOO, OHR recently finished an in-depth study identifying ways to improve their services and efficiently and effectively provide outstanding customer service to SEC employees. Customer-facing process areas evaluated included awards, compensation management, hiring, SF182 training requests, student loan repayment, transit benefits, unpaid interns, and work schedules; we hope to begin streamlining those processes this year.
- Working with divisions and offices throughout the SEC, OSO's Office of Records Management Services, successfully closed 11 of the 12 Inspector General recommendations that resulted from an audit of the SEC's records management practices. Among the solutions was the establishment of an agency-wide records council composed of liaisons from each division or office to exchange ideas and collaboratively discuss records management issues.

As I write this, the "March Madness" of NCAA basketball is upon us. I recently watched a documentary on N.C. State's "dream season" in 1983, when no one expected them to win the tournament. Jim Valvano was the inspirational coach who led them to victory and he had a life philosophy worthy of consideration by all of us. In one of his last public appearances he stated:

"It's so important to know where you are. I know where I am right now. How do you go from where you are to where you want to be? I think you have to have an enthusiasm for life. You have to have a dream, a goal. You have to be willing to work for it...I urge all of you, all of you, to enjoy your life, the precious moments you have...To spend each day with some laughter and some thought, to get your emotions going. To be enthusiastic every day and as Ralph Waldo Emerson said, 'Nothing great could be accomplished without enthusiasm'...To keep your dreams alive in spite of problems whatever you have. The ability to be able to work hard for your dreams to come true, to become a reality."

As we begin the second half of the fiscal year, I do hope you'll take some time to laugh each day, think about possibilities, and enthusiastically work hard on making your dreams come true. Enjoy the springtime!

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# All Operations Center Personnel to Relocate to Headquarters by End of FY 2013



The relocation of all SEC personnel from the Operations Center in Alexandria, Va., to headquarters will be completed by the end of this fiscal year. Roughly 400 SEC employees and contractors will relocate to Station Place.

The move will result in significant cost savings for the SEC (b)(7)(E)

The Facilities Branch is working closely with the SEC union to ensure that employees affected by the move have a smooth transition to Station Place.

# PaperclipsEtc. Grand Opening cont'd

"There are lots of benefits to carving out a space where you can operate a retail operation like PaperclipsEtc. and get rid of other operating costs," says Glenda Patrick, chief of building operations. "Your staff no longer has to order and backfill supplies, and you don't have that coming through your warehouse, so your operating costs are significantly reduced."

There have been additional benefits to opening PaperclipsEtc. By relinquishing 52 closets that previously were used to store supplies, SEC headquarters gained facilities inventory and reassigned it as office space.

OSO has created a guide for employees using the store. The pamphlet will be provided to new employees during orientation.

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Annette Hebb (OSO) and Jerry O'Hagan, Director of Base Supply Centers congratulate each other on the successful opening of PaperclipsEtc. at SEC headquarters. Hebb is the contracting officer representative (COR) for the PaperclipsEtc. contract.

Did you know?.

Supplies for detailees , summer interns and other temporary employees may be ordered from PaperClipsEtc. through their administrative officer.

# **OHR Completes its Business Process Reengineering Study**

The Office of Human Resources (OHR) recently completed its indepth business process reengineering (BPR) study with the help of more than 100 stakeholders across the SEC.

"This was an OHR-led effort, but it involved SEC-wide support and contributions," says Jacque Hightower, the project manager for OHR's BPR effort.

The BPR project was started in late August 2012, with the goal of identifying ways to improve OHR's services and ability to efficiently and effectively provide outstanding customer service to SEC employees.

"OHR's ultimate goal is to provide continuous improvement among our business processes," Hightower says. "We are always looking to enhance the quality of our services to SEC staff, and if we streamline the processes, we will have the ability to provide additional services."

Customer-facing process areas evaluated in the study included: awards, compensation management, hiring, SF182 training requests, student loan repayment, transit benefits, unpaid interns and work schedules.

Implementation activities for the more than 60 recommendations that resulted from the study are under way. More than half of those recommendations can be implemented within 60 days. The remaining recommendations can be implemented over 18-24 months. The Office of Information Technology and the Operational Risk Management team are providing implementation support.

All SEC employees will benefit from the implementation of the recommendations. Some benefits will include:

- Improved transparency into the Jacque Hightower (OHR) processes and clarification of roles and responsibilities through updated policies, procedures and tools (e.g., toolkits, fact sheets and answers to frequently asked questions).
- Automated solutions such as automation of forms and new/ updated systems.
- · Streamlined review and approval activities.
- · Elimination of non-value-added data fields from forms.

Hightower thanks those who participated in the study across the SEC.

"We couldn't do this without our customers giving us valuable feedback or if we didn't reach out across the lines to our colleagues in OCOO and other stakeholders in the process," he says.

# SEC Today Implements Improvements Based on Reader Survey

In honor of the one-year anniversary of SEC Today on February 13, the OCOO Communications team launched a reader survey to gauge employee satisfaction with the agency's daily internal e-newsletter and to solicit constructive suggestions.

Based on those results, the team began implementing improvements on April 1, which include:

#### Content:

- A heightened focus on deadline reminders, with weekly mandatory training reminders and a "Due Today" section for any deadlines that day.
- Easier access to what's going on at the SEC, with new standing links on the right side of the newsletter to the Insider's "This Week" feature and full training calendar.
- Linking to full-text articles on the Insider from SEC Today headlines only, eliminating confusion with duplicate links in the digests.

#### Design:

- Less scrolling required with tightened space between sections.
- Streamlined lists of headlines with bullets, such as for multiple press releases.



Along with all the improvements, SEC Today updated its submission and publishing process, answers to frequently asked questions and submission templates.

Last year, SEC Today replaced SEC Administrative Notices for conveying important information to agency staff. The newsletter features a digest of the day's top headlines and events across the agency, linking to full-text articles prepared for the Insider.

"By consolidating most general messages to a single daily newsletter, the goal has been to make SEC-wide communications more meaningful and effective for staff so they're able to get to the most helpful information or resources in a quick and accessible way," says Mina Buenviaje-Tice, head of OCOO communications. "We welcome continuous feedback for improvement."

## Modernization of SEC.gov Generates Surge in Hits



**SEC.gov** statistics

Total hits in February 2012: 780 million hits

Peak traffic in February 2012: 30 million hits / day

Total hits in January 2013: 1.6 billion hits

Peak traffic in February 2013: 78 million hits / day

Peak hits/day - June 19, 2012: 88.2 million

Peak hits/day - March 3, 2013: 83.7 million

SEC.gov is undergoing its first modernization in more than 10 years. The modernization efforts of the Office of Information Technology (OIT) have resulted in a spike of hits to the website.

Since June 2012, hits at SEC.gov have increased by 100 million each month. In January alone, the website received 1.6 billion total hits.

As the front-end landing site to the investing public, SEC.gov provides free public access to 20 million corporate documents in its EDGAR (Electronic Data, Gathering, Analysis and Retrieval) system, as well to other information on the agency and press releases.

"Modernizing SEC.gov will transform the way customers digitally interact with the SEC," says Ngoc Vu, OIT branch chief for the Offices of Legislative and Intergovernmental Affairs, Public Affairs, and Investor Education and Advocacy. "It will better serve customers with enhanced data, visualizations, search and tools."

Among the additional changes OIT has planned for SEC.gov are:

- · Intuitive navigation options that personalize users' experience based on who they are, what they are interested in and why they came to the site.
- · A unified search platform that will use knowledge-based information retrieval and provide more relevant search results.
- An SEC-to-Go application for mobile devices that will allow target audiences to access regulation, proposed rules, staff guidance and enforcement actions.

Did you know?.

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OIT has increased the firewall protection of SEC.gov to better detect and analyze issues and maintain the infrastructure.

#### Supporting the Mission

# Mail Room Staff Keep SEC Communications Flowing Smoothly Mail room staff (I-r): Steven Singleton, Renee Willis, Bill Yarbrough, Henrietta Green (assistant supervisor), Clara Ward and Darren Seifert. In front of

them are the sorted mail bins for each floor in Station Place.

From 8 o'clock every morning to as late as 9:30 p.m. during a busy filing season, the headquarters mail room on the ground level of Station Place I is always stirring with activity.

Mail clerks can be found busily opening and date-stamping mail delivered by the U.S. Postal Service and preparing packages for FedEx and United Parcel Service (UPS) pickup. During the day, clerks pick up and deliver mail on their individual mail routes, collectively covering every floor in each Station Place building, and use an X-ray machine to screen packages delivered by couriers.

"We make sure that communications flow in and out of the SEC as swiftly as possible, with the least amount of interruption," says Jim Doughty, mail room supervisor.

Doughty began working in the SEC's mail room in 1991. He recalls when clerks relied on recordkeeping books to keep track of mail and packages. Things are very different today, he says.

"Today the mail room is very high-tech," he remarks. "Computers are everywhere - on your desk, for FedEx, for UPS, for tracking and for equipment."

In the third quarter of fiscal year 2013, mail room staff will begin using a new tracking system, similar to that used by FedEx and UPS. The clerks will use handheld devices that permit SEC employees to sign for their packages. The signatures can then be downloaded and saved into the system.

Mail and package delivery throughout the SEC is not the only thing stressed in the mail room. Delivering high-quality customer service is also paramount, particularly in an agency that receives a large quantity of filings, reports and other items by mail that are critical to the SEC's mission.

"The bulk of my job is customer service," Doughty says. "It is important that my staff takes care of the customer and that we respond as best we can to the customer needs."



Jim Doughty, mail room supervisor, holds an old recordkeeping book. Before the mail room received computers, mail clerks tracked packages and other mail in these books.

'We Respond as Best We Can to the Customer Needs'
(b)(6)
(1) With cart in tow, Renee Willis prepares to run her mail route in Station Place; (2) Clara Ward gets her day started by opening and date-stamping
new mail; (3) Pete Golemboski makes sure that Fedex packages are properly labeled before stacking them for pickup; (4) Carl Jenkins screens package brought in to the courier room.
brought in to the countrioon.
What do you enjoy about working in the mail room?
(b)(6)
"I really like working with this mail room staff — we have a really good staff. It's important to me that we get the SEC employees their mail, and I try hard to make sure their mail and packages get to
them. I really enjoy meeting and working with people, and it makes me happy when they are able to get their mail."
Henrietta Green, assistant mail room supervisor (OSO)
Did you know?

The headquarters mail room saves the SEC money by bundling regional office mail and mailing it to the individual offices three days a week.

# FOIA's Alysia Morrow Wins ASECA Support Staff Scholarship for Third Year

The same and the s		
(b)(6)	Alysia Morrow, a Freedom of Information Act (FOIA) research specialist, is a three-time recipient of the Association of SEC Alumni (ASECA) scholarship for SEC support staff.	(b)(6)
	She and other scholarship winners were recognized at ASECA's annual dinner Feb. 22.	(b)(6)
	ASECA is a nonprofit charitable organization founded in 1990 by SEC alumni. Part of its mission is to provide the opportunity for education and growth of industry professionals.	(b)(6)
cants nationally. Applicant detailing their educational	cholarships were offered to SEC appli- ts were required to submit a proposal and professional goals. A letter of rec- C supervisor also was required.	(b)(6)
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# Monthly Forum Encourages OCOO Managers to Network and Solve Issues



Morning Brew facilitator Gloria Snowden (at head of table) greets OCOO managers at a forum in March.

OCOO managers at the SK-15 level are invited to attend a managers forum called "Morning Brew" every second Thursday of each month, 10-11 a.m., to learn from and support one another.

Morning Brew was created to improve communication within the managerial workforce of the OCOO business units. Each session includes a presentation and a topic of interest to managers. Gloria Snowden, a management and program analyst in the OCOO business office, organizes and facilitates the forum. She says the sessions have been great opportunities for managers to interact, discuss issues and share ideas.

"The managers recognize that there is commonality, regardless of which office they represent," Snowden says. "It is very powerful for them to see that they have shared solutions."



OFM Creates a Resource-Rich (D)(7)(E)	for SEC Employees
The Office of Financial Management (OFM) has been working vigorously to provide a central SharePoint repository of resources (b)(7)(E)  Says Danielle Pisani, program manager for the (b)(7)(E) portal. "It's an invaluable resource for financial management needs."  The portal was launched in April 2012. Since then, Pisani and the Delphi support team have continuously enhanced it by improving its layout and adding new content, training material and videos, policies and procedures, answers to frequently asked questions, diagrams, and other tools. Users can also find support contacts,	(b)(6)
	Members of OFM and the (b)(7)(E) upport team (l-r). (b)(6)  (b)(6)  access instructions and reports information. An automated request process for new reports and report enhancements will b available by the end of April.  OFM also partnered with the Office of Acquisitions to ensure the agency's financial and procurement communities have access to

the same information.

## OA Offers Training and Assistance with Services Contracts

SEC employees must keep in mind some important constraints when awarding services contracts, and the Office of Acquisitions (OA) would like to help the staff avoid any pitfalls.

The SEC has no authority to enter into a personal services contract. These contracts can be created if an agency provides continuous supervision of contractor employees or if it creates an employer-employee relationship with the contractor employee. Even the perception of continuous supervision or an employer-employee relationship must be avoided to ensure the SEC does not cross the line into personal services.

The thing to remember is to not treat contractor employees as if they work for you or the SEC — they do not. Rather, they work for their company, and their company has a contract with the SEC. A list of dos and don'ts for federal employees dealing with contractor employees appears at the end of Operating Procedure (OP) 10-24.

"Inherently governmental functions" are other important constraints to recognize. By law, these are functions that only a federal government employee can perform, so the SEC must ensure that contractors do not perform any of these functions.

OA would need to look at closely associated functions and critical function services case by case. These functions also are addressed in OP 10-24.

OA has provided training on services contracts on the LEAP learning management system, which will benefit any SEC employee — regardless of length of service in the federal government — who works with or around contractor personnel at the agency.

If you are in the early stages before a contract is awarded, search for the "Management and Administration of Service Contracts" training module within the LEAP catalog. Also read SEC Regulation 10-24 and OP 10-24, which both can be found on the Insider.

If you already have awarded a contract and need help, seek assistance from the contracting officer's representative or OA contracting officer for that contract.

Please send an e-mail	to (b)(7)(E)	if you
have questions.	<u>}</u>	4

Did	you	know	? _	
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## WORK/LIFE 4

# Student Loan Repayment Program to Build Upon Success

The Student Loan Repayment Program capped off another successful year in 2012, providing benefits to more than 500 SEC employees. With the help of the Office of Financial Management's Planning and Budget Office, last year was the first time in four years that the program was able to provide all eligible participants with the full amount of benefit they requested in their application (annual maximum of \$10,000).

Recognizing the success of the SEC's Student Loan Repayment Program, the Office of Personnel Management website has listed the SEC on its Student Loan Repayment Program Best Practices and Lessons Learned Summary. The SEC is one of only three federal agencies that have their best practices shared for the benefit of all agencies interested in improving or implementing a student loan repayment program.

Also, Marie Humphrey, SEC Student Loan Repayment Program manager, was invited to speak at the Office of the Comptroller of the Currency, a Department of the Treasury bureau, about how

to implement a student loan repayment program there.

The SEC Student Loan Repayment Program is one of the processes being enhanced as a result of the Office of Human Resources' business process reengineering (BPR) efforts.

"I look forward to implementing the recommendations of the BPR team," Humphrey says. "The recommendations will make this already-great program even better."

Marie Humphrey (OHR)

Among the recommended improvements is automating the majority of the application process, to improve the efficiency of completing the paperwork for employees and supervisors alike and to protect the personally identifiable information of employees.

If you have questions about the SEC's Student Loan Repayment Program, send an email to (b)(7)(E)

OHR Offers Adult CPR/AED First Responder Training in March

6)			

The Office of Human Resources (OHR) offered four sessions of the popular Adult CPR (cardiopulmonary resuscitation)/AED (automatic external defibrillator) training to SEC staff in March.

Employees who complete the training become certified as Adult CPR/AED first responders for two years. For more information, contact Adrian Reeves (OHR).

# SEC Increases Funding for Employee Training in FY 2013

The Office of Human Resources and SEC University announced in January that funding for division and office training would be increased — at about \$1,000 per employee this fiscal year — by SEC leadership, which has signaled ongoing commitment to employee development.

Employees interested in requesting training should work with their immediate supervisor to determine what training best meets their developmental needs and complete an Individual Development Plan.

When possible, employees should pursue training and development opportunities that are offered internally or within their local office vicinity to minimize travel expenses and overall cost to the SEC.

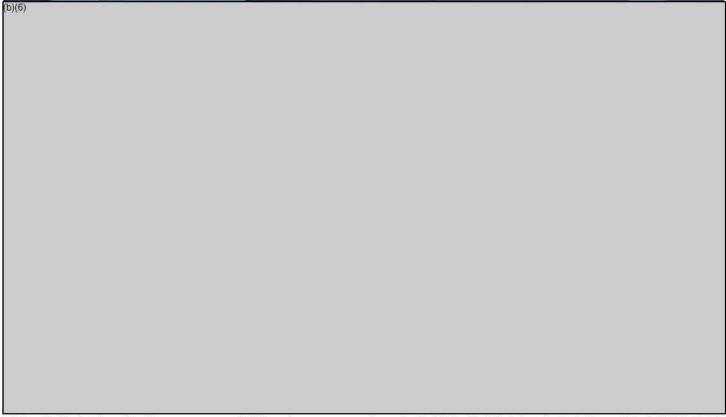
For more information, visit the Training and Development portal or SEC University's main page.

## Which SEC training class have you benefited from the most?

"I recently attended a three-day Leadership Fundamentals course that was truly awesome! This training course allowed me to gain a better understanding of the leadership culture here at the SEC and learn my own personal leadership style. As a result of this course, I feel more equipped to utilize effective leadership and teamwork strategies that will foster collaboration and accommodate differences in opinions and perspectives in the SEC's diverse workplace."

— Deidra Hunter, Management and Program Analyst (OFM)

# Revamped Onboarding Program Improves New Employee Experience



Michael Pollard, Onboarding Program manager (OHR), welcomes new employees to the SEC on their first day of orientation on March 25. The OCOO added 17 new employees in the second quarter of fiscal year 2013.

In response to findings of areas for improvement in the SEC's Onboarding Program by the Office of the Inspector General (OIG) and the Government Accountability Office (GAO), the program has addressed those gaps and now offers new employees a more effective onboarding experience.

"The SEC's new Onboarding Program accelerates the time it takes our new employees to reach peak job productivity, engagement, acclimation, and reduces job selection remorse," says Michael Pollard, the SEC's Onboarding Program manager. "This further increases our SEC brand and the employees' optimism that they joined the right team."

In 2010, the OIG and GAO found several gaps in the SEC's Onboarding Program that affected the agency's turnover rate and new employee experience, including:

- New employees were not being properly acclimated into their positions.
- Orientation was not stimulating and contained too much information in one day.
- The onboarding experience did not focus on brand building for the SEC.
- There was no Chairman and senior officer interaction with new employees.
- Essential office supplies and information technology equipment were not readily available.

To correct these gaps, the Office of Human Resources (OHR) began researching strategies aimed at improving the new-employee onboarding experience. In 2011, OHR conducted several focus groups, executive-level reviews and think-tank sessions aimed at designing solutions to improve the onboarding process, new-employee orientation and the unique experiences of new managers.

In 2012, OHR hired an Onboarding Program manager — Pollard — to improve job offer communications to new hires; implement supervisor, administrative officer and business manager checklists; design a new-employee guide; revive the new-employee website; design a supply kit issuance process; expand the Onboarding Program to include regional office employees; and create employee-centric training to further the development of the SEC's new managers, supervisors and employees after onboarding.

The new-employee orientation was reduced from one full day to shorter two-day sessions in February 2013. New employees now are provided a comprehensive employee guide. The orientation includes presentation topics such as an SEC overview, federal and SEC employee benefits, records management, information technology protocol, security practices, and employee and contracting ethics.

Did you know?.

# **New OCOO Employees in Second Quarter**

Seventeen new employees joined the OCOO during the second quarter of fiscal year 2013. Please be sure to welcome your new colleagues to the SEC and provide them with assistance as they get acclimated to the agency. Not pictured below: Human Resources Specialists Stephen Konya and Michael Shepler (OHR).

(b)(6)				
John Arczynski, Program Manager (OCOO)	Sudha Bhat, Information Technology Specialist Technical Lead (OIT)	Susan Boggs, Chief of External Recruitment (OHR)	Candice Bruno, Internal Communications Specialist (OCOO)	Matthew Cottrill, Branch Chief of Asset Manage- ment (OIT)
Christopher Craun, Senior Information Technology Specialist (OIT)	Rita Cronley, Accountant (OFM)	Diana DeCanio, Human Resources Specialist (OHR)	Michael Fairless, Branch Chief of Servers and Stor- age (OIT)	Frederick Fox, Senior Information Technology Specialist (OIT)
(b)(6)			Richard Taylor, Assistant	Jun Wu, Information
Kamyle Griffin, Law Clerk/Student Volunteer Coordinator (OHR)	Edward Padula, Financial & Operational Risk Analyst (OCOO)	Glenda Patrick, Chief of Building Operations (OSO)	Richard Taylor, Assistant Director of Planning and Budget (OFM)	Jun Wu, Information Technology Specialist (OIT)

The Office of the Chief Operating Officer:

Jeff Heslop, Chief Operating Officer Jayne Seidman, Chief of Staff Tom Bayer, Chief Information Officer Vance Cathell, Director of Acquisitions Lacey Dingman, Director of Human Resources Ken Johnson, Chief Financial Officer Barry Walters, Director of Support Operations The OCOO develops and executes management policies and coordinates the agency's compliance with the Government Performance and Results Act and other requirements imposed by Congress and the executive branch, while also facilitating the SEC's efficient and effective utilization of resources to support its mission.

The Scoop is produced by the OCOO Communications team and is designed at improving internal communications within the OCOO and with the SEC at-large, while also recognizing the hard work and achievements of OCOO employees and teams each quarter. We welcome your comments, ideas, suggestions, and submissions. Please send an email to (b)(7)(E) or call us at (b)(6)



# The Scoop

A quarterly publication of the Office of the Chief Operating Officer

#### July 2013

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New OCOO Employees for Q3

# OCOO Town Hall Meeting Focuses on 'Finish Line' Goals and Team Recognition

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OCOO Chief of Staff Jayne Seidman (far left) and Chief Operating Officer Jeff Heslop (far right) award certificates to the Contract Closeouts and De-Obligations team. Several OCOO teams were recognized at May's town hall meeting.

The OCOO is well on its way to achieving its fiscal-year-end goals. At the OCOO's second-ever town hall meeting, Chief Operating Officer Jeff Heslop updated employees on each office's top accomplishments in the first half of fiscal year (FY) 2013 and discussed their remaining "finish line" goals and priorities.

Heslop highlighted the importance of teamwork in getting to the OCOO's FY 2013 finish line, sharing the quote "Teamwork divides the task and multiplies the success."

During the meeting, several cross-functional and collaborative project teams and key partners within the OCOO were recognized for their outstanding teamwork and received certificates of appreciation for their accomplishments. The nine project teams were:

- Contracting Officer's Representative (COR) Program Improvement
- Contract Closeouts and De-obligations
- Annual Financial Report
- FY 2012 Merit Pay Processing
- Enterprise Data Warehouse & Financial Data Mart Support Services Acquisition
- Data Center Sourcing and Move
- Freedom of Information Act Litigation
- Records Management Training Program
- Regional Office Construction and Leasing Project

Congratulations to all the members of those highly effective teams.

The meeting was not a one-sided conversation. Employees were able to address questions to Heslop and the office directors during a question-and-answer session. Heslop encourages continued feedback from employees.

#### **Chief Operating Officer's Corner**

#### Teamwork and Collaboration Will Get OCOO to the Finish Line



I want to thank everyone who attended the town hall meeting in May. We are all tremendously busy, but I recognize the importance of bringing us together periodically to check in, share status updates on how our OCOO teams are doing with our fiscal year 2013 goals, and provide an opportunity for direct and candid dialogue with the OCOO leadership team. I hope

I answered your questions satisfactorily, but if not, please know that my door is always open if you want to continue the dialogue.

With the NBA and NHL seasons drawing down and championships going to Miami and Chicago, respectively, I was struck by the heart, toughness and teamwork that were on display, and of course, it reminded me of our OCOO organization's collaborative spirit. What I enjoyed most about the town hall meeting was recognizing the many inter-departmental OCOO teams that have been providing top-notch, customer-centric service, support and solutions. From the data center move and merit pay processing to regional office construction and leasing, and all the many other projects I have not named, OCOO employees are collaborative team players providing strategic contributions to our SEC stakeholders and enabling the work of the agency to be done.

The Scoop allows us to capture many of the great things the OCOO organization is accomplishing each quarter to further the mission of the SEC and benefit the citizens of this great country. The stories on these pages reflect your hard work, your dedication and, most important, the selfless and professional service each of you provide. I hope you look forward to reading about the many accomplishments our "championship" team is achieving as much as I do. Keep up the tremendous great work, but do find some time to enjoy the summer ahead!

Chair White Tours OSO, Greets Employees

(b)(6)

EC Chair Mary Jo White visited the dividual offices and branches of the office of Support Operations (OSO) n June 11. OSO employees had the pportunity to meet and speak with he Chair and pose for photos with her.

embers of the Office of Records anagement Services meet Chair (hite (I-r): David Brown, supervisory chivist; Anthony Abbott, manageent assistant; and Aimee Primeaux, ecords Policy, Training, and Complice Branch chief.

# OHR Collaborates Across SEC to Celebrate Employees During Public Service Recognition Week

The Office of Human Resources (OHR) joined the Chair's Office, the Office of Public Affairs, and other SEC divisions and offices in hosting several employee-appreciation activities during Public Service Recognition Week (May 6-10).

To kick off the week, SEC senior managers greeted employees May 6 and offered coffee. SEC management also sponsored a random drawing for SEC-themed giveaways each day. Every employee's name was put into the drawing, with the winners announced by e-mail at the end of each day.

Chief Operating Officer Jeff Heslop sent a message to OCOO employees, thanking them for their dedicated public service.

"Being a public servant may sometimes seem like a thankless job, but I want to be among those who recognize and thank you for your dedicated service to our nation and encourage you to continue to provide excellent and innovative customer-centric service at the SEC," he said.

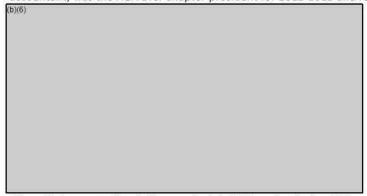
(b)(6)

Senior managers greet SEC employees with free coffee on the first day (May 6) of Public Service Recognition Week.

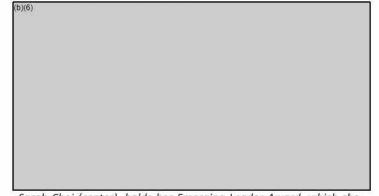
# OCOO Teams Recognized at SEC's 58th Honorary Awards Ceremony

	<del></del>	* * *
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Congra	tulations!	
Excellence in Information	Chairman's Award for Excellence:	Photos: (1) Chief Information Officer Tom Bayer (at podium)
Technology:  Jorge Rosand (OIT)  Office of Information Technology Mark Ambrose Michael Anderson Prem Balagangadhar Thomas Bayer Christopher Brazier Le Dinh Jason Hall Joyce Hankins Leslie Houseman Kurt Leta Todd Mauzy Svyatoslav Melnichenko Ajay Mittal Anh Nguyen Cristal Perpignan Charles Ridgeway Scott Rubin Bhupinder Singh Jacob Wells	(b)(6)	announces the Excellence in Information Technology Award during the 58th Annual SEC Awards Ceremony held on June 12. Onstage, members of the Office of Information Technology (OIT) accept the award from Chair Mary Jo White; (2) Chair White presents an Excellence in Information Technology award to Jorge Rosand (OIT); (3) Commissioner Elisse Walter (right) presents the Chairman's Award for Excellence to members of the which was comprised of employees from the Office of Acquisitions and OIT.  The SEC's 58th Honorary Award Ceremony was produced by the members of the Honorary Awards Ceremony Planning Committee: Trinette Smith (OHR), Bi Smith (OHR), Clivette Jones (OHR), and Stephen Johnston (OSO). The committee would like to thank the various individuals from the Audiovisual and Desktop Publishing teams and the numerous volunteers who helped make the ceremony a great success.
Two familiar faces from the Office of I	Financial Management (OFM) were honore	A) Honors OFM Employees  ed at the Association of Government Accountants (AGA) Washington

Two familiar faces from the Office of Financial Management (OFM) were honored at the Association of Government Accountants (AGA) Washington D.C. Chapter awards ceremony June 8. Sarah Choi, Chair Mary Jo White's new confidential assistant and a former OFM employee, received the Emerging Leader Award. She also will be honored at the AGA's Professional Development Conference in July. Eileen Parlow, an OFM senior staff accountant, was the AGA D.C. Chapter president for 2012-2013 and received a gavel plaque for her service.



Eileen Parlow, a senior staff accountant in OFM and outgoing AGA D.C. Chapter president, turns over the gavel for the 2013-2014 chapter presidency to Jim Dalkin, a director at the Government Accountability Office.



Sarah Choi (center), holds her Emerging Leader Award, which she received at the recent AGA D.C. awards ceremony. She is joined by AGA D.C. Awards Committee member Pat Wensel and AGA D.C. Chapter President Eileen Parlow.

Did you know? \_

During Public Service Recognition Week, 48 employees were winners of week-long random drawings of SEC-themed giveaways.

OFM Completes Automation of EDGAR Filing Fee Verification	
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(1) Members of the automation team (I-r): Kay Levy, Connie Cornett, Project Manager Bob Luby, Jonathan Karp, and Gururaj Belur; (2) Among the old	

The Office of Financial Management's Filing Fee Branch is experiencing a major process improvement. A newly deployed automated SharePoint application has drastically improved its Electronic Data Gathering, Analysis and Retrieval (EDGAR) system filing fee verification process for fee-bearing form types.

The workflow-driven application allows for filings to be assigned to branch analysts in a multi-step review process based on a range of selection criteria. As each step of the review process is completed, the system automatically routes the filing to the next analyst for review.

Deployed on May 31, the new application puts an end to a manually intensive, paper-based process for reviewing EDGAR filings. Previously, analysts would have to arrive early in the morning to manually search the EDGAR system for new filings

and print each one. The process of searching for and printing new EDGAR filings (150-250 daily) took at least three hours each day — all before the filings could be assigned to analysts for verification. The process was further hampered by the second verifier being required to wait for the first to complete the entire stack of filings.

paper filings (I-r): Monica Rush, Filing Fee Branch Chief Andrew Grimaldi, Bob Luby, and Connie Cornett; (3) The new SharePoint application.

"Analysts would have a significant stack of paper," says Project Manager Bob Luby (OFM). "Now as soon as they finish one filing, it'll go to the second person right away — they don't have to wait."

Filing Fee Branch Chief Andrew Grimaldi says the new system will allow greater insight into the verification process.

"It will improve our reviews," Grimaldi says. "For instance we can identify, track and trend where filers are making errors." Luby agrees, "In the paper world, we didn't have visibility into that sort of information."

The new application brings many operational benefits, including:

- Creates a paperless process to perform offering and verification reviews,
- Decreases administrative and mundane processes,
- Increases data metrics (e.g., tracks and monitors registrant errors and errors in the offering and verification process),
- Uses a centralized storage repository to more effectively assign and track work,
- Creates greater independence in reviews,
- Provides historical data for trends and analysis, and
- Supports the telework operation model.

The branch plans to create additional paperless processes in fiscal year 2014.

## OA Leads Effort to Close Contracts and Add Money Back to the Budget

The Office of Acquisitions (OA) continues to work steadily with other SEC offices to close out expired contracts and return money to the SEC's budget. Through the third quarter of fiscal year 2013, 670 contracts were closed and \$15.1 million was returned to the SEC's budget, adding to the thousands of contracts that have been closed and the tens of millions of dollars already returned to the SEC budget.

Depending on the type of contract, funds often remain that need to be accounted for and returned to the SEC's budget after the vendor agrees with the agency that those funds are not needed and can be de-obligated.

The effort to close this legacy backlog and turn it into a thing of the past has involved contracting officer representatives, contracting officers, contract specialists, the Office of Financial Management and regional office staff. Support also has come from SEC contractors and the (b)(7)(E)

When a contract expires, the assigned contracting officer works with various stakeholders to ensure that:

- The SEC received the services and products for which it contracted,
- · All invoices have been paid,
- Unused funds remaining after all invoices have been paid are de-obligated and returned to the SEC budget for possible re-use,
- · No open issues remain and
- Proper documentation is done to officially close out and complete the contract in accordance with federal procedures.

"Through a real cross-functional team effort, we made significant progress and are putting the tools and resources in place to continue our work to reduce the remainder of contracts to zero," says OA Director Vance Cathell. "We also remain vigilant for all the new contracts we are awarding and that are expiring every day."

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#### Supporting the Mission

## **EDGAR Development Branch Keeps Filing System Up-to-Date**

Retrieval (EDGAR) system is a very fast-paced world.

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Chief Archana Gahlot, Technical Lead Bennie Shearer and Release

Manager Gautam Anand — very busy.

"We are usually working on up to three releases in different phases of the lifecycle at one time," Gahlot explains. "We are planning the content of one, while defining requirements for the second and testing the third release."

The branch constantly adds new forms or updates existing ones based on the regulatory requirements in the releases. Currently, there are 623 different submission types in EDGAR filed by over 540,000 filers. In 2012, EDGAR accepted approximately 782,000 live submissions (EDGAR also accepts test submissions).

The branch works closely with internal stakeholders to gather the requirements for each release and prioritize what functionality can be built into EDGAR applications. Stakeholders who use EDGAR include the Divisions of Corporation Finance, Economic and Risk Analysis, Investment Management, Trading and Markets, and Enforcement; the Office of Compliance Inspections and Examinations; and the Office of Financial Management.

Also on the branch's list of priorities are coordinating activity and production issues with the EDGAR Operations and Management team and overseeing the EDGAR Filer Manual (a rule) update and seriatim process for each major release. Changes in rulemaking keep the branch in a constant state of planning, Gahlot says.

The Electronic Data Gathering, Analysis and Retrieval (EDGAR) Develop-

The Electronic Data Gathering, Analysis and Retrieval (EDGAR) Development Branch (I-r): Release Manager Gautam Anand, Branch Chief Archana Gahlot, and Technical Lead Bennie Shearer.

Among the branch's recent accomplishments are:

•(b)(7)(E) (b)(7)(E)

- Conversion of Form 13F to an online form with structured data to make it easier for users and researchers to extract and analyze data,
- Yearly upgrade of eXtensible Business Reporting Language (XBRL) taxonomy and
- Implementation of JOBS Act-related draft registration statements and correspondence.



# OCOO Invests Heavily in Mentoring and Mission Education in Q3

OCOO employees led and participated in three SEC-wide student mentoring and education programs during the third quarter of FY 2013: the Student Shadowing Program, Take Your Child to Work Day, and the Summer Honors Program.

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Tamisha Miller (standing), a management and program analyst in the OCOO central business office, leads a question and answer session during the Student Shadowing event in April.

Several school buses pulled up to the SEC on April 10. Their passengers: about 100 juniors and seniors from high schools in Washington, D.C.; Maryland; and Virginia, who would spend the day with agency professionals for the spring SEC Student Shadowing Program.

The program helps the agency meet objectives in the Dodd-Frank Act — namely Section 342(f), which calls for federal financial regulators to partner with inner-city high schools, girls' high schools and high schools with primarily minority populations, to establish or enhance financial literacy programs and provide mentoring.

Tamisha Miller, a management and program analyst in the OCOO central business office, organized and coordinated the OCOO's Student Shadowing Program. Roughly 20 OCOO employees volunteered as student mentors and to help facilitate the program.

In addition to providing students with one-on-one mentoring, the OCOO program itinerary included a career-advice session and job interview skits. Students were provided with material on resume writing and summer job and internship opportunities.

Miller wanted students to leave the program with information not only about the SEC and investing, but also about how to transition successfully into higher education and eventually the workplace.

"It was absolutely important to me that the students be provided a meaningful student shadowing experience," she says. "I applaud the architects of the Dodd-Frank Act for recognizing the value in diversity and reaching female and minority students at a time when you have a chance to influence their career choices and options." Children Take Stock of the SEC on Take Your Child to Work Day

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Jeffrey Weaver (OHR) engages the children during the Take Your Child to Work Day event on April 25.

Usually accompanying your parent to work means a day of battling boredom and doodling on printer paper. Alas, Jeffrey Weaver, a human resources specialist and the program manager for the SEC's 2013 Take Your Child to Work Day event in April, did not allot time for boredom or doodling in the program's activity-packed schedule.

"It was an exhilarating, entertaining, and informative day not only for the participants but also the volunteers that made the event a great success," says Weaver. "I think most of the children left impressed with where their mothers or fathers work and realize the importance of the work they do here at the SEC."

Indeed for the 100 children ages 8-15 who attended the event, this was not a day to leave one's thinking caps idly in a school locker or under a bed. From morning to afternoon, Weaver and SEC volunteers led the children in a variety of activities, including:

- understanding ownership structure (public vs. private) and how companies raise capital,
- · identifying company logos and
- · participating in a mock trial in the Administrative Law Court.

The children also were given tours of the Market Watch room and the fitness center. Chair Mary Jo White welcomed the children to the SEC and posed for photos with them.

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Order in the court is relative on a day like Take Your Child to Work Day! Administrative Law Judge Brenda Murray presides over a mock trial, complete with child jurors.

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Pay close attention! New SEC interns listen intently to speakers at the Summer Honors Program orientation on May 28 at headquarters.

School is out for summer, and the interns have joined our workforce en masse via the SEC Summer Honors Program.

Indeed, many new faces are in our midst. The Office of Human Resources (OHR) is responsible for recruiting and bringing the 277 interns to the SEC — 121 at headquarters alone. Summer interns work up to 20 hours a week. The majority of interns — law students — are placed in the agency's Division of Enforcement, where they will work alongside SEC attorneys. The New York Regional Office also has a large number of interns.

The OCOO has six interns:

- · Camilla Conde in OHR,
- Kaitlyn Griffith in the Office of Support Operations,
- · Marie Headley in the Office of Acquisitions,
- Adrienne Ivey in the Office of Information Technology (OIT),
- Tadgh Moriarty in the Office of Financial Management and
- Jenna Schlags in OIT.

Kamyle Griffin, the student volunteer/legal intern coordinator (OHR), oversees the Summer Honors Program and worked closely with Enforcement attorneys Brent Mitchell and Rachel Nonaka on the agenda for the program's orientation, which took place May 28.

Griffin and OHR have ensured that the interns will have a rich experience at the SEC. With assistance from attorneys throughout the SEC, she organized a brown bag lunch and seminar series, workshops, a mentoring program and a weekly newsletter for interns. Field trips to the Supreme Court, the Library of Congress and the Federal Reserve Board will round out the interns' summer with the SEC. The program will end August 9.

"The interns at the SEC get an amazing experience," Griffin says.

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Kamyle Griffin (r), student volunteer/legal intern coordinator, joins OCOO interns (I-r) Jenna Schlags (OIT), Marie Headley (OA), and Tadgh Moriarty (OFM) in conversation.

# OHR Introduces "Jumpstart" Courses for New Employees and Supervisors



Human Resources Specialist Maxine Woodland (center) leads a discussion during the first Jumpstart for New Employees course on April 18.

New SEC employees and supervisors will be getting an extra checkup from the Office of Human Resources' Onboarding program. They no longer will have to rely on their first two days of orientation for an overview of some of the agency's programs. Two new follow-on courses, "Jumpstart for New Employees" and "Jumpstart for Supervisors," were piloted in the spring to give their target audiences more insight into performance management, professional development, leadership development and the iConnect Mentorship Program.

Michael Pollard, Onboarding program manager, led the development of the course material for the Jumpstart courses.

"Jumpstart offers our new employees and supervisors vital information to assist them with building a foundation to be successful in their 30-60 day lifecycle before their full acclimation process begins in their office or division," Pollard says.

The course is offered to new employees and supervisors at SEC headquarters and broadcast to the regional offices.

. Did you know? \_

After headquarters, the New York Regional Office has the second largest number of interns participating in the Summer Honors Program.

# FOIA Office Improves Customer Service with New Online Form, Survey

The Office of Freedom of Information Act (FOIA) Services implemented two customer-centric initiatives to better improve services to the public.

Customer interaction with the FOIA Office has improved significantly after the launch of a new online FOIA request form earlier this year. Typically FOIA requests are submitted by email, as well as by mail or fax. The online form streamlines the process and offers requestors a faster and more convenient method of submitting FOIA requests and is specifically designed to assist requestors in providing all the information necessary to process a request.

"Because there is a constant high demand for information, the FOIA office is always exploring opportunities to improve FOIA program operations," says FOIA Officer John Livornese.

FOIA requestors have shown a strong interest in using the form. Livornese says that requests submitted electronically by the online request form have increased every month and now make up 30 percent of the total FOIA requests received by the SEC.

The benefits of the form are not only felt by customers. The FOIA Office's Technical Support branch, which processes requests at the front-end and as they are being closed out, has experienced a significant improvement in the reduction of misdirected requests and "junk" mail.

"The online form has improved proJohn Livornese, Freedom of
ductivity almost instantaneously since Information Act Officer.
its inception," says Aaron Taylor, the
lead researcher on the Technical Support branch. "It adds a
consistency in the way requests are received and processed that
has been welcomed by both the public and FOIA staff."

The FOIA office also created an online customer feedback survey, which will allow it to learn directly from customers about their satisfaction with the services the office provides.

"We want to provide a good product to the public," Livornese says.

# **Intact Team Workshops in Demand by Teams Across SEC**

The SEC University's College of Leadership Development (CLD) workshops are in demand by intact teams that want to remain that way and improve.

"The workshops are requested by managers and teams who are really change agents and ahead of the curve in having an understanding of what they need to do to manage a complex workplace," says CLD Dean Marie Westbrook.

The intact team course is designed to bring leadership effectiveness training into intact teams to help them do a course correction, focus on new requirements, and build an effective team dynamic and collaboration.

Westbrook says the course is one of the more popular CLD training offerings. In fiscal year 2013, she has received requests for the training from 16 teams across the SEC, including the Divisions of Corporation

Finance and Enforcement and the Offices of Credit Ratings and Compliance Inspections and Examinations.

She says the course's benefits make it very appealing:

- It is time effective,
- •Teams build collaboration, as well as a strategic point of view of where they are going as a team and
- Teams develop an understanding of their shared values.

Wanda Armwood, chief of the Office of Acquisition's Mission Support Branch, approached Westbrook to do training for her team.

"I wanted to do a teambuilding exercise for my branch and Marie suggested the intact team workshop," says Armwood. "The four-hour workshop was time effective and we learned a lot about each U)(U

The Office of Acquisition's Mission Support Branch. D'Jaris Gladden, Julia Gallmon, Robert Witherspoon, Angela Bruce-Dunson, Cheryl Greenfield, TyKeithia Williams, LaToya Carter, Chief Wanda Armwood and Ross Saxton, III. Not pictured: Gabriel Aviles.

other." She and her nine employees completed an intact team workshop in June.

"We found that we have the same workplace values," shares Armwood. She says those values include teamwork, being a high-performing team and finding ways to support customers.

# Which SEC University Course do You Recommend to Your Colleagues?

"I took the course "Inspiring Trust," presented by the College of Leadership Development. It was excellent and provided strong evidence on the importance of trust in workplace effectiveness and quality of life for everyone involved. Pragmatic guidance on how to achieve workplace trust was provided, including factors for consideration about the culture we want to create in the place we spend so much of our time. An important benefit is meeting the other staff of the SEC committed to excellence, which necessarily includes workplace trust. I recommend the course and instructors."

-- Celeste M. Murphy, branch chief (Division of Corporation Finance)



# iConnect SEC Allows Learners and Advisers to Create Mentoring Relationships

Access to many of the eager and brilliant minds across the SEC is just a Quicklink away.

iConnect SEC helps employees enter into career and topical/group mentoring relationships, as a learner, adviser or both. Employees can pursue a traditional, one-on-one mentoring relationship or choose group mentoring that focuses on:

- · topical (e.g., project management or derivates),
- procedural (e.g., using FedTraveler or the Electronic Data Gathering, Analysis and Retrieval system), or
- relational/networking (e.g., teleworkers, accountants or new parents).

One or more advisers facilitate the group, but learning is fueled by peer-to-peer information sharing.

"The system is modeled after a peer learning environment, where one is able to share information and look for advisers who are at the next level up in skill sets from you," says Maya Samms, the iConnect SEC program manager in the Office of Human Resources. "It is a tool for people to identify their skill sets and knowledge areas and for other people in the organization to find them."

Employees are able to create a profile for themselves as a learner, adviser or both and list the subjects or skills that they would like to advise on or learn about. By self-rating their competencies in



certain skills and subjects, learners and advisers can be matched with appropriate candidates for a mentoring engagement.

Introduced at the SEC roughly two years ago as a pilot program for the Office of Compliance Inspections and Examinations, the system was made available to the rest of the agency last year. It continues to undergo enhancements that make it easier for employees to enter into mentoring relationships. Recent updates include changes to the homepage and e-mail capabilities.

If you have questions about iConnect SEC, send an e-mail to iConnectSEC@sec.gov or Program Manager Maya Samms.

SharePoint Walk-in Development Center Offers Customers Quick Solutions

The fully-staffed SharePoint Walk-in Development Center is located in

room 2370.

Need help with Microsoft SharePoint 2010 site development, maintenance and enhancement? There is a good chance that the staff in the SharePoint Walk-in Development Center can assist you with your needs.

The center was created in November 2012 to leverage information technology in support of the SEC's mission and its investment in the SharePoint collaboration and workflow framework.

With its own mission to provide employees fast SharePoint solutions, the center's staff serves both a help desk and

developer role, and is available to provide the following services for initiatives with a level of effort that will not exceed 80 hours (or two weeks):

- Support for existing SharePoint sites and solutions in SharePoint
   2010
- · Rapid assessments for business process automation and
- Technical advice on the use of features and functionality in SharePoint 2010.

"We've gotten a lot of good feedback from users of the center that they are getting the help that they need," says Cristal Perpignan, the Office of Information Technology (OIT) assistant director who oversees the center.

Larger initiatives exceeding 80 hours of effort must be handled through the Division Information Officers' organization within OIT.

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If you have questions about the center and its services, contact Scott Rubin at (6)(6)

Did you know? \_

On average, the SEC's Office of Freedom of Information Act (FOIA) Office responds to more than 11,000 requests annually.

# WORK/LIFE 4

# Vast Discount Center Now Available to SEC Employees Through WorkLife4You



The Office of Human Resources made a new benefit available in May that can help SEC employees stretch their dollars.

LifeMart, an online discount center, offers savings of up to 40 percent on more than 5 million discounted products and services in one central location.

"It's another item that is beneficial to SEC employees," says Sandy Johnson, the SEC work-life program manager. "Employees seem to be excited about it."

Product and service categories are extensive and include groceries, home and auto, travel, apparel, entertainment tickets, electronics and restaurants.

Employee access to the discount center is an SEC-paid benefit available through the WorkLife4You service, which is operated and maintained by Federal Occupational Health, an agency within the U.S. Department of Health and Human Services.

For more information, contact Sandy Johnson at (b)(6)

# LifeMart Discount Center

A one-stop resource for discounts on:

- •Child and elder care
- Tax preparation
- •Travel, car rentals, and hotels
- Books and dvds
- Flowers
- Restaurants
- Fitness centers and health products
- Computers and electronics
- Movie tickets and video rentals
- Theme parks
- Shoes and apparel
- Eco-friendly products

# How to register

To access LifeMart, visit

Look for the member login box and click on the "Start Now" link.

Enter registration code

members.

WorkLife4You is provided at no cost to SEC employees and their household

# Will You Take Advantage of the LifeMart discount center?

"I was so excited to learn about the online discount center! I think that it is an awesome WorkLife4You benefit for SEC employees. I visited LifeMart, and there is something that will appeal to everyone in its categories. I will definitely be using LifeMart."

-- Candace Kenner, management and program analyst (OIT)

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# OIT Enhances SEC's Video/Teleconferencing Capabilities with Telepresence

It is unforeseeable what the final frontier may be for video/teleconferencing, but telepresence is definitely the SEC's next frontier. For those (b)(7)(E) (b)(7)(E)

Bhupi Singh, chief of the Office of Information Technology's Network Engineering branch, led a series of demonstrations of the new telepresence capabilities for SEC employees in early June.

The demonstrations in the new (b)(7)(E) ployees to see, hear and communicate with (b)(7)(E) and members of Singh's staff (Telecommunications Specialist Joe Hepler and Computer Specialist Evan Trebing) (b)(7)(E) to answer questions and simulate a real immersive conference. Those off-site appeared to be seated just across the table courtesy of cameras, microphones, directional stereoscopic speakers and three brilliant, high-definition monitors mounted on the wall.

The conference room table also features a control touch panel and three embedded monitors that can be used to view and share presentations and other content.

It is expected that groups will be able to reduce their need to travel to meetings at regional offices and ultimately reduce their Bhupi Singh (second from right) leads a demonstration of the telepres-

ence technology in the new OTX suite (SP 2260).

travel costs and expenditures by making use of the new, immersive VTC technology.

"It is a big leap in VTC technology — VTC transformation in the SEC has started as a result of says Singh.

Use of the (b)(7)(E) will be available for individuals and teams who conduct VTC meetings with regional offices. Training already has begun for teams interested in using telepresence for their VTC meetings. A member of the audiovisual team, under Singh's branch, will be available to assist during VTC meetings.

For more questions about telepresence and the (b)(7)(E) contact Bhupi Singh at (b)(6)

# OSO Completes Installation of Full-Height Turnstiles and Accessible Portals at Station Place II Entrances



The full-height turnstiles and accessible portal (middle) leading to Station Place II's Second Street Northeast entrance.

The Office of Support Operations (OSO) completed the installation of full-height turnstiles and portals in compliance with the Americans with Disabilities Act (ADA) at the Station Place II employee entrances in April.

The construction began in November 2012 to improve security at both the lower-level and Second Street Northeast entrances to Station Place II. This was an extensive project requiring the collaboration of employees and contractors from OSO's Construction and Leasing branch and the Office of Security Services.

"The new turnstiles and portals provide a more secure environment," says Cedric Watson, acting chief of the Physical Security Services branch.

The turnstiles and portals have been integrated with the SEC's access control systems to provide enhanced security and safety for the two entrances. The turnstiles and portals also have built-in safety measures such as a remote release, push-to-talk intercoms and emergency egress features. The overall security benefits of the turnstiles and portals in-

- Preventing unauthorized or illegal access,
- · Providing ADA access and
- Allowing stroller traffic.

# **New OCOO Employees in Third Quarter**

Nineteen new employees joined the OCOO during the third quarter of fiscal year 2013. Take time to welcome your new colleagues to the SEC and provide them with assistance as they get acclimated to the agency. Not pictured below: Information Technology Specialist Corey Coleman and human resources specialists Laigen Sanet and Lei Kreft (OHR).

(b)(6) ;				
Nicole Gmitter, senior budget analyst (OFM)	Marvin Rainwater, management Tonya Dorsey, management and	and program analyst (OA) &	Vijay Sharma, enterpris branch chief (OIT)	se engineering
(b)(6)	nonya vorsey, management ana	program unaryst (OA)	provincial (Ort)	
Venkateswara Addanki, information technology specialist (OIT)  (b)(6)	(L-r): Chanel Brown, management and pr resources specialist (OHR); Daniel Peters resources specialist (OHR); Jacqueline Cod	, learning officer (OHR); Richard Smith, hi	Michael Batlogg, financia uman operational risk analyst	11 & (OCOO)
	Coutan Annal information	Eva Abeles, accountant (OFM) &	Town Tallana Inform 1	on technologic
John Leszczynski, budget analyst (OFM)	Gautam Anand, information technology specialist (OIT)	Eva Abeles, accountant (OFM) & Carey Sczepucha, accountant (OI	FM) Specialist (OIT)	on technology

The Office of the Chief Operating Officer:

Jeff Heslop, Chief Operating Officer Jayne Seidman, Chief of Staff Tom Bayer, Chief Information Officer Vance Cathell, Director of Acquisitions Lacey Dingman, Director of Human Resources Ken Johnson, Chief Financial Officer Barry Walters, Director of Support Operations The OCOO develops and executes management policies and coordinates the agency's compliance with the Government Performance and Results Act and other requirements imposed by Congress and the executive branch, while also facilitating the SEC's efficient and effective utilization of resources to support its mission.

The Scoop is published quarterly by the OCOO Communications team and is designed at improving internal communications within the OCOO and with the SEC at-large, while also recognizing the hard work and achievements of OCOO employees and teams each quarter. We welcome your comments, ideas, suggestions, and submissions. Please send an email to (b)(7)(E) or contact Candice Bruno, the editor, at (b)(6)



# The Scoop

A quarterly publication of the Office of the Chief Operating Officer

### Winter 2013

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New OCOO Employees for Q4 Summer Fun in OFM and OHR Operations Center Move Project Completed Ahead of Schedule, Thanks to Interoffice Effort

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A large interoffice effort resulted in the completion of the move of personnel and equipment from the former Operations Center to Station Place ahead of schedule. Above, project manager Patricia Hopkins (front), poses with some members of the team.

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The project — completed ahead of schedule — included the successful relocation of the Operations Center's data center to New Jersey and the major cleanup of the entire building, which had been occupied by the SEC since November 1991. The agency will save an estimated \$5-6 million annually by no longer:

- · leasing, maintaining and protecting the building,
- operating a shuttle bus between it and Station Place or
- operating a large data center.

Jayne Seidman, OCOO chief of staff and project lead for the OPC move, says the General Services Administration and the Office and Management and Budget wanted the SEC to reduce the amount of space it occupies in order to save money.

"Those agencies believed we had enough vacant space at Station Place to consolidate our operations," Seidman says. "This all adds up to a move for operational efficiency."

The relocation of employees and contractors from the Operations Center to Station Place was not as simple as assigning them to already existing workspaces. Construction and renovation projects took place throughout much of the Station Place I and II buildings in spaces that were identified by architects and space management specialists as suitable to accommodate new workstations and equipment.

Continued on page 3

# **Chief Operating Officer's Corner**

# Congratulations on a Great FY 2013 — Let's Top Our Performance in FY 2014!



We are still fairly early into fiscal year (FY) 2014 and on the cusp of a new calendar year. At the recent OCOO-wide town hall meeting, we discussed a number of challenging, exciting opportunities that are on the agenda this year. Just as we had the opportunity to recognize several employees who have exemplified the "OCOO Spirit" during FY 2013, by living our values of

- Delivering Impeccable Customer Service and Support
- Displaying a Customer-centric "Solutions Provider" Mindset
- Providing Services valued by our Stakeholders
- Performing as a Valued Strategic Contributor
- Fostering an Environment in Which Staff are Proud to Work

there will be plenty of opportunities this year to continue to make progress against them. I know there are many more of you out there who are setting the same type of example. Sometimes the stories don't make their way to me, but I am interested in hearing about them. If you happen to see examples of it occurring, let me know so I can provide a well-deserved pat on the back to the folks who have "jumped on the bus" on our journey to becoming one of the truly great government support organizations.

#### FY 2013 Accomplishments

Overall, FY 2013 was an extremely successful year, and I want to congratulate all of the OCOO offices on their hard work in supporting the SEC's mission and providing customercentric solutions to our internal and external stakeholders. I will name a few accomplishments from each office that particularly stood out from FY 2013, and you will read about some of them in this issue of The Scoop:

 Office of Acquisitions (OA): The final quarter of FY 2013 was extremely busy for OA staff. OA successfully completed agency-wide training for contracting officer representatives. Along with the Office of Financial Management, OA has done a great job of stabilizing the PRISM/Delphi environments and de-obligating unused funds left on contracts that were returned to the SEC budget and helped keep us operational during the government shutdown. For the first time in history, we also met all of our small business goals!

- Office of Financial Management (OFM): During FY 2013, OFM improved its business processes for filing fees, disgorgements and penalties. I am proud to announce we are positioned to achieve our best ever the annual financial management audit result, simply a magnificent outcome for which the staff in OFM should take great pride! Also, we are all very thankful for the work OFM did to position the agency to remain open in October.
- Office of Human Resources (OHR): Employee and Labor Relations completed Collective Bargaining Agreement (CBA) negotiations and is in the process of implementing the new SEC Flex and flexible telework policies. OHR has also been instrumental in facilitating the development of local labor union forums in response to the Employee Viewpoint Survey (results of the survey should be shared later this month). OHR hired over 400 new employees last year, an incredible accomplishment, and has reduced the time it takes to hire.

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Office of Support Operations (OSO): Records Management improved its business processes, helping its staff do better work faster. A new continuity of operations (COOP) manager joined OSO and an improved COOP plan was introduced. The Construction and Leasing group secured new regional office buildings and also began new construction in several of them. And, of course, OSO was responsible for most of the effort behind the very successful

 OCOO Business Office: The business office expanded in FY 2013 with the establishment of the Program Management Office and also the expansion of the Risk and Communications teams. Danielle Pisani was named as a new deputy chief of staff and is managing several key projects for OCOO, including the new CBA implementation.

move of OPC staff to Station Place.

### Looking Ahead to FY 2014

The OCOO leadership team shared its FY 2014 goals with you during our town hall meeting. Below are some of the key goals for each office (more information will be cascaded to employees in the near future):

- OA will improve its contracting processes and capabilities and staff and customer education. The office will also work to increase competition in order to maximize contract value, and they will continue to reduce reliance on vendor contract support to OA.
- OFM will continue its multi-year effort to automate financial processes and modernize our financial systems. The office will also introduce the new federal government-wide travel system. It will also mature its approach to operational risk management and internal controls.
- OHR will continue to develop a robust workforce planning program to improve human capital development, while also continuing to streamline the agency's hiring process and entrance-on-duty times

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- OSO will create a comprehensive space management plan at Station Place and in the regional offices. It will update the SEC's continuity plans. The office will also continue to focus on regional office leasing and meeting the requirements of the General Services Administration.
- The OCOO Business Office will implement Archer, a governance risk tool and phase in a new conference room reservation system. The office is also working on a job rotation/shadow program and a business process reengineering effort.

I'm proud of the progress we've made as an organization this past year. Thank you for your diligent focus and engagement. I encourage you to engage in the new opportunities, and to be a strategic contributor in these and other projects in the coming new year. But most importantly, take time to enjoy yourself and your loved ones this holiday season!

- Jeff

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Operations Center Move Completed cont'd	
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lower-level of Station Place into seating for about 50	

Natural lighting from large windows floods these contractor workstations on the second floor in Station Place II. This workstation area also includes conference space for contractors.

"A big component of this move was getting the construction completed and furniture installed throughout Station Place to make room for 400 additional people," says project manager Patricia Hopkins, building operations acting chief and assistant director of the Business Management Office, Office of Support Operations. "As we worked to refine space, the team would walk through the building and see how we could better utilize each space."

That expertise and creativity resulted in overnight transformations such as closets into offices and merging two spaces on the

lower-level of Station Place into seating for about 50 contractors of the Electronic Data Gathering, Analysis and Retrieval (EDGAR) system team.

"We had to build out a lot more space for a lot more people than originally planned," adds Hopkins.

The success of the move was a result of the hard work and cross-collaboration of many offices and teams, including the:

- · OCOO business office,
- · Office of Information Technology,
- Office of Support Operations (the Construction and Leasing, Facilities, and Publishing & Printing branches and the Office of Security Services) and
- National Treasury Employees Union.

"It was a huge team effort," says Hopkins. "There was a lot of work that went on behind the scenes and a lot of people who made the entire move work successfully."

Hopkins says the next phase of construction will involve creating warehouse space and improving the workspaces for contractors. Plans have been made to create additional collaboration and conference spaces and improve the lighting, air circulation and walking paths of the new workspace locations.

Did you know?.

To accommodate approximately 400 SEC employees and contractors moving from the Operations Center, the Office of Construction and Leasing built 209 physical workstations and created 138 additional seats created in shared spaces.

# OFM Staff Represent SEC at Federal Accounting Standards Advisory Board Hearing

Two Office of Financial Management (OFM) employees — Caryn Kauffman, deputy chief financial officer, and Eileen Parlow, senior staff accountant — represented the SEC at a public hearing before the Federal Accounting Standards Advisory Board (FASAB) in late August. The hearing addressed proposed accounting reporting requirements that may affect the SEC.

FASAB, a federal advisory committee sponsored by the secretary of the Treasury, the director of the Office of Management and Budget and the comptroller general of the United States, issues accounting standards recognized as generally accepted accounting principles (GAAP) for the federal government.

"FASAB's reporting requirements go through a rigorous due process that includes issuing exposure drafts for public comment and, if needed, public hearings before their final requirements are issued," says Parlow, a former assistant director at FASAB for more than eight years before joining the SEC. "The participation of federal entities such as the SEC plays a key role in helping FASAB to issue requirements that improve federal reporting and do not have unintended consequences."

### 'Reporting Entity' Issued

In April, FASAB issued an exposure draft, titled "Reporting Entity," to improve guidance for identifying organizations to include in federal financial statements, and to assist in meeting federal financial reporting objectives. The exposure draft is related to a proposed Statement of Federal Financial Accounting Standards that would require the federal government's financial statements to include organizations that are:

- 1. budgeted for by elected officials of the federal government,
- 2. owned by the federal government or
- 3. controlled by the federal government with risk of loss or expectation of benefits.

An organization would be included in the governmentwide financial statements if it would be misleading to exclude it, even if it does not meet one of the three inclusion principles. The exposure draft also proposes requirements for organizations that should be included in the financial statements of component-level federal entities such as the SEC. The new requirements would be effective in fiscal year 2017.

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(Front, I-r): Eileen Parlow, senior staff accountant, and Caryn Kauffman, deputy financial officer, speak before the Federal Accounting Standards Advisory Board at a hearing held August 28.

The proposed new standards, as currently written, appear to require that the following three private-sector organizations be reported as if they were part of the federal government and possibly as part of the SEC:

- the Financial Accounting Standards Board (FASB), which establishes standards of financial accounting that govern the preparation of financial reports by nongovernmental entities;
- the Public Company Accounting Oversight Board (PCAOB), which oversees the audits of public companies and the audits of brokers and dealers, including compliance reports filed pursuant to federal securities laws; and
- the Securities Investor Protection Corporation (SIPC), which returns funds and securities to investors if the broker-dealer holding these assets becomes insolvent.

While those organizations do appear in the SEC's section of the Budget of the United States (Appendix, Detailed Budget Estimates by Agency), they also appear as stand-alone federal entities in another section (Analytical Perspectives – Supplemental Materials) of the Budget. FASB, PCAOB and SIPC are all incorporated as legally distinct nonprofit organizations and issue calendar-year financial statements in accordance with private-sector GAAP.

"It's important for the SEC to monitor the development of proposed reporting requirements that are likely to impact the SEC," says Parlow.

### **SEC Responds**

In response to FASAB's exposure draft, the SEC submitted a comment letter, as did nearly 40 other agencies, organizations and individuals. At the August hearing, the

board allowed feedback on the following aspects of its exposure draft:

- issues related to the inclusion principles,
- the distinction between consolidation entities and disclosure organizations, and
- whether to consider an alternative view to that presented in its exposure draft.

Kauffman and Parlow worked closely with various SEC teams and individuals within OFM, the Office of the General Counsel and the Office of the Chief Accountant to draft the comment letter and prepare for the hearing. Along with Ken Johnson, chief financial officer, Kauffman and Parlow participated in teleconferences with PCAOB, SIPC and the Financial Accounting Foundation (the parent company of FASB).

"There was a lot of coordination throughout the agency to prepare the comment letter and written testimony," Parlow says. "The hard work was helpful to both the SEC and the FASAB in order to discuss the potential consequences of the proposed requirements."

As a result of the hearing, FASAB staff will prepare options for the board to consider on the inclusion principles. Board staff also will address issues raised by respondents and seek its members' input on revisions to the proposed standards.

"This was a tremendous opportunity for the SEC to voice its opinion on a matter that could significantly affect the agency," Kauffman says.

### Did You Know?

The SEC also has oversight responsibility for the Financial Industry Regulatory Authority and the Municipal Securities Rulemaking Board.

# New Collective Bargaining Agreement Reached with NTEU in July, FY 2014 Implementation Underway

After more than two years of negotiation, the SEC and the National Treasury Employees Union (NTEU) reached an agreement on the new terms of the Collective Bargaining Agreement (CBA) in July.

"We are very encouraged by the fact that management and NTEU were able to agree on a new Collective Bargaining Agreement," says Lacey Dingman, Director of Human Resources.

The CBA is the primary employment contract negotiated between the SEC and NTEU and covers a wide range of issues involving the rights of employees, as well as various work-life programs.

Highlights of the new CBA include:

- The availability of telework three, four or five days a week, and flexible work schedules ("SEC-Flex") to be phased in across the agency;
- Creation of new slots for support staff in the Upward Mobility Program;
- Annual reimbursement of up to \$400 a year for professional dues and licenses;

- · Clarification of leave rules during emergencies;
- · Increases to child care subsidies; and
- An expanded definition of family members to include domestic partners for sick leave.

"One of the best parts of the new CBA is that all employees will get to take advantage of the new programs, such as SEC-Flex, expanded telework and professional dues reimbursement," Dingman adds.

The terms of the new CBA are subject to ratification by the NTEU membership and review by Chair Mary Jo White for legal sufficiency.

"While agreement has been reached, we realize that there is a lot of work to be done to successfully implement all of the new aspects of the CBA and we greatly appreciate all of the dedication and support we have received from our fellow OCOO organizations," Dingman says. "Thank you to everyone that is playing a role in the implementation phase of the new CBA."

# OCOO Program Management Office Launches Project Status Reporting Site

When the OCOO Program Management Office (PMO) was established in February, new Program Manager John Arczynski immediately set out to create a tool that could report on the status of key OCOO projects. After a three-month development effort, the PMO launched the Project Status Reporting (PSR) site this summer.

During fiscal year 2013, OCOO offices had 258 unique projects that required tracking.

"The goal was to create a reporting mechanism for all of the projects run by offices under the OCOO umbrella," says Arczynski. "The offices had many projects to improve operations, but there wasn't a good mechanism to report their status and progress to senior leadership."

Arczynski worked closely with the Office of Information Technology, including the SharePoint Walk-in Development Center, to create a mechanism that would provide a standardized approach on what and how often to report on projects. The SharePoint-based tool takes details from all the projects and summarizes them into a high-level report for COO Jeff Heslop.

The PMO led training sessions for all OCOO offices on how to enter and update their projects within the PSR site and discussed project management terminology. Monthly, project owners will enter key pieces of data on accomplishments, milestones, costs, schedules, performance resources, issues and risks.

"One of the objectives of having a reporting site is not just to report the status of a project, but to also identify risks and dependencies, which are sometimes with other offices," Arczynski Chief Operating Officer Jeff Heslop, OCOO Deputy Chief of Staff Danielle Pisani and Program Manager John Arczynski lead a quarterly project status reporting review session in September.

explains. "It allows opportunity to resolve little issues between offices before they grow into big issues."

Reporting is conducted retroactively, with the reporting cycle running from the 10th business day of the prior month through the last business day of the current month. Reviews of selected office projects will be conducted monthly by the PMO and quarterly by the COO.

"We designed the tool to be very simple," says Arczynski. "Once project owners are comfortable, it should take less than 15 minutes each month to update a project."

The PMO welcomes feedback from project owners on the PSR tool and will launch a project management knowledge and resource repository for users.

For assistance on updating and tracking the status of a project selected for the PSR site, contact John Arczynski or Danielle Pisani.

Did you know?.

# Supporting the Mission

# Office of Acquisitions Awards Complex, Multi-year Procurement

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Tykeithia Williams, Robert Witherspoon, Angela Bruce Dunson, Julia Gallmon and LaToya Carter were members of the team that awarded the Quantitative Research Analytical Data Support procurement for the Division of Economic and Risk Analysis. The requirements for the massive procurement filled two five-drawer filing cabinets.

The Office of Acquisitions (OA) recently awarded a contract vehicle in support of the Division of Economic and Risk Analysis (DERA) for Quantitative Research Analytical Data Support (QRADS). This is one of the most complex procurements in SEC history.

DERA's Office of Quantitative Research (OQR) supports the division's analytical projects, providing:

- · analytical research and development,
- · application development,
- user support for analytical applications,

- data management and administration, and
- · development of analytical models.

Stakeholders in other SEC offices and divisions also rely on OQR's research to assist in the analysis of potential violations of securities laws.

OQR was tasked with creating a new development environment and managing database functions to support DERA's analysis projects. For more than a year, the Mission Support Branch's QRADS team worked diligently on this massive project with OQR, as well as the Office of the General Counsel. The Division of Corporation Finance also provided financial analysis support during the pre-award phase. OQR's goal was to obtain contractors with strong subject matter expertise in the following areas:

- · financial markets and securities
- · financial data analyses
- the ability to develop thorough data sets and databases
- defining relationships between data fields

The competitive QRADS solicitation resulted in the awarding of 20 contracts: 10 Indefinite Delivery Indefinite Quantity

(IDIQ) contracts, five task order awards and five IDIQ guaranteed minimum task order awards. The procurement is composed of five work categories, with multiple awards in each category. The procurement provides flexibility to continue obtaining functional and technical expertise to support the OQR quantitative development environment and analytical program throughout the terms of the contracts in the following work categories:

- 1. Capital Markets and Financial Industry Data Analysis
- 2. Quantitative Analytical Support
- 3. Analytical Development Environment Database Support
- 4. Communication and Technical Writing Support
- 5. Text Analytics Support

Angela Bruce Dunson, the contracting officer for the QRADS procurement, says members of the QRADS team worked hard to structure the procurement to find the right vendors to provide the technical expertise and services in each work category.

"This was a huge undertaking," says Dunson. "I am proud of the dedication and collaboration of all the parties involved."

# SEC Exceeds Small-Business Goals for First Time

For the first time in agency history, the SEC not only met, but exceeded each of its small-business goals in fiscal year (FY) 2013! The SEC obligated nearly \$141 million on 1,169 total small-business eligible actions.

"Every contract specialist and contracting officer in the Office of Acquisitions contributed to this effort," says Steve Fennell, the SEC's small-business specialist in the Office of Acquisitions (OA). "Every award they made, every dollar they spent within a small-business set-aside contributed to our overall goal."

It is a statutory requirement that each federal agency must set annual goals for participation in its contracts by various groups. The Small Business Administration (SBA) negotiates with agencies to establish individual agency goals that feed the governmentwide goals.

"Although it's a statutory requirement, feeding the U.S. economy through growth

at the small business level is the right thing to do for the country, especially in these difficult financial times with high unemployment," Fennell adds.

The statutory goals established by federal executive agencies are:

- 23 percent of prime contracts for small businesses,
- 5 percent of prime and subcontracts for women-owned small businesses,
- 5 percent of prime and subcontracts for small disadvantaged businesses,
- 3 percent of prime and subcontracts for HUBZone (Historically Underutilized Business Zone) small businesses and
- 3 percent of prime and subcontracts for service-disabled veteran-owned small businesses.

The SEC has never met, let alone exceeded, its HUBZone small business goal until FY 2013. This particular goal is very difficult for federal agencies to meet, and the majority of agencies do not meet the goal. For

instance, among the conditions to qualify as a HUBZone business is the SBA's requirement that 35 percent of the vendor's employees actually live in a HUBZone.

Steve Fennell is the SEC's small business specialist.

Fennell says the SEC spent more on HUBZone businesses in FY 2013 than ever before in the agency's history. The SEC's FY 2013 awards in this category increased 2,355 percent over FY 2012 spending!

"This year [OA] really tried to make known what our goals were, what we needed to do and how much we had to spend to meet the SEC's goals," says Fennell. "For every dollar awarded in FY 2013, half went to small businesses — an SEC record!"

Congratulations to OA staff on achieving such important goals.

# OSO's David Brown Among Recent Graduates of Excellence in Government Fellows Program

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David Brown, archivist and head of the Office of Records Management Services, graduated from the 2013 Excellence in Government Fellows program in August.

Ten SEC employees graduated in August from the Partnership for Public Service's Excellence in Government (EIG) Fellows program, joining more than 200 fellows from 26 federal agencies nationwide at a ceremony in downtown Washington, D.C. Among the graduating fellows was archivist David Brown, who heads the Office of Records Management Services.

"The program was one of the best I've attended," Brown says. "It really focuses on the tools you need as a leader and gave me sharper tools to self-analyze."

SEC University's College of Leadership Development coordinates the EIG program with the Partnership for Public Service. The SEC selects applicants through a competitive process and submits the highest qualified candidates to the Partnership for Public Service for review.

The EIG program strengthens the leadership skills of experienced federal employees through a combination of:

- · innovative coursework,
- · best practices benchmarking,
- challenging action-learning projects,
- executive coaching and
- · governmentwide networking.

David Brown (right) shares his experiences from the 2013 Excellence in

David Brown (right) shares his experiences from the 2013 Excellence in Government (EIG) Program Fellows program with new 2014 EIG fellows and other 2013 program graduates.

# Did you know?

#### CULTURE CHANGE

Culture change focuses upon changing a way of thinking. In organizations new concepts are developed to change behavior, enhance or streamline work processes, mitigate or minimize negative actions, increase productivity, and enhance the organization so that the workplace culture is proof positive of leading to a positive change. Change is a positive for any organization.

#### CHANGE CAN BE REWARDING

When an organization engages all employees in adapting and adopting change its is viewed positively as a better way to work.

#### MAKE IT PROGRAMMATIC

Developing a systematic structure that promotes and recognizes change encourages employees to improve and innovate.

#### WE ARE IN THIS TOGETHER

Continued recognition and promotion of the ideas and projects of agency immorators creates awareness and promotes teamwork.

An excerpt from the "innovation program menu" Archivist David Brown created with his Excellence in Government Fellows program project group. The menu was designed to help agencies start innovation programs.

During the program, SEC fellows remain in their full-time jobs, meet every six weeks and spend about 20 days in session. In addition to participating in activities with the Partnership for Public Service, fellows attend facilitated cohort meetings at SEC head-quarters to explore and share in more depth what they learned and how this information can be applied to improve organizational performance, workplace relationships and productivity within the SEC.

Fellows also devote up to five hours a week to their results projects. Brown's project, "Foster a Culture of Innovation Within the Federal Government and Specifically at the SEC," was mentored by executive sponsor Jeff Heslop, COO.

With Brown's project group, which included SEC employees Michelle Royston (Office of Compliance Inspections and Examinations), Deborah Tarasevich (Division of Enforcement ) and two fellows from the U.S. Food and Drug Administration, Brown created an "innovation program menu." The menu is designed to provide agencies an easy-to-use tool for starting their own self-sustaining, evolving innovation initiatives. The menu also offers five specific recommendations for implementing innovation programs at the SEC.

"The group took what we learned and thought was important, and put it into an easy resource," explains Brown. "The hope is to give users a building block so they won't have to reinvent the steps."

Participating in the EIG program was an invaluable experience for Brown. He believes it has helped him think more wholly of himself and to seek ways to contribute and be increase his involvement in his community and the SEC.

"I'm really impressed that the SEC sees value in this program," says Brown. "One of the ways an organization moves forward is to develop the people it already has."

# New OSO Branch Chief to Instill 'Culture of Continuity' at SEC

(O/O)

Vincent Holland is the new Safety, Emergency Management and Continuity of Operations Branch chief in the Office of Support Operations.

The Office of Support Operations welcomes Vincent Holland as the new chief of its Safety, Emergency Management and Continuity of Operations Branch.

A continuity of operations program, or COOP, ensures that federal agencies are able to continue operation of their essential functions under a broad range of circumstances including natural and man-made disasters and emergencies such as technological threats and national security emergencies.

"COOP is like an insurance policy," explains Holland. "It ensures that under any circumstance — no matter what happens — the SEC can still continue its critical business with the federal government and the private sector."

Holland joins the SEC from the U.S. Department of Health and Human Services, where he ran the COOP and performed counterintelligence duties. Af-

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With Holland aboard, the SEC will bolster its continuity of operations program and increase COOP training across the agency.

"My goal is for the average SEC employee to think of COOP as normal business," says Holland. "I want to create a 'culture

# 'Active Shooter' Presentations Held During National Preparedness Month

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Cedric Drawhorn (left), chief of security services, introduces Special Agent Jerry Stanphill who led one of two active shooter presentations held in September.

The Office of Support Operations (OSO) held two "active shooter" awareness training presentations in recognition of National Preparedness Month 2013 during September. The presentations raised awareness of behaviors and characteristics of active shooters.

Top emergency preparedness experts led the presentations, including:

- Sergeant at Arms William Godwin, U.S. Senate, Emergency Preparedness Operations
- Sergeant David Pendleton, U.S Capitol Police and
- Special Agent Jerry Stanphill, Federal Aviation Administration

The presentations will be made available to all SEC employees on The Insider. For more information, contact Zelda Carter-Umana.

# New Mailroom Package Tracking System Improves Accuracy, Efficiency

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The mailroom adopted a new Mailroom Package Tracking System (MPTS) this summer that greatly improves how mailroom staff track and log packages shipped into and out of the SEC.

Jim Doughty, mailroom supervisor, says the previous tracking system was "not as sophisticated" as MPTS. Staff had to manually enter information from incoming and outgoing packages into the system. Further, locating lost packages was challenging.

Now mailroom employees use a handheld device — similar to those used by the United Parcel Service or FedEx — to record the different stages of delivery (e.g., delivery to SEC, delivery to recipient, package brought back to mailroom). The devices can record information from several scanned packages at one time and require mailroom staff to get a signature upon receiving packages to complete the delivery process.

"This system is more accurate," Doughty says. "Just by scanning a barcode, all the information staff need is uploaded right into the system."

When the device is placed into a docking station, the tracking numbers from

Mail clerk Bill Yarbrough uses the mailroom's new tracking device to scan an item for customer Patricia Jackson (Corporation Finance).

the scanned barcodes automatically are uploaded to the MPTS database, which is stored on an SEC server.

The electronic log that MPTS creates also supports the Records Management Tracking System.

"The new system gives us greater accountability from the loading dock all the way to delivery," says Stephen Johnston, branch chief for Publishing & Printing and Mail Operations in the Office of Support Operations.

Additional MPTS features and functionality — including the ability to send emails to employees (a particular benefit to those teleworking or on leave) — will be phased in during fiscal year 2014.



# Office of Records Management Services Boosts Education Efforts, Launches

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Office	Point of Contact and extension
OA, OCOO and OHR	Betty Murray, (b)(6)
OFM	Joseph Horneman (b)(6)
ОІТ	Christopher Perry (b)(6)
OSO	Barbara Volpe, (b)(6)

Christopher Perry, a records management specialist, leads a brown bag session in September.

All federal employees have federal records management responsibilities, yet many are unclear about even the most basic records management concepts and regulations. The SEC's Office of Records Management Services (ORMS) is working diligently provide clarity through its records management education and outreach initiatives across the agency.

In 2012, ORMS introduced mandatory online records management training for all SEC employees. During fiscal year (FY) 2013, the office focused on providing employees with more ongoing educational and training resources and support on federal records management.

"Federal records regulations have been in place for years, but ORMS wanted to ramp up the way we promote and spread awareness of the regulations in order to assist the majority of employees whom we recognize are not records managers," explains Curt Francisco, records officer and Records Operations Branch chief.

The office conducted four brown bag lunch sessions on federal records management topics in FY 2013. The most recent one,

"Maximize Your Office Space: A Guide to the Transfer/Destruction of SEC Records," took place in late September.

"We're trying to make the sessions useful and relevant so that employees don't have to learn a lot of arcane records management terms or jargon," says Aimée Primeaux, Records Policy, Training and Compliance Branch chief.

ORMS staff also revamped the office's intranet pages on the Insider. The pages house SEC records management policies, directives, guidance documents and forms. In addition, employees can access:

- the office's brown bag lunch session presentations.
- federal laws governing records management and
- training material from the National Archives and Records Administration.

In June, ORMS launched a records liaison network across the SEC to further foster federal records management awareness and compliance agencywide. Office and division liaisons are provided records management training and given responsibilities within their areas. As a part of the network, liaisons become members of the Records Council, which meets at least twice annually to implement new federal records management regulations. ORMS also works closely with liaisons on its records retention scheduling initiatives.

"Coordinating with liaisons is a very critical piece to having a very modern, holistic SEC-wide records management network," says Francisco. "The network will allows ORMS to streamline and establish consistency across the SEC on how offices manage their records."

To ensure that office liaisons are provided adequate records management support, ORMS created a point-of-contact network of ORMS subject matter experts who will work with assigned offices.

"We're working with every division and office to make sure records schedules reflect modern business processes and are updated," says Primeaux. "Our goal is to be more accessible to every division and office, and this is our way of being more accessible."

Did you know? \_

In fiscal year 2013, the Office of Records Management Services transferred 3,212 boxes of records to offsite storage, which is enough to cover 10 entire football fields.

# WORK/LIFE 4

# SEC Offers Expanded Backup Care Benefits to Employees

SEC employees will continue to enjoy backup care benefits — one of the agency's most valued employee benefits. The agency awarded a new contract (effective September 1) with Bright Horizons Family Solutions to provide high-quality backup child and adult/elder care arrangements when SEC employees' regular care arrangements become unavailable.

The Office of Human Resources (OHR) conducted focus groups that included a diverse group of employees who provided feedback and offered suggestions regarding the backup care program. OHR also gathered extensive data to conduct its market research prior to announcing the contract solicitation.

"This was an inclusive process that took into account SEC employees' actual utilization of the program," says Clivette Jones, contracting officer representative for the backup care contract.

"We worked really hard to find a solution that would help reduce the number of times employees were unable to make a reservation because the SEC had reached its capacity of available uses for any particular month."

The new contract allows greater potential for serving all employees requesting back-up care. The SEC has purchased twice the number of uses compared to the previous contract. During a trial period, the total number of uses available to SEC employees was doubled during the past six months. SEC employees are still allowed up to 20 uses per dependent per calendar year, regardless of the type of care arrangements used during the year.

The backup care benefit continues to provide a high-quality experience to employees, including access to high-caliber care providers. Employees maintain access to

in-home care for children and adults, as well as center-based child care through Bright Horizons' extended network of child care centers and in-home providers. Employees' uses of the benefit are subject to space availability within Bright Horizons' particular centers and under the terms of the contract.

"Over the years, employees have told us how important this program is to them and how it provides them with a great peace of mind to know that they can go to work knowing their children or parents are in good hands," say Sandy Johnson, Work/Life program manager.

For questions about the new terms of the backup care benefit, please call Sandy Johnson at (b)(6) or Clivette Jones at (b)(6)

# SEC Nearly Triples its Feds Feed Families Goal – OCOO Offices Lead Headquarters Effort

It is appropriate to call the SEC's 2013 Feds Feed Families campaign a smashing success. After all, SEC employees totally smashed the agency's goal to collect 10,000 pounds of food and health products for families in need, and donated a whopping 27,453 pounds!

Tim Buckley, assistant director of the Human Capital Strategy Group in the Office of Human Resources (OHR), served as the agency's champion for the 2013 campaign season, which ran June 1 through Aug. 28.

"It was a large effort with participation by every office," says Buckley. "It never crossed my mind that our agency would break 27,000 pounds, but together we did it." He says the OCOO offices performed very well – in particular, OHR and the Office of Acquisitions (OA), which earned the first-and second-place spots, respectively, at headquarters. Through an incredible lastweek push, OHR overcame OA as headquarters' victor.

Partly behind the resounding success of the campaign were various engagement efforts led by the Feds Feed Families planning committee, which had members from OHR, the Office of Public Affairs and the OCOO Communications team. SEC employees were kept informed with weekly updates, increased advertising and a dedicated SharePoint page, and also were able to participate in a bake-off and other informal competitions.



Boxes of donated food and health products during the 2013 Feds Feed Families campaign season.

"The committee put together a plan and executed across the country at all of the SEC's offices," says Buckley. "However, the real driving force behind the success of this campaign season was the generous spirit of all the participating employees in every office and division."

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# Which is Your Favorite Work-Life Benefit Offered by the SEC?

"Having access to an in-house gym is a wonderful perk that the SEC offers. I place a premium on maintaining my health and wellness, and it is nice to know that I can get a good workout right at my work site. It is also a great way to alleviate stress."

-- Charles Richardson, Office of Support Operations

# After DOMA Decision, OHR Extends Benefits to Legally Married Gay and Lesbian Employees

(b)(6)

Members of the Work/Life and Employee Benefits branch (I-r): Susan Larson, Mary Catherine Gates, Nikki Perry (contractor)), Martha Kelly, Helena Inman, Regena Abercrombie, chief Liz Hamel, Letisha Flake (contractor), Clivette Jones, Sandy Johnson and Christine Thurston-Hall (contractor).

The U.S. Supreme Court struck down a key section of the Defense of Marriage Act (DOMA) in the landmark case United States vs. Windsor (2013) on June 26, thereby declaring that same-sex couples who are legally married deserve equal rights to the benefits under federal law that are received by opposite-sex married couples. As a result of the decision, the Office of Human Resources (OHR) worked immediately to implement the extension of benefits to SEC employees who legally married a spouse of the same sex, regardless of their state of residency.

DOMA had prohibited the federal government from recognizing the legal marriages of same-sex couples for purposes of federal benefit programs. Section 3 of the act had defined "marriage" as a legal union between one man and one woman as husband and wife, and "spouse" as a person of the opposite sex who is a husband or a wife. In a 5-4 decision, the Supreme Court ruled that section was unconstitutional under the due process clause of the Fifth Amendment.

After the decision, OHR coordinated with the National Treasury Employees Union to prepare information on the extension of benefits to employees in legal same-sex marriages. Liz Hamel, Work/Life and Employee Benefits Branch chief, says her team was paying close attention to the case and prepared to take action in the event that the Supreme Court ruled Section 3 of DOMA unconstitutional.

"We knew we would have to act quickly to get information out to employees and then also be ready to process the new enrollments," Hamel says.

Using guidance issued by the Office of Personnel Management, OHR began enrolling eligible SEC employees' same-sex spouses and eligible children of legal same-sex marriages for the following federal employee benefits, according to the same guidelines as opposite-sex marriages:

- Federal Employees Health Benefits
- · Federal Employees' Group Life Insurance
- Federal Employees Dental and Vision Insurance
- Federal Flexible Spending Accounts
- Federal Long-Term Care Insurance

Eligible employees in marriages that predated the Supreme Court decision had 60 days to submit supporting documentation and make their benefit elections. Hamel says her staff was able to make all necessary changes to the benefits of employees who were subject to that 60-day enrollment window.

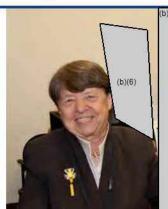
"The entire benefits team worked hard to address all the questions we received and process the changes," she says. "We understood how important it was to make sure that the affected employees could now extend their federal and SEC benefits to their spouses and children."

Questions about the extension of federal benefits to same-sex couples in legal marriages and all other benefits questions may be sent to BenefitsExpress@sec.gov.

# **Chair White Tours OFM in August**

SEC Chair Mary Jo White toured the Office of Financial Management (OFM) on August 18. After meeting with Chief Financial Officer Ken Johnson, Chair White traveled the halls of OFM to introduce herself to its staff.

Left: Chair White shares a good laugh with OFM staffers (I-r): Elisa Spack, Quantwana Hobson, Melinda Sellers and Perihan Ouellete.



Did you know? \_

From March-June 2013, there were 899 employee uses of the SEC's backup care benefit. During the same time period in 2012, there were 638 uses.

# **New OCOO Employees in Fourth Quarter**

Twelve new employees joined the OCOO during the fourth quarter of fiscal year 2013. Check in with your new colleagues to see how you can help them further acclimate to the SEC. Not pictured below: Information Technology Specialist Irfan Jamil.

(b)(6)					
Cheronda Alford, human resources specialist (OHR) (b)(6)	Leacha Barnette, human resources s (OHR)		t analyst (OA) Vinc Con	ent Holland, tinuity of Operations ach chief (OSO)	Darrell Jones, Jr., information technology specialst (OIT)
Dirk Kalweit, expert-estimator (OSO)	David Morlier, accountant (OFM)	Mar Dennis Parungao, Pathways student trainee (OA)	Carlitos Rodriguez, Pathways student trainee (OHR)	Marchella Scott, management and program analyst (OA)	Sonja Whitson, human resources specialist (OHR)

# OFM and OHR Employees Enjoy Offsite Engagement Activities

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Chief Financial Officer Ken Johnson participates in a three-kegged race competition during the Office of Financial Management's (OFM) employee picnic held at Hains Point, part of East Potomac Park in Washington, DC, during late August. Roughly 50 OFM employees and 20 employee family members were in attendance.

The Office of Human Resources (OHR) gathered for some summer merriment in late July, holding their second annual picnic at Bolling Air Force Base in southeast Washington, DC. Among the fun activities held were grilling, volley ball, basketball, bean bag tosses, card games and a miniature golf tournament

### The Office of the Chief Operating Officer:

Jeff Heslop, Chief Operating Officer
Jayne Seidman, Chief of Staff
Tom Bayer, Chief Information Officer
Vance Cathell, Director of Acquisitions
Lacey Dingman, Director of Human Resources
Ken Johnson, Chief Financial Officer
Barry Walters, Director of Support Operations

The OCOO develops and executes management policies and coordinates the agency's compliance with the Government Performance and Results Act and other requirements imposed by Congress and the executive branch, while also facilitating the SEC's efficient and effective utilization of resources to support its mission.

The Scoop is published by the OCOO Communications team and is designed at improving internal communications within the OCOO and with the SEC at-large, while also recognizing the hard work and achievements of OCOO employees and teams each quarter. We welcome your comments, ideas, suggestions, and submissions. Please send an email to ((b)(7)(E)

# FOR TRACKING REAL-TIME MARKET ACTIVITY, SEC STRIKES GOLD WITH MIDAS



Steve Samson and Muditha Allen review the requirements for developing (b)(7)(E)

THE OFFICE OF THE CHIEF OPERATING OFFICER QUARTERLY PUBLICATION

The date was May 6, 2010. The time was 2:45 in the afternoon. And the S&P had just fallen 5 percent in only five minutes. Ten or so minutes later, it fully recovered. Thus was born what is now commonly known as the Flash Crash.

Our job was to team up with the staff at the [Commodity Futures Trading Commission], figure out what happened and write up a report as soon as possible. If not for a few car chases, this task was worthy of an episode of "Mission Impossible."

—Gregg Berman, Associate Director

Division of Trading and Market, Office of Analytics and Research

hese days Steve Samson, a project manager in the Office of Information Technology (OIT), finds himself reading books and articles on the effects of high-frequency trading and evolution of our country's markets and ruminating over market structure concepts.

Such topics have not always been of key interest to him, but that was before he helped roll out one of the most successful government "his data" prejects. the SEC's (b)(7)(E)

"big data" projects—the SEC's (b)(7)(E)

(continued on page 12)

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### OHR'S STAFFING BRANCH: MAKING WISHES COME TRUE

In May, OHR's Staffing Branch came through an OPM Human Capital Management Evaluation with flying colors, thanks to the hard work of team members including (L-R) Candyce Brown, Lei Kreft, Karla Ruiz, Brandy Perez, Ky Peterson, Buddy Smallwood, Alaina Tshontikidis, Sandy Thompson, Fran Beattie, Trinette Royal, Donnis Wallace, Donna Quarles, Leacha Barnette, Cassandra Hall (not pictured: Patty Guzman).



### **DID YOU KNOW?**

The SEC's FY2015 Budget Request is 192 pages long, including 82 pages detailing "by program" requests. Among other statistics, the request reveals that OFM analyzed 4,526,990 financial transactions in FY2013, OIT's Help Desk handled 51,128 requests, and the Office of the Secretary processed 366,007 comment letters on regulations under consideration.

The SEC's implementation of MIDAS helped the agency comply with the Obama administration's push to make regulatory agencies more data-centric.

he old adage warns: "Be careful what you wish for." At the Office of Human Resources' (OHR's) Staffing Branch, they might add: "Be careful how you wish for it." And who wishes for it. When 215 job postings over six months draw nearly 16,000 applications, and when every step of the hiring process is strictly governed by Title 5, the Office of Personnel Management (OPM) and SEC procedures, it requires a core group of experienced professionals to ensure that the process unfolds appropriately at every step, and hiring managers willing to partner with their OHR representatives to make certain that the best selection is made.

A successful hire begins with a carefully tailored job analysis, based on a full understanding of the nature of that job. The job analysis examines:

- tasks performed,
- · competencies required to perform those tasks, and
- the connection between the tasks and competencies.

### Carefully Crafted, Combed

Once the requirements of the position have been established, HR professionals work closely with the hiring manager to draft the job opportunity announcement (JOA)—a carefully crafted "wish" designed to attract the small slice of potential applicants who are particularly well-suited.

"Because of the strict hiring procedures, we can't just cast a wide net and look to see what turns up," says Sandy Thompson, a Staffing Branch team lead. "OPM requires a close match between job descriptions and applicants' qualifications, so we work with managers to sharpen JOAs, focus the knowledge, skills and abilities required for the position, and develop assessment questions. Together, we develop a posting that attracts applicants who can perform the work and meet the precise requirements the JOA sets out."

(continued on page 16)

# A SYSTEMATIC APPROACH TO PAYING OUR BILLS

hen the SEC pays its vendors or reimburses your official travel expenses in a timely fashion, be sure to give a little credit for the execution of these routine-but-vital transactions to the Office of Financial Management (OFM). Why? Because the OFM staff has spent much of this past spring testing system functionality and reconciling various financial data to support a (D)(7)(E)

The SEC uses the (b)(7)(E) system to track the agency's budget, obligations, expenditures and balances. In addition, (b)(7)(E) is used to:

- process vendor payments,
- monitor accounts-receivable activity, and
- adhere to internal and external financial reporting requirements.

(D)(7)(E)	a federal shared-services
provider, operates the (b)(7)(E)	core financial management system on behalf
of the SEC and performed th	e technical upgrade.
(b)(7)(E)	functionality to further
ensure compliance with gove	rnment-wide accounting standards and regu-
lations. While SEC administr	rative staff rely upon (b)(7)(E) for tracking the

of the system.

OFM staff worked around the clock with (b)(7)(E) for three months to perform acceptance testing of the system before the (b)(7)(E) Working

budget and approving and processing vendor invoices, this approach means

- performed independent testing,
- ran report comparisons, and
- verified (b)(7)(E) functionality critical to the SEC.

with key stakeholders, OFM and its OCOO counterparts:

b)(6)			
		Shah coord	

Connie Cornett and Sanjay Shah coordinated the SEC's testing of the May 15th upgrade of the (b)(7)(E) inancial system.

OFM staff also worked collaboratively with conform functionality and facilitate a smooth transition when the upgrade went live.

The success of the almost invisible transition to the upgraded system is testament to a thorough and tireless effort that involved virtually the entire OFM staff at some point in the process. OFM will continue to monitor the holds and work in partnership with holds to ensure that SEC needs are met.

As always, the holds or via the holds are at holds.

### THEY WORK HARD FOR OUR MONEY

Inally, after months of number crunching, Capitol Hill has a proposed SEC budget in hand, and the process of determining fiscal year (FY) 2015's funding has begun. If the appropriation comes close to what the SEC—working with the Office of Management and Budget (OMB) and the Congress—has requested, give some credit to the hard-working team in the Office of Financial Management's Planning, Performance and Budget Formulation Branch.

As simple as it may appear from the outside, the SEC's budgeting process is a complex and elongated one, taking many months to complete and involving powerful players on both ends of Pennsylvania Avenue—as well as significant staff support and Capitol Hill testimony by Chair Mary Jo White.



Under the direction of Rick Taylor (pictured) and Malena Brookshire, the SEC's Planning and Budget Office coordinates an agency-wide effort to present the SEC's budget request to the White House and Congress.

Under the direction of Planning and Budget Office Assistant Director Rick Taylor and Branch Chief Malena Brookshire, the team of Vikash Mohan, Christy Morford, Nikki Puccio and Alicia Schneider launch the SEC's budget process many months before the budget request is formally released. To develop the figures for the proposal, the team:

- builds on the previous year's numbers,
- solicits the Chair's priorities, and
- meets many times with the divisions and offices to gather their requirements.

The team then creates and submits a proposed budget simultaneously to the OMB and Congress (because of a unique provision in the Dodd-Frank Act), usually in September.

And then the waiting begins, as the White House crunches numbers from agencies across the federal government and begins formulating its own proposed budget for the full federal government.

### **Production Crunch**

When released, the White House budget proposal sets off a frenzy of work at the SEC as the budget team—with the input and support of divisions and offices across the agency—produces the SEC's request to Congress. Production takes place on many fronts simultaneously:

- OMB must enter, verify and reconcile the figures.
- Multiple organizations must draft and vet appropriations, as well as gather, review and revise program descriptions, justifications, performance measure results, projections and budget tables.
- Then physical production (even in a digital age) begins: typesetting, printing and binding—all in time to meet the White House's deadline for submission to Congress.

This year, the executive branch decided to hold the submission of the FY 2015 request until the FY 2014 appropriations had been passed. As a result, an already demanding production schedule was telescoped down from months to weeks.

### No Room for Error

No matter how abrupt the deadline, though, work has to be accurate and precise: Technical errors in the document can diminish the credibility of the agency's policy approach and damage the effectiveness of our budgeting efforts. Chair White and other SEC leaders who meet with Hill staff and testify before Congress need to be utterly confident that the numbers add up, the priorities can be justified and the budget allocations will allow the SEC to deliver the best possible returns for the public's dollars.

Says Taylor, "Solid budgets that hang together can help the agency" get the funding it needs and contribute vital support to people and teams throughout the agency.

Despite the tight production schedule, the FY 2015 budget was delivered on time this year, on March 7. A confident Chair White, supported by the budget team's efforts, has testified to its importance to American markets and investors to House and Senate appropriations committees. The wheels are turning.

As for the budget team—did its members get a break before the next round began? Of course not. They had to send a draft FY 2016 budget to congressional authorizing committees a few weeks later; numbers for the next OMB submission are already being crunched. The cycle continues.

The AFR team's commitment to transparency and accuracy has led to eight straight years of Certificates of Excellence in Accountability Reporting: L-R William Fleming, Zayra Okrak and Caryn Kauffman (Not pictured: Sarah Choi).

(b)(6)

ANNUAL REPORT, ANNUAL AWARD

t a May 21 dinner at the National Press
Club, the Association of Government
Accountants (AGA) honored the SEC's 2013
Agency Financial Report (AFR) for meeting the "highest standards of federal accountability reporting" for the eighth straight year, bestowing the Certificate of Excellence in Accountability Reporting (CEAR) on the annual publication.

The 156-page 2013 AFR is the equivalent of a corporation's annual report, including:

- comprehensive financial statements,
- an auditor's report on the financial statements,
- a message from the Chair, and
- a discussion and analysis of the SEC's actions and priorities.

Said SEC Chief Financial Officer Ken Johnson, "Our team earned this award with precise accounting, late nights and persistence in gathering key information from across the agency."

CEAR is important not just as testimony to the hard work of the staff who produced the report—led by Assistant Director of Financial Reporting Zayra Okrak and Confidential Assistant to the Chair Sarah Choi—but also because it reflects the SEC's commitment to transparency. As AGA Executive Director Relmond Van Daniker put it when announcing this year's recipients, "Given ... the public's perceptions about government fiscal accountability and transparency, the achievement of this year's CEAR recipients is even more significant."

### Committed to Transparency

The award reflects a commitment that radiates from the Chair's Office throughout the agency to the kind of transparency that reflects:

- pride in our mission,
- confidence in our approach, and
- openness in our dealings with the media, Capitol Hill and the public-at-large.

Work on the annual report started in late summer as the divisions and offices began reporting to the production team their goals, highlights of the year ending and strategies for the coming year. That work kicked into high gear when the fiscal year ended (Sept. 30) and the financial reporting could be finalized. Last fall, the production team worked through the Thanksgiving holiday to hit a legally mandated deadline, editing copy and confirming numbers.

While the award is the product of a strong effort throughout, the "Message from the Chair" and "Message from the Chief Financial Officer" were singled out as "exemplary items."

### A Comprehensive Resource

This guide to the SEC contains everything from our mission statement and major enforcement cases, to the number of new hires and how much money the Division of Economic and Risk Analysis spent (\$29.5 million). The report's comprehensiveness makes it a valuable source document for journalists, Congressional staff and the appropriations committees, and anyone else trying to get an accurate feel for what we do and why we do it. The AFR also serves as a reference tool for SEC staff preparing testimony, writing speeches or preparing public communications.

Said Deputy CFO Caryn Kauffman: "We're proud to have received this award for the eighth year in a row. It is a testament to the talent and hard work of OFM's staff as well as the dedication of so many throughout the SEC."

(b)(6)

Carter ction

Zelda Umana Carter makes a delicious selection from one of several new vending machines added at headquarters.

# WE NEED THE FUN-GOTTA HAVE THAT FUN

he OCOO business office team has a real type of thing going down with an FY14 OCOO Roadmap initiative titled "Programmatic Approach to Fun"—and while no one is planning to tear the roof off of anything, rest assured this project is making modest but tangible progress toward supporting a more positive work environment for SEC employees.

In late March, a core project team formed and began brainstorming solutions—big and small—that would address common concerns based on recurring feedback from staff.

"We came up with all kinds of ideas, but it quickly became clear that we shouldn't try to boil the ocean if we expected to achieve anything in the near term," said Jayne Seidman, OCOO chief of staff. "So we narrowed our focus to pursuing simple improvements to basic amenities at headquarters, a frequently heard appeal from staff, like having easy access to food—no one can argue with that one."

Within a month, the OCOO arranged to add vending machines in three locations at Station Place.

"It's a bit of a no-brainer—it cost us (the SEC) nothing—and seems to make people happy to be able to grab a bottle of water or soda to go with their brown bag lunch, or evening snack fix, without having to go too far or worry about store hours," said Mina Buenviaje-Tice, OCOO internal communications manager. "It seems like a small thing, but we wanted to start somewhere with something that can only have a positive effect. We're hoping they add up to making the workday go smoother for staff."

The project is now focused on facilitating the formation of an SEC Employee Activity Association, a highly-anticipated if somewhat slightly more intricate effort. Peter Vangnes, counsel to the COO, said: "We're really excited to be able to support employees' interest and participation in this effort. That we're making some headway in keeping with our COO vision to foster collaboration and be roadblock removers—to fun, in this case—makes it even more gratifying."

With increasing employee involvement and continued momentum, the project team remains dedicated to ensuring there'll be a whole lot fun going 'round.



### TRACKING CONTRACTS FOR THE SEC

ow does an agency make sure that that \$95 million in contracts—covering everything from highlighting markers to skilled software professionals—are executed, evaluated and paid for as efficiently as possible, without creating a cumbersome office or siphoning off resources from other critical activities? At the SEC, we do it with contracting officers' representatives (CORs) who have Federal Acquisition Certification (FAC) and carry out these critical duties on top of their regular jobs.

Federal contracts are entered into by contracting officers, who negotiate terms and have the authority to obligate the U.S. government to pay for goods and services. But the demands of the contracting process require the office receiving the goods or services to manage the contract on a daily basis and to be the technical expert who ensures that contractors hold up their end of the bargain. So the federal government created the FAC-COR program to make sure that offices entrust these duties to individuals who are fully qualified to carry them out.

### Levelheaded to Their COR

The SEC kicked off its program in October, 2008 with 51 CORs, each one ready to guarantee that the agency is getting the proper bang for its contractor buck.

CORs—who also contribute to the acquisition process by preparing work statements, evaluating proposals and recommending sources—are nominated for the position, usually by their manager, and must complete extensive training before being certified for their new role.

Level I CORs, who handle low-risk contracts, such as supplies, require:

- eight hours of training in areas including spreadsheets, invoicing and quality assurance, plus
- eight hours of continuous learning (CL) every two years.

**Level II CORs**, who handle more complex contracts including service contracts with contractor personnel, need:

- 40 hours of training,
- 40 hours of CL every two years, and
- a year of previous experience at Level I.

The SEC now has 315 CORs—104 at Level I and 211 at Level II—and 32 in training.



Latoria Spencer is the Contracting Officer Representative for a number of contracts, including the million-dollar a year Copier Program.

# Technology Makes it All Easier

Over the years, the program has embraced technology as a way of streamlining the process and making things a little easier for the CORs who, after all, have agreed to take on these responsibilities in addition to their other normal work.

Once basic instruction is completed, most COR training can be done online with materials developed for use throughout the federal government, which allows CORs not only to improve broadly important contracting skills, but to take specialized courses related directly to their particular responsibilities. The LEAP system allows CORs to sign up for training at a central location and store completion certificates. And a new automated COR nomination/appointment form gets CORs into the program in hours instead of days.

Critical to the efficient function of the SEC, the FAC-COR program is becoming increasingly efficient itself.

# OIT'S FORMS AUTOMATION PROJECT SAVING TIME AND PRINTING COSTS

Gururaj Belur, information technology speci	Tf you find yourse	If printing fewer SEC forms and
Signatures, you can thank the Office of Information Technology (OIT) for easing your paper characteristics.  Gururaj Belur, information technology speciand has word closely with OCOO offices to automate some of their most frequently used manual forms that require approvals, authorizations and workflows.	spending less tim	ne staking out approvers for
Gururaj Belur, information technology speciand has wordlosely with OCOO offices to automate some of their most frequently used manual forms that require approvals, authorizations and workflows.		and the first of t
Gururaj Belur, information technology speci and (b)(7)(E) has wo closely with OCOO offices to automate some of their most frequently used manual forms that require approvals, authorizations and workflows.		
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of their most frequently used manual forms that require approvals, authorizations and workflows.		
require approvals, authorizations and workflows.		
5 17 7		그 사용하는 것 같아 하다면 그 사람이 가입하다. 그리고 그 그래요 그리면 그리면 그리면 그래요?
Examples of the MATALES	5 3577	
	Examples of the [b)(7)(b)(7)(E)	(E)

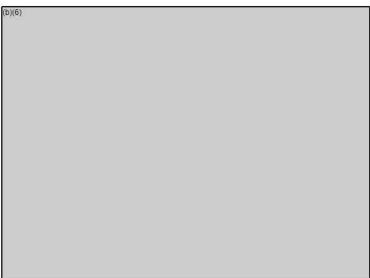
"Relying on manual, paper forms is very inefficient, especially when multiple approval signatures are required," Belur says. "Using existing SharePoint technology to automate forms has cut down significantly on the reliance on paper and wet signatures, and has brought added efficiency to form processing."

Form automation not only helps to reduce printing costs and save time for individuals seeking or issuing signatures, but it also:

- eliminates the need for physical space and furniture to store paper files
- creates a central repository of forms
- makes it easier to search for a specific form within the electronic database
- increases accuracy on forms
- allows for metrics to be tracked in the SharePoint dashboard
- creates an audit trail and gives internal controls details (e.g., when form was submitted, who approved it, how long it took to be approved)

### OCOO Offices Already Benefiting

The Office of Financial Management (OFM) has several automated forms in various stages of development. Its (D)(7)(E) is used SEC-wide to



Gururaj Belur seeks out ways to ease your paper chase.

authorize access to the SEC's core financial management system. The final goal in OFM's automation process is to route approved forms directly to the (b)(7)(E)

"We are saving time by streamlining our business processes, and there are better internal controls—automated forms are much safer than paper," says Alan DiGuardia, OFM's Systems and Data Management Branch chief.

Lynne Willhoit, a management and program analyst in the Office of Acquisition's (OA's) Policy, Oversight and Acquisitions Programs Branch, says automation of the Contracting Officer's Representative (COR) Nomination/Appointment form has significantly improved the process by which CORs are appointed to a contract. She estimates that the average time to complete a COR Nomination/Appointment form was one to two weeks with the manual version; the automated form now is usually processed within a few hours, and SharePoint houses a central database of all new automated COR appointment forms.

"This is such a much needed improvement to the form approval process, and it has received positive feedback from OA staff and CORs," says Willhoit.

(b)(4)	
The Future for Form Automation  Belur says OIT will conduct an annual assessment of which forms to automate, and that ultimately, an enterprise architecture tool set will replace SharePoint for form automation.  "Our goal is to eventually automate all manual forms to help customers manage forms economically, effectively and efficiently," he says.	

(b)(6) Kelly Gibbs came from OPM to help the SEC eliminate a large backlog of personnel investigations awaiting adjudication. **DID YOU KNOW?** While overall civilian federal employment is down slightly from 2008 levels, SEC headcount has grown by 20%, to 4,196, signifying the importance of our mission. 57% of the new positions went to attorneys, while the Division of Economic and Risk Analysis (DERA) grew fastest, tripling its size to 92 employees. In FY2013, the Office of Acquisitions managed \$316,800,921 in contracts with outside businesses, including \$142,786,674 (51.3%) with small businesses.

### **OLIVER GIROD: ENGINEERING GROWTH**

hief of Building Operations Olivier Girod came to the SEC by	In the Washington Area
roundabout routes. In an agency filled with law and B-school	After moving (b)(6) to
graduates, he earned a series of technical degrees. And Olivier	study systems engineering at Virginia
arrived in Washington (b)(6) —having begur (b)(6)	Tech. Olivier landed a summer intern-
b)(6)	ship at (b)(6) Impressed
(b)(6)	with his skills, (b)(6) arranged to
largest city, Olivier studied (b)(6)	have Olivier stay on at the paper as he
(b)(6) b)(6)	pursued and earned his doctorate.
Olivier—(b)(6)	From the printing presses at (b)(6)
b)(6)	(b)(6)
where he earned a master's degree in industrial engineer-	( FEMALE
ing from Texas Tech, learned to (b)(6)	(b)(6) Olivier
(b)(6)	moved to the Government Printing
(b)(6)	Office (GPO), which offered the
(0)(0)	challenge of another 24/7 operation.
	There, he supervised not just the
	buildings, grounds and relentless
	production and delivery schedules, but
	also the skilled tradespeople who kept
	the operation going—the mechanics,
	machinists and electricians who make
	sure critical documents are available in
	hard copy and online.
	The GPO also offered the oppor-
	tunity to deal with suppliers and IT
	equipment, experience that came in
	handy when Olivier moved to the SEC
	earlier this year.
	ALLO GLASSIAN PROBLEM
	(continued on next page)
	Ц.

Olivier Girod routinely applies engineering principles to office space challenges.

### KELLY GIBBS: STAKING OUT PERSONNEL SECURITY IMPROVEMENTS (continued)

Not that there's usually any problem. Most checks are routine. And the ones that aren't? Well, Kelly really can't talk about

Going forward, Kelly hopes to build on the significant process that her team has made in the Office of Support Operations, while away from the office

enjoying at least a little time with (b)(6) (b)(6)

Using IT to make the process even more streamlined and less labor intensive, and maybe save a few trees in the process, won't necessarily be easy, but Kelly says she's got one advantage: an "extraordinary"

team that works together like a well-oiled machine and "has demonstrated again and again a willingness to go above and beyond" when confronted with an opportunity to make this key aspect of the SEC's operations function even better.

### **OLIVER GIROD: ENGINEERING GROWTH (continued)**

### At the SEC

The SEC's Office of Support Operations building operations team has a broad portfolio, supporting services including:

- property management
- office lease acquisition and administration
- space renovation
- supplies and office equipment management
- transportation
- mail distribution
- publications
- printing
- desktop publishing

It's a complex mandate, but for Olivier, it's a great job, in a country that captured his imagination many years ago, in a city that he has made his own.

Although the physical plant operations at the SEC are substantially different from the GPO's, work here provides a number of interesting challenges, particularly space management and leasing issues as the

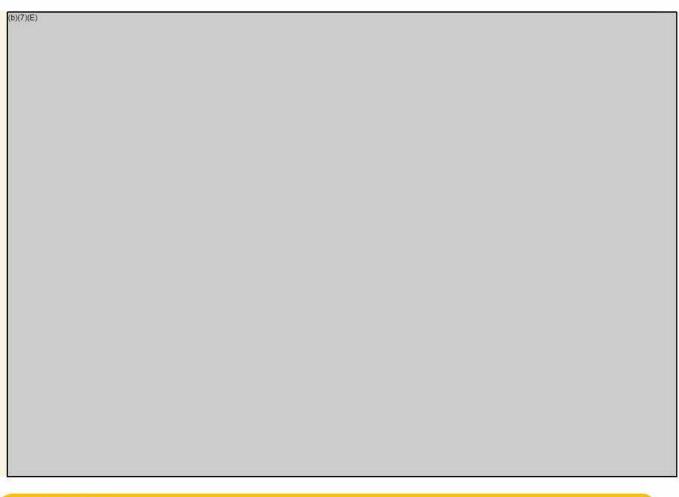
agency, which has been adding staff at a significant pace for the past few years, works to grow efficiently. And, although different in many ways from the mechanical engineering challenges that used to consume much of Olivier's professional energy, finding ways to keep SEC employees comfortable and productive as staffing grows faster than space available is "still an engineering problem, working out how a large number of pieces fit together in the best possible way," he said.

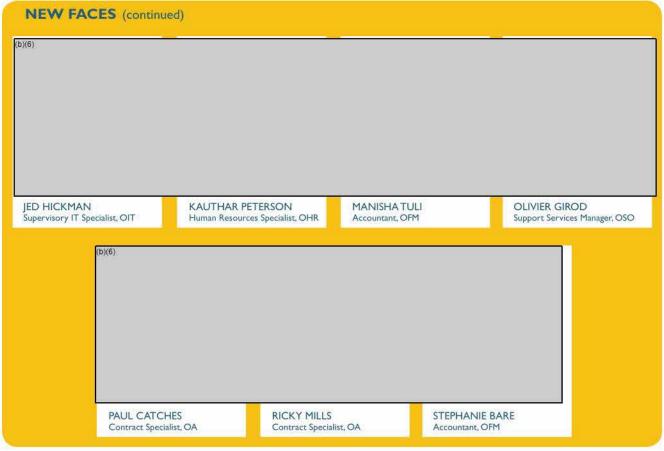
Still on the steep slope of the learning curve, Olivier is focused on figuring out how the organizational pieces of the SEC work together and the best way to operate as a team during a time of continued growth.

It's a challenge, but Olivier said he is "very impressed" with the "high caliber" of OCOO staff supporting this and other efforts. And he's proud to be a part of our mission.

"As an investor, I had absolutely heard about the SEC," he said. "I strongly believe that our work is good for our country."

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### **JEFF'S UPDATE**

COO staff are used to working outside the spotlight. We know how unlikely it is that the millions of people who access SEC.gov each year or the thousands of academics and financial industry figures who log onto the Market Structure Website give much thought to the IT professionals who make terabytes of critical, reliable information and cutting-edge analysis available.

We recognize that even the most tenacious budget hawks might overlook the \$5 million in annual rent savings being generated now that the Office of Support Operations consolidated staff, technology and furniture from the Alexandria Operations Center into Station Place—or the additional fees and more accurate billing our finance team is generating through a new SharePoint tool they've developed and deployed. And, unless we figure out a way to laminate an embossed seal onto the hard copy cover, or superimpose a flashing .gif on the home page, we understand that few will probably notice that our Agency Financial Report meets "highest standards of federal accountability reporting" and fully reflects the agency's exceptional commitment to transparency and accuracy in reporting.

Sometimes we have to be satisfied knowing that continuous improvements in the way the SEC operates are contributing to an increasingly impressive reputation in the press, on Capitol Hill, and among financial industry professionals. We can and should take tremendous pride in how much we do for our country, its economy, and the hundreds of millions of Americans who have a direct stake in the financial system. But this spring we can also be proud that people who lead this agency, and know how important our work is, have turned the spotlight on some of us.

The awards season kicked off in May when [as you can read on page 6] the Association of Government Accountants (AGA) honored the SEC's 2013 Agency Financial Report (AFR) for its accuracy, transparency and breadth. A complicated document whose production is led by OFM but which involves gathering content and date from every corner of the agency, the AFR is a public statement both of our actions and of our integrity. But our biggest day was June 17, when OCOO staff took the stage to be recognized by their peers and shake Chair White's hand in the course of collecting five awards—including the Chair's Award for Excellence.



Jeff Heslop

### ABOUT THE SCOOP

The Scoop is published by the OCOO Communications team and is designed to recognize internal communications within the OCOO and with the SEC at-large, while also improving the hard work and achievements of OCOO employees and teams each quarter.

We welcome your comments, ideas, suggestions, and submissions. Please send an email to:

- OIT staff claimed the Excellence in Information Technology award for redesigning the SEC.gov website to
  make its 148,000 static web pages and 21 million individual company filings easily and intuitively accessible
  to investors and other financial industry stakeholders.
- The Analytical Methods Award was also shared by OIT staff who worked with other offices and divisions to launch the Market Structure Website, which not only provides practical data for market participants, but is establishing the SEC as a cutting edge source of data and market analysis.
- Meanwhile, the OCOO Communications team contributed to the SEC's Lesbian, Gay, Bisexual and Transgender Committee's Diversity and Inclusion Award-winning work to create a more open, supportive and proud SEC.
- OFM and OIT won the Business Operations Award by deploying a SharePoint tool that takes the process of double-checking filing fees out of the era of adding machines and puts it into today's technology. It's not just a better way to ensure that registrants are paying the right amount, it's also way that allows staff do it while teleworking.
- And last but not least, the Chair's Award for Excellence went to a massive, budget-trimming OSO/OIT/
  OCOO move of 500 staff and contractors from a satellite campus to new offices in the headquarters building.
   (continued on next page)

### JEFF'S UPDATE (continued)

As the fans around the world succumb to World Cup fever, players who score spectacular late-game goals that win matches and propel teams forward—as with John Brooks tie-breaking goal against Ghana—are being cheered by millions. Just as critical to these crucial victories, however, are the players who set up the goals, whose deft passes and bold attacks set the stage for the win. OCOO staff rarely make the highlight reels. Bur we make victory possible.

That's why I was pleased to see so many of my OCOO friends and colleagues, from so many different offices, walking across the stage and receiving the recognition they deserve. And why I am I am so proud to know that this is just the tip of the iceberg—that the individuals recognized and the awards won reflect a general excellence and a real commitment to the SEC's mission throughout the OCOO. The spotlight that shone on the winners, reflects well on the entire Office.

I can't wait to see who'll be bringing home the cup—or the plaques—next year.

# OHR'S STAFFING BRANCH: MAKING WISHES COME TRUE (continued from page 2)

Then begins the sometimes eye-glazing task of combing through applications:

- · checking transcripts,
- confirming that applicants have the required specialized experience, and
- working with subject matter experts to evaluate the experience of accountants, econometricians and other high-level potential hires.

Once it is determined which applicants meet the minimum requirements, those rated "highly qualified" (based on their answers to the assessment questions) are referred to the hiring officials to begin the interview process. Only then do managers get their first look at the resume pile.

# Procedures Ensure Equality

Careful wishes are important for SEC employees aiming for a new position within the agency, as well. Regardless of whether the hiring manager knows you and loves your work, or the entire Staffing Branch's members are your BFFs, your application is subject to the same strict scrutiny as any other applicant's. It's not who you know or what they know of you, it's how your application reads.

"People don't understand how little flexibility there is in the initial part of the process, and so they rush through their application," says Patty Guzman, branch chief. "They need to read the posting as completely as an outside applicant would, and prepare a resume based on the requirements in the posting. They should never assume that everyone knows what they do."

Wishes also must align with proper staffing procedures—the requirement that all applicants, internal and external, are treated equally and that all federal and SEC policies are followed. To ensure that this is the case, OPM conducts a Human Capital Management Evaluation every three years, scrutinizing the agency's hiring practices to ensure full compliance with merit system principles and the absence of prohibited personnel practices. As part of the process, OPM pulls a representative sample of case files and confirms that, among other things:

- job analyses match the positions,
- assessment questions are appropriate,
- veterans' preference procedures are followed,
   and
- favoritism and discrimination are absent.

Earlier this month, the Staffing Branch went through its OPM audit and, of course, passed with "flying colors." Said Chief Human Capital Officer Lacey Dingman: "I knew that this audit would be no problem for our team. But that's just the beginning. Their real achievement is helping a fast-growing agency find talent that allows us to carry out a mission that gets bigger and more important every year, and to do it more effectively than ever before. The process that ends with court victories and regulation that protects investors starts with the Staffing Branch and the people they help bring on board."

It starts with people who know how to wish.

# **CERTIFYING SUCCESS**

he SEC is fortunate to employ the kind of people who are motivated simply by the desire to do their jobs better—to make the agency work more efficiently toward our mission, to serve taxpayers and financial market stakeholders more effectively.

One indicator: the level of staff interest in the Federal Acquisition Certification for Program/Project Managers (FAC-P/PM). The FAC-P/PM demands years of experience, hours of classroom training, and the support of supervisors and a review board. And many SEC projects are small

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THE OFFICE OF THE CHIEF OPERATING OFFICER QUARTERLY PUBLICATION

OIT project manager Ning Tang sees the certification process as both a learning opportunity and a chance to document what he's learned.

enough that certification isn't even required. Nonetheless, SEC staff are making the effort to go through the process in numbers far greater than anticipated.

Why? The Office of Acquisitions' Lynne Willhoit explains, "At this time, there are a lot of dedicated professionals who want to improve their skills and are dedicated to doing the best job they can for the SEC." The training and experience needed to get the FAC-P/PM allow them to meet that goal.

# A Demanding Process

The goal of the FAC-P/PM is straightforward: Develop skilled program and project managers to improve the planning and management of government programs and projects. As part of the "Acquisition Workforce" continued on page 8

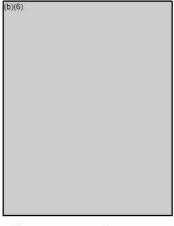
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# FASTER FEES: FINDING A MORE EFFICIENT PROCESS

Sometimes all it takes is one person with a good idea and a little determination to get the ball rolling.

Deborah Buckmon, who is a lead financial management specialist, came to the Filing Fees Branch in the Office of Financial Management (OFM) and discovered that parts of the filing fee process could be made more efficient and less time-consuming—sort of the same situation



There are more robust filing fee projects "yet to come," says lead financial management specialist Deborah Buckmon.

she'd dealt with in her previous job as a financial management specialist in Enforcement Treasury Operations. Thinking "there has to be an easier way to do this," she got to work on a filing fee process that combined a tool for internal communications with customer-focused outreach to the registrants who paid the fees. The result: a process that saved time and made both SEC staff and registered filers much happier.

At the SEC, filing fees are required from companies who undertake a wide variety of actions:

- » going public,
- » issuing debt,
- » implementing an employee compensation plan that involves stock options, and
- » mergers and many other activities.

There are, in fact, 85 different SEC forms whose filings are accompanied by a fee. The SEC averages 180 fee-bearing filings every day, taken in through the

Electronic Data Gathering, Analysis and Retrieval (EDGAR) system.

Many fees are pretty straightforward. For example, if you're offering new stock to investors, simply multiply the number of millions of dollars you're raising by \$116.20, and you've got your fee. Some filings are more complicated, though. In about 2 percent of the cases, it's unclear from the filing whether the filer's calculations are correct. SEC staff combing through filings' footnotes find that three rules in particular—related to prospectuses that include shares of stock registered but not sold in previous offerings, and the fees paid with that previous filing—are particularly troublesome. For Branch Chief Andrew Grimaldi and the 25 or so staff and contractors who comprise OFM's Filing Fees Team, that 2 percent makes up by far the majority of their workload.

# Creating the Communications Tool

Before the new tool became available, rechecking the figures could kick off a lengthy game of phone tag, as analysts tried to track down representatives of the filing entity—who likely needed to track down other people on their end—to run through the figures and the calculations. Handwritten or unformatted notes of conversations were sometimes difficult to follow as work passed from one analyst to the next. And this ad hoc approach often led to duplication of effort because of imprecise internal communications.

Deborah had seen similar inefficiencies while in Treasury Operations, where she volunteered to develop a process for tracking court-ordered payments from defendants in SEC actions directly to the courts rather than the SEC, known in OFM as non-SEC Receivable payments. So, confronted again with a "need that needed to be met," she again took the reins and drove creation of a better tool.

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### ABOUT THE SCOOP

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# LETTER FROM THE COO: THE POWER OF ONE



Jeff Heslop Chief Operating Officer

e spend a lot of time these days talking about teams and processesabout putting in place procedures that will make the offices that comprise the Office of the Chief Operating Office (OCOO) family a more efficient operation and make the SEC a more effective agent in pursuit of its mission.

We've all done a lot of work establishing routines that have significantly improved our performance. And we've also adopted a more team-oriented approach to our jobs, collaborating within and across offices to serve our customers better.

But the most dynamic teams also encourage individual excellence. And the most effective procedures often originate with one individual who looks up from their job one day and, without being prompted, says, "there's a better way to do this." This issue of the Scoop reminds me that, for all the deserved emphasis on teamwork and process, one of the great things about my job at the SEC is working with individuals determined to step up and take the initiative, and with a management team smart enough to recognize and nurture it. Individual contributions come in many forms.

- » Hester Rogers, in Office of Records Management Services, makes a real difference in her team's performance through her determination to do her job thoroughly and well, and through an infectious enthusiasm that energizes co-workers and lifts morale. She inspires, in the way a PowerPoint presentation or a filing procedure simply can't.
- » To paraphrase the playwright George Bernard Shaw, the Filing Fees Branch's Deborah Buckmon looked at an inefficient fee review process and, instead of asking "why" thought about a new, better process and asked, "why not?"

» And, throughout the OCOO family, men and women are taking the time and making the effort to acquire the skills needed to become a certified Program/ Project Manager, simply because, in the words of one manager, they're "dedicated to doing the best job they can for the SEC."

These men and women don't hide behind routine or wait to be asked. Instead, they see a way to do things better and they do it. But this type of initiative doesn't just happen.

- » Management counts. The individuals you'll read about in this edition had supportive supervisors who respect and value the self-starters on their team and let them know they appreciate their work.
- » There's support at the very top. As we saw last month, when three of our team members walked across the stage at the SEC Honor Awards Ceremony, Chair White and the agency's senior management are committed to recognizing strong individual performances. I was pleased to see the OCOO Business Office's Darlene Pryor honored with the Business Operations Award, and Julia Jones and Paul Catches, both from the Office of Acquisitions, receive the Staff Excellence Award and the Support Staff Award for Excellence (and grateful to the supervisors who nominated and supported all three).
- » Our Office of Human Resources is committed to giving employees the tools, information and encouragement they need to contribute. Career Horizons is just one of several initiatives that help individuals succeed personally and professionally while contributing to their teams.

Ultimately our success—within the various OCOO offices and at the SEC as a whole—is the product of a team effort. But our team is so much stronger when individual initiative is supported and encouraged—when people know that they can contribute, lead and bring change through their own energy and ideas. I look forward to hearing about more individuals whose own initiative is making the SEC a more effective guardian of our financial sector—and to continuing to work with all of you to create an environment in which that type of initiative is a common occurrence.

# EXPANDING YOUR HORIZONS

n the old days, you knew what your career path was," says SEC Chief Learning Officer Dennis Truskey. "You climbed straight up the ladder." Today's more meandering paths demand a different approach: "You have to manage your career."

Times have changed for employers, as well: competition for experienced staff and pressure for ever-more-effective management demand a positive approach to developing talent in-house, while employee satisfaction can turn on perception of an employer's concern for its team.

The SEC's new Career Horizons initiative lies at the intersection of these two trends: a career counseling program that aims to build the agency's talent pool and to increase employee satisfaction by helping staff discover solid answers to the critical question of "what's next?"

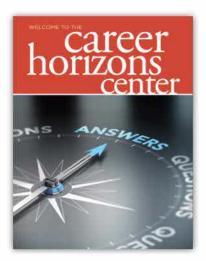
Dennis, who brings more than two decades of human resources and professional education experience to the SEC, says job satisfaction rests on two pillars:

- 1. the mission and the goals of the organization for which you work and
- 2. the particular job you're doing for that organization.

"At the SEC, people see that there's a huge value to the mission," says Dennis. "Career Horizons will be a success if employees are also saying, 'I work in a place where they support me, they value me and they give me the tools I need."

# Choosing the Right Path

At its simplest, Career Horizons helps employees ask the right questions and discover answers for themselves. An employee might wonder why, despite several opportunities, he or she hasn't been able to land the "next job" on the career ladder. Someone might wish to acquire the skills needed to stay within the SEC but move in a different direction. And there are those who want to change their environment completely but don't know what it might take to, for example, jump from federal IT work to starting their own business.



Career Horizons starts from a baseline of complete confidentiality. One reason outside vendor HR Anew was retained for this counseling, aside from its rich experience with the federal human resources environment, was to add an extra layer of confidentiality. Within that environment, HR Anew helps clients define a satisfying career path and then helps discover a strategy for covering it:

- Are you looking for a creative outlet?
- Do you want more of a challenge and the adrenaline rush of a highpressure job?

In the course of as many as five sessions, counselors can help you understand the skills and, if necessary, the accreditations you'll need, how much money you can expect to make, and realistic timetables for achieving your aspirations. From there they can help you with the nuts and bolts of realizing those career aspirations: writing a resume, improving interview skills, building and working a network.

# Strengthening the SEC

What happens if an employee takes advantage of all this expertise and leaves the agency? "Well," says Dennis, "they become a great ambassador for the SEC."

In fact, Career Horizons is the product of a mindset, nurtured by Office of Human Resources (OHR) Chief Human Capital Officer Lacey Dingman and senior OHR staff, that values employee satisfaction and sees significant benefits for the agency in creating programs to increase that satisfaction. Their goal is to have an OHR that is considered top flight, not just by government standards, but by the private industry and financial services sector operations standards as well.

Part of that is getting the right person into the right job. And part of it is a workforce that is focused and excited-because they have the support of agency management and they have career opportunities they value. In addition, the agency is committed to cultivating talent in-house and creating an environment in which existing

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Members of the (b)(7)(E) to the new network. (Left to right) Anh Nguyen, Paul Frazier, Abeysekera (Manoj) Prasanga, Bhupinder Singh, Al Basile, Thu Vu, Kenton Cath, and Evan Trebing

# **NEW FACES**

Between January 2015 and July 2015, the OCOO welcomed a number of new employees.

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THOMAS ARTHUR	MELODY BRYANT	CINDY CHAN	ELIZABETH COBER GILLETTE
Accountant, OFM	Contract Specialist, OA	Accountant, OFM	Attorney-Adviser, OFM
000000			
(b)(6)			
CHRISTINA COTTER Attorney Adviser (Labor), OHR	LESLEIGH CRAFT Accountant, OFM	KEVIN DAMIANO Accountant, OFM	SCOTT DAVIS HR Specialist-Compensation, OHR
Actorney Adviser (Labor), OHK	Accountant, 0111	Accountant	The Specialist Compensation, OTHE
(b)(6)			
VEDONICA DAVIC	VANUES ED VANUES	SULPRINCIPAL CARROLL	
VERONICA DAVIS Human Resources Assistant, OHR	JAMES FRANCIS Management and Program	SHARON GARCIA Financial Management	CONSUELA GINN
	Analyst, OSO	Specialist, OFM	Contract Specialist, OA
b)(6)			
DALII CROSS	CHARLES HALSTEAD	COLLEGALIEUED CTEIN	CALITAM MECABINIATI
PAUL GROSS IT Specialist, OCOO	Supervisory Human Resources	COLLEEN HELLER-STEIN Human Resources Specialist, OHR	GAUTAM KESARINATH IT Specialist, OIT
	Specialist, OHR		

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### **NEW FACES** continued

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AMY KRAMER Financial Management Specialist, OFM	XIYA LI Supervisory Human Resources Specialist, OHR	NATHANIEL MATOUSH Human Resources Assistant, OHR	BEAU MCMILLAN Financial Management Specialist, OFM
(b)(6)			
SORASETH NUON Accountant, OFM	JOHN RAMSEY III Contract Specialist, OA	CHRISTINA UPDIKE Human Resources Specialist— Compensation, OHR	AMBER WILLIAMS Human Resources Specialist, OHR
(b)(6)		The Control of the Co	
TEONA WILSON HR Assistant, OHR	TWANA WYNN Accountant, OFM		





initiated by Congress, the FAC-P/PM is required of staff who serve as program or project managers on acquisitions with annual budget obligations of at least \$500,000 or are "major investments" as defined by the Office of Management and Budget. While it is similar to the widely held private-sector Program Management Professional (PMP) certification, the FAC-P/PM is geared toward the federal government, with significant emphasis on acquisitions, lifecycles and regulations surrounding federal procurement. The PMP certification can be used in lieu of some FAC-P/PM training but does not transfer 100 percent. Because the FAC-P/PM is available only to federal employees, the PMP certification is still valuable to the contractors working with federal staff.

There are three levels of certification: entry, mid and senior. Entry-level certification requires one year of project management experience; mid level, two years; and senior level, four years including at least one year's experience on federal projects. Meeting training

requirements generally demands 80-120 hours in the classroom for each level.

To ensure that their experience is appropriate to the process, candidates submit to a review board a summary of their experience and a narrative explaining how they managed their programs. It can be difficult for employees to find the time to apply, says board member Leslie Binns. "Sometimes people are managing multimillion-dollar projects, so just getting the time to draft the package can be a challenge." But the quality of the experience is high, and during the review process, she finds SEC staff emerging as "champions of the business process."

Candidates seeking certification are expected to acquire seven competencies at increasingly higher levels:

- 1. Requirements development and management processes
- 2. Systems engineering
- 3. Testing and evaluation
- 4. Lifecycle logistics
- 5. Contracting
- 6. Financial management
- 7. Leadership

In addition, once certified, an employee with the FAC-P/PM must accrue 80 continuous learning points every two years.

### An Opportunity to Learn

Individual offices and divisions are taking the lead in identifying who must receive certification. Not surprisingly, the Office of Information Technology (OIT)—which is responsible for a high percentage of the SEC's large, complex acquisition programs and projects—has been a driving force in this effort to ensure that the SEC's dollars are well spent.

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### **DID YOU KNOW?**

FAC-P/PM certification with a specialization in IT is a separate certification demanding 40 hours of specialized initial training, previous certification at the mid-or senior level and special continuous learning requirements.

Certification is both a learning experience and an opportunity to document what you have learned. OIT project manager Ning Tang wanted to "demonstrate the experience and expertise" he'd acquired in his time with the SEC. The training also gave him an opportunity to improve his skills in a key area: leadership. "I learned a lot about how to lead people with different backgrounds and personalities," he says.

Project management is important, he adds, not just because it has a "direct impact on what we do," but because it "improves the efficiencies of the projects and programs we manage and in a way that helps the agency's mission."

Trained and certified professional project and program managers tend to have more successful outcomes—delivering projects on time and within budget. Further, SEC P/PMs that better understand federal procurement and take on leadership roles can leverage their training and abilities to strategically align other related projects, strategically source vendors, and maximize value to the Commission.

SEC staff interested in certification should take training through SEC University (SECU), which offers the four courses needed at the varying levels of intensity required for the three levels of certification:

- » Management principles
- » Contracting/procurement
- » Business/finance/budget/earned value
- » Leadership

SECU currently focuses its resources on employees who must have the FAC-P/PM, but courses will continue to be offered for all staff interested in certification and those who simply want a class to improve their project management skills.

Despite the time commitment and experience requirements, the number of staffers who have completed or are working toward the process is approaching four times the 40 certified FAC-P/PMs the SEC hoped to have in-house by Oct. 31. That's good for the staffers and good for the SEC. Leslie says it helps ensure that the SEC has the right people on the job.

"It provides a level of confidence for the business area," she says. "It's an acknowledgment that you've met a standard that says you're capable of achieving successful project outcomes."

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required extensive rewiring—the addition of an entire duplicate infrastructure on top of the existing wired network. And the new network had to be seamlessly integrated with the existing production infrastructure.

On top of everything else, building codes—different in every city—made it hard to apply plans and solutions that worked in one location to another one. And the physical layout of the offices presented unique challenges at times, (D)(T)(E)

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### **DID YOU KNOW?**

The SEC Enterprise Wireless Project has its own <u>SharePoint site</u>, with a rollout schedule, a training module and FAQs.

Capacity planning was a key. At the home office, for example, demand is particularly heavy between 8 and 9 a.m., when the logon procedure draws significantly more bandwidth than at other times of day. Budgeting was a concern, too: The system had to meet peak demand without building and paying for excess capacity.

The unique logistical and security challenges made planning almost more laborious than the actual installation. But it paid off, with installation and extensive testing (troubleshooting took four to six weeks) in all the offices completed in 10 months.

Initial response has been overwhelmingly positive, with the system receiving good reviews from staff and guests.

"This is an excellent example of OIT taking their cue from business management, giving staff the ability to roam anywhere in SEC spaces, and making the agency as a whole a more efficient place to work," said Network Engineering Branch Chief Bhupinder Singh.

### FASTER FEES: FINDING A MORE EFFICIENT PROCESS continued from page 2

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Through meetings and discussions with analysts and managers, she developed a checklist. Information needed to be gathered and stored in a systematic way. The team needed metrics against which to track progress and measure performance improvements—how many times registrants had been contacted, how quickly the case was resolved, etc. Most of all, a standardized workflow was needed, building electronic templates that:

- » identified the issue,
- » assigned analysts based on individual experience and expertise,
- » generated initial responses and
- » put the process—automatically on track.

While the long-term plan may be to build a full, tailored, customer relationship management system, it was decided to start with SharePoint, putting a priority on getting the

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### **DID YOU KNOW?**

In 2014, the Filing Fees Branch reviewed 55,129 filings, of which 760 required fee adjustments. Total fees collected equaled \$578,171,347.

new tool and process improvements online as quickly as possible. Launched in November, the new process is "making huge improvements in filing communications," observes Andrew. Automatic and efficient, the tool captures information, and it speeds and facilitates communications within the Filing Fees Branch and between the branch and registrants. In a process that often demands input from other divisions—particularly Corporation Finance (Corp Fin) and Investment Management (IM)—the tool streamlines those communications, as well, looping in appropriate staff and bringing them into the improved paper trail.

Deborah says: "We're able to use the tool to automatically generate correspondence on letterhead, track when we send those letters out and monitor responses from registrants easier. It means we are able to process correspondence much quicker."

### Improving Customer Relationships

Relationships with customers are improving in other ways, as well. Parallel to introduction of the communications tool is an outreach effort designed to learn from and inform registrants regarding filing fees and calculation pitfalls. A series of WebEx conference calls opened discussions that encouraged focus on broad issues and how to resolve them, rather than immediate problems. Fee-related websites hosted by OFM, CorpFin and IM have all been updated. And a newsletter for registrants is on the way.

Under Andrew's leadership further improvements to filing fee processes are in the pipeline, most notably a fee calculation estimator tool that is expected to do for registrants what Turbo'Tax did for individual filers, walking them through the appropriate steps and yielding fee calculations that are correct the first time. The branch also is creating a knowledge repository designed to document procedures and successful troubleshooting experiences, creating for the first-time, a systematic institutional memory.

Staff are working more efficiently, questions are resolved more quickly and registrants are happier. Says Deborah: "Registrant outreach is an area that Andrew has wanted to grow for years. The implementation of this new tool is one of the many projects that the Filing Fee staff has launched in the past few years, with more robust projects to come."

### **EXPANDING YOUR HORIZONS**

continued from page 4

staff acquire the skills they need to improve their (and the agency's) performance as they advance their careers. The Career Horizons program furthers all those goals.

Rolled out in the home office in late March, the program currently provides a counselor one day a week, with the ability to ramp up as interest advances. Rollout to the regions will be completed by the end of the summer. The program is designed for all staff, support staff to senior officers and even those—including attorneys and accountants—whose careers traditionally follow a more direct route.

In an age where rewarding careers often take winding paths, at an agency that understands the importance of talented, excited people to its long-term success, Career Horizons is an innovative approach—a rare initiative among federal agencies—to tying personal and institutional success together, and making success on both levels easier to achieve.

### **DID YOU KNOW?**

Interested staff can check out Career Horizons at an August 13 "Lunch and Learn" or by sending an e-mail to

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### **SWEATING THE DETAILS**

ovie buffs will recall the final scene of "Raiders of the Lost Ark," when the Ark is hidden through the simple tactic of boxing it up and shipping it off to a government warehouse where—lost among decaying triplicate paperwork and surplus office furniture—it will never be seen again.

But at the SEC, life does not imitate art. One of the small miracles of SEC records management is that, every year, millions of pages of documents pass among the SEC home office, divisions and staff; Federal Records Centers throughout the country; and the general public before finding their way back to precisely where they belong—so they can be found the next time they're needed.

And one of the big reasons for that small miracle is Hester Rogers.

A file clerk in the Office of Records Management Services (ORMS), Hester can usually be found in the basement of Station Place, in the "cages" where the stacks of boxes containing thousands of documents each reside—the kind of place where it looks as though documents could easily be filed and forgotten. But Hester's meticulous attention to detail (sorting, sequencing and labeling records) and commitment to exact order ensures that Freedom of Information Act requests and records transfers find their way into the appropriate cardboard storage box and all end up where they belong—and where they can be found.

### Enthusiasm, Energy Can't be Caged

But it's not just her talent for details that inspires friendship and loyalty among her Records Management co-workers. Program assistant Joe Rogers [no relation] says Hester's enthusiasm is contagious.

"She's always upbeat, she always has a smile, she's always up and at it," Joe says. "She makes the atmosphere around here better, (and she) inspires everyone to perform a little better."

And then there's her endless energy. Hester may be the first person in her building to show up for work in the morning and, once there, moves at a speed between a fast walk and a medium jog. She gets her work done and then looks for more. And, whether what's next is decorating the office for the holidays or going down to the loading dock to help unload boxes, she rolls up her sleeves and pitches in.



28-year SEC veteran Hester Rogers helps bring order to the processing of thousands of documents each year by the Office of Records Management Services.

In a building where space is at a premium, Hester led the cleanup of five rolling cage areas. While boxing and labeling reams of documents to make room for another office's storage needs, she assisted in the transfer of 800 cubic feet of documents—800,000 sheets of paper. During the cleanup of the Confidential Treatment Records (CTR) storage room—where, according to a co-worker, she "just showed up to work" without being asked—she organized more than a million pages so efficiently that ORMS will be able to transfer the management of the CTRs to the Division of Corporation Finance ahead of schedule.

### What's Next?

Her energy is matched by a detailed grasp of both filing systems and the physical whereabouts of different records. Described as a "walking encyclopedia," Hester knows what is in each of the basement cages, what's in the storeroom on the seventh floor and when the delivery trucks are scheduled to arrive.

Management program analyst Chris Perry, who has spent many hours working with Hester while implementing new and more efficient records management program processes, says Hester has a simple, and winning, approach to her job: "She's one of those people you can ask to do something and know that it's going to get done—and then she'll come back and ask, "What's next?" "



THE OFFICE OF THE CHIEF OPERATING OFFICER QUARTERLY PUBLICATION

### OHR DELIVERS THE GIFT OF TIME (AND ATTENDANCE)



The (b)(7)(E) was recognized for their effort and success by COO Jeff Heslop at the OCOO Town Hall last December: L to R: Stephen Brown, Chanel Brown, Chris Sands, Belinda Spohn, Junius Scott, Hugh Flick, Jacque Hightower, (center) Donna Diller.

hen SEC employees enter their time and attendance into webTA every pay period, they have Willard Le Grand Bundy to thank. In 1888, the enterprising New York jeweler invented what is often described as the first-ever time clock, a device that would enable factory owners to track workers' time, and ensure that workers were not cheated out of their wages. But it took a number of attempts, working closely with customers, before he was able to hone several serviceable designs and begin mass producing them. By the turn of the 20th century, his diligence had paid off: thousands of factory workers were clocking in and out of work on Bundy Time Recorders. The company flourished and eventually became International Business Machines (better known today as IBM).

Time and attendance systems have continued to evolve; while most present-day employees no longer physically "punch in" their time on a Bundy clock, many use a computer-based version to punch in electronically.

From 2008 until this year the SEC—like many other federal agencies—used Quicktime for its time and attendance system. When it came time to move more than 4,200 employees to a new system, the Office of Human Resources (OHR) (b)(7)(E) (b)(7)(E)

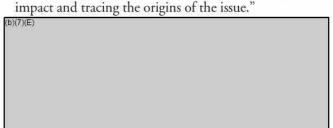
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## OIT HAS EPIC SUCCESS WITH NEW APPLICATION AND SERVICE PERFORMANCE CENTER DASHBOARD

Information technology (IT) specialist Cory Coleman likens the monitoring of an IT infrastructure to the monitoring of a patient's vital signs. Similar to a medical facility using biotelemetry to monitor and collect critical health metrics, OIT gathers scores of metrics when observing the health of the SEC's IT infrastructure.

"IT is so connected that if there is degradation in one area, it can be felt, performance-wise, in other areas," he explains. "The tough part is identifying that impact and tracing the origins of the issue."



With more than I million IT configuration items (i.e., components including software, hardware, documentation and personnel, as well as any combination of them) tracked by several, disparate data repositories, Coleman says the ENMS program had become challenged with monitoring numerous data repositories that collected information but did not share it, thereby creating difficulty when trying to trace the source of a system performance issue.

"We realized we needed an aggregate repository to capture the existing siloes of data," he says.

### **ABOUT THE SCOOP**

The Scoop is published by the OCOO Communications team and is designed to improve internal communications within the OCOO and with the SEC at-large, while also recognizing the hard work and achievements of OCOO employees and teams each quarter. We welcome your comments, ideas, suggestions, and submissions. Please send an email to: D(T)(E)



Cory Coleman, IT Specialist, led the project to deploy the Enterprise Performance Information Center (EPIC) dashboards at the SEC.

### **Enter EPIC**

A solution is now available. After a summer-long project, ENMS is deploying the Enterprise Performance Information Center (EPIC), a dashboard that captures and displays aggregated IT data and metrics.

"For the first time, OIT has an enterprise dashboard that can give us full enterprise visibility!" Coleman says.

EPIC provides numerous benefits and enhancements, including the following:



(continued on next page)

"This is the first end-to-end systems performance reporting dashboard with analytics," Coleman adds. "EPIC allows ENMS to connect the dots and share information across siloes and functional areas to provide enterprise intelligence."

<b>Customized Solution</b>	
(b)(7)(E)	

### **DID YOU KNOW?**

The Office of Information Technology oversees about 100 mission-critical applications, including the Electronic Data Gathering, Analysis and Retrieval (EDGAR) system, the Tracking Reporting Examination National Documentation System (TRENDS) and the Tips, Complaints and Referrals (TCR) system.

### ACQUIRING SUCCESS



Many members of the Office of Acquisitions family.

nometimes, it's not enough just to keep the customer satisfied. So the Office of Acquisitions (OA) is asking "how can we make our customer more successful?" The answers are not only pleasing customers, but OA team members themselves.

In the past, an office or division in an acquisitive mood would first determine their needs, define their requirements, allocate the funding, prepare an acquisition package and only then, at the tail end of the process, would OA be notified. This led to unintended results: either a rush to buy something that didn't precisely meet the customer's needs, or an elongated process. Neither approach yielded a timely, optimal solution.

Today, OA is finding successful solutions by evolving into a more collaborative, up-front partner in the planning process. For example, OA now meets almost daily with staff from the Division of Enforcement (ENF) and the Office of Information Technology (OIT)—who together account for more than 70 percent of the agency's acquisition budget-to plan, execute and follow up on acquisitions. And OA meets with ENF and OIT at the senior management level at least weekly to plan for their strategic, long-term success.

### **DID YOU KNOW?**

The Office of Acquisitions oversaw almost \$450 million in contracts in FY2014.

### The 3 Keys

OA bolsters enhanced communications with new procedures that facilitate effective action.

They now bring acquisition specialists into the mix as soon as an office or division lets them know they have a procurement need, allowing specialists to learn customers' needs and wants in real time. This gives OA a better opportunity to provide sound strategic business and acquisition advice at the most critical point in the process: the beginning. Experienced specialists not only have time-tested strategies for awarding contracts, they can help shape the up-front planning, improving outcomes and helping customers succeed.

Process times go down significantly when OA is engaged early. Contract specialist Ilana Jolson recently helped put in place the much-needed acquisition for modernization of the Electronic Data Gathering, Analysis and Retrieval (EDGAR) system. She worked with OIT and the Office of the General Counsel to plan an accelerated process and made sure that the contract was awarded before the beginning of the new fiscal year, when funding priorities can change.

"We've moved more toward partnerships where we can plan in advance and combine our expertise in the procurement process and customers' expertise with technical requirements to get better solutions," Ilana says.

(continued on page 11)

### **BUDGET CRUNCHING**

Budget Execution Branch Chief Richard Bak and his Office of Financial Management group have a tough job: creating and enforcing the SEC's annual operating budget. Despite all the high-tech budgeting and accounting software at their fingertips, budgeting at the SEC is a lot like driving back before your phone was a GPS, relying on directions called out by confused friends in the back seat ("Left at this light. No, wait, the next light!")—you're not really sure where you're going, and they're not really sure how to get you there.

- » First, Congress almost never has a final appropriation for the agency by the time the new fiscal year (FY) begins on Oct. 1, much less by August, when planning begins in earnest. So, for most of the process, you don't know the actual numbers you're trying to hit.
- » And second, every office and division submits an individual budget request with varying levels of complexity, needs that sometimes cross organizations, and requests that compete with those of other offices. So even if you did know where the final budget was going to end up, individual requests wouldn't necessarily point you in the direction you need to go.

It might sound challenging. But for budget analyst Grover Stephens, it's "the perfect job." Grover, who works with the Division of Enforcement, the Division of Economic and Risk Analysis, the Office of International Affairs, the Office of the Investor Advocate and three regional offices, sees his role as facilitating the critical functions of those with whom he works, "trying to make sure they're able to accomplish their mission" with effective allocation of appropriated funds.



L-R are team members Chris Sheedy, Grover Stephens, Richard Bak, Yolanda Dews and John Leszczynski.

### **DID YOU KNOW?**

Members of the Budget Execution team are currently working overtime to prepare the SEC's final FY 2015 budget, based on funding approved by Congress in December.

### The Call to Build

Grover is part of a seven-person team, including four analysts, that begins building a three-tiered budget every July 1, when the Office of Financial Management sends agency directors a "budget call" and the divisions and offices compile their anticipated needs for the year:

- The first tier largely consists of current services and mission-critical operations required by law: Office of Compliance Inspections and Examinations exams, SEC University training and Division of Corporation Finance review of public company filings, for example.
- The next tier includes new mandates, such as emerging agency priorities and projects arising in response to audit recommendations.
- And the final tier includes "nice to haves"—new or expanded services or operations and one-time expenditures that weren't funded previously.

After the office and division directors have submitted all their—in Richard's words—"needs, dreams and wishes" in August, the hard work begins: reconciling the various requests with likely budget scenarios.

Of course, until Congress signs a final appropriation, the SEC operates under a continuing resolution (CR), an agreement by Congress to keep spending at the previous year's level until a final federal funding agreement is reached. And until that agreement is in place, the budget team really can't be sure what the final figures will be.

After weeks of detailed analysis of individual requests and competing opportunities, frequent e-mail messages or meetings with financial staff throughout the agency and a line-by-line review with CFO Ken Johnson, the Budget Execution group compiles a package of recommendations for COO Jeff Heslop and Chair Mary Jo White, who sign off on a preliminary budget during the CR. Then, if any

(continued on page 9)

### **NEW FACES**

Between April 2014 and December 2014, the OCOO welcomed a number of new employees.

(b)(6)			
ABNER SEGOVIA Student Trainee Program Support Specialist, OA	ADRIENNE EVANS Supervisory IT Specialist, OIT	AMY GBENOU Research Specialist, OSO	ANDREW WOOLIEVER Security Specialist, OSO
(b)(6)			
ANTONIO WALKER Physical Security Specialist, OSO	ANURA RABEL Human Resources Specialist, OHR	BRADLEY VOORHEES Education Program Specialist, OHR	BRIDGET HILAL IT Specialist, OIT
(b)(6)			
CARY SEVERT Human Resources Specialist, OHR	CYNTHIA SCRUGGS IT Specialist, OIT	DAVE FULTZ Human Resources Specialist, OHR	DENISE WILLIAMS Staff Accountant, OFM
(b)(6)	TANAN IDII Di	IFANINE IACKCON	JESS RUZIC
EVELYN RUSSELL-WILLIAMS Staff Accountant, OFM	HANAN IDILBI Attorney Adviser, OHR	JEANINE JACKSON Human Resources Assistant, OHR	IT Specialist, OIT

(b)(6)			
KAI PETTY Student Honors Program Manager, OHR	LAIMA KURING IT Specialist, OIT	LEONARD KENON IT Specialist Project Manager, OIT	LINDA BRADLEY Procurement Analyst, OA
(b)(6)			
MARK LEHENEY Organizational Development Specialist, OHR (b)(6)	MATTHEW ROHRER Staff Accountant, OFM	MCCARLAS FERGUSON IT Specialist, OIT	MEGAN CLIFFORD Procurement Analyst, OA
NAKIA FLOYD Human Resources Assistant, OHR (b)(6)	QUINCY BATHERSFIELD IT Specialist, OIT	REGINA LAU Staff Accountant, OFM	RODERICK BLACKMAN Security Specialist, OSO
SEBASTIAN TEODOR IT Specialist Network Engineer, OIT  O)(6)  VICKI ELLISON Asset Management Branch Chief, OIT	TEMEKA THOMPSON Recruitment Outreach PM, OHR  VINCENT SCOTTO DILUZZIO Realty Specialist, OSO	TERRENCE DOUGLAS Supply Management Specialist, OIT	THOMAS JACKOWSKI Assistant Director for Enterprise Operations, OIT

Quicktime in early 2013. With 13 people dedicated to supporting webTA's implementation, it took about 18 months for the SEC to introduce the new system

"Overall, the experience with (b)(7)(E) positive and challenging," says Christopher Sands, OHR's (b)(7)(E) implementation project manager. "For one thing, we had an interagency agreement with (D)(7)(E) for the project, which meant that we did not have a direct line of communication to the actual (b)(7)(E) vendor, This created several hurdles that we had to overcome. For example, system requirements were often misinterpreted or misrepresented as a result of having to work through (D)(7)(E) o convey information to Kronos. Also, timelines were often affected because we could not contact the vendor directly with our questions regarding the development, or provide answers to them when they had questions about our requirements or processes.

"In the end, however, the relationship worked to our advantage because we were able to leverage some of their staff to help us out during our go-live period."

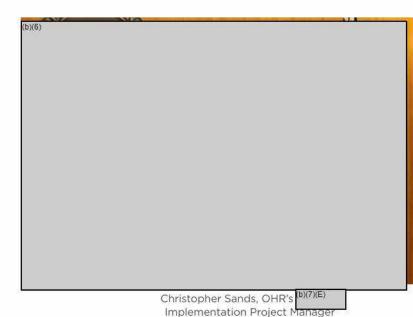
To further facilitate a smooth transition for the agency, the project team and SEC University devoted themselves to delivering more than 130 instructorled classes, as well as four different online courses for employees, supervisors, timekeepers and administrative personnel. The total of live and Web-based course completions tallied more than 9,100.

### **Highs and Lows**

The diligence paid off: 99.98 percent of SEC employees correctly entered their time, on time, during the first pay period in (b)(7)(E)

"That was the high point," says Sands. "Only five out of 4,240 employees didn't complete their time sheets on time—primarily due to other reasons, not the system itself."

When prodded, Sands shared his "low point." It was when two of the project team members announced they were leaving the agency—and thus, the project—"on the same day, right before our first implementation phase. What kept me going was the guidance and encouragement that I received from my supervisor, who assured me that he would continue to support me and make every effort to provide additional resources if and when I need it."



Several other team members acknowledged the complexity of working with multiple stakeholders, compressed time frames, belated vendor communications and unforeseen technical issues. Still, says Denise Jones, payroll and processing team lead, "the flexible work environment, team collaboration and sustained managerial support helped us to confront and overcome the hurdles. We were able to succeed because of this."

### Lessons Learned

OHR implemented (b)(7)(E) in two phases, allowing the project to pilot within OHR and then expand to select offices before deploying agencywide. Although time-intensive, the experience taught a number of lessons.

"It was harder for the employees and administrators involved in the first two phases to work with the system during that time frame, but the feedback and knowledge gained in terms of identifying issues that needed to be corrected prior to full implementation was invaluable," says Sands. "I also would've built in more time to make more system adjustments before going live. Although we were able to address certain system issues beforehand, there still are a number of outstanding issues that have yet to be changed. We anticipate being able to make those updates over the next year or so, but I feel like we might have had more

(continued on next page)

### OHR DELIVERS THE GIFT OF TIME (AND ATTENDANCE) (continued from page 8)

leverage with the vendor and [b)(7)(E) to make the changes happen sooner if we had not yet completed the full implementation."

Sands also acknowledged the partnership from the National Treasury Employees Union throughout the project. Golffield goal from Day 1 was "to be transparent about the system so that the union could address any concerns that they had prior to implementation so that the team could resolve them," he says. "The union representatives always made themselves available for meetings and demonstrations and provided their input throughout."

Jacque Hightower, OHR Business Management Group assistant director and (b)(7)(E) executive sponsor,

says: "Collaboration from beginning to end, with all stakeholders—especially the end users—helped to contribute to the seamless transition. The change ended up being a well-received one, with little or no impact to staff productivity. Or paychecks."

So next time you log into think about all the hands that went into its eventual implementation at the SEC. More than a hundred years may span the gulf between Mr. Bundy and the team, but their focus was the same: to strive tirelessly to deliver a product that works well, while providing impeccable service and support.

### **DID YOU KNOW?**

In FY14, OHR processed approximately 18,414 personnel actions including new hires, reassignments, promotions, and merit increases.

**BUDGET CRUNCHING** (continued from page 5)

### Challenge with an Upside

It can be a challenge. In FY 2014, for example the White House requested \$1.67 billion in funding for the SEC, while Congress finally appropriated just \$1.35 billion. On top of that, the agency operated until mid-January, more than three months into the new fiscal year, on a CR that assumed a spending level significantly lower than either the initial request or the final appropriation.

This year was a little easier: although the final \$1.5 billion budget approved by Congress was \$200 million less than that requested by the President, agreement was reached by early December and the budget was signed without having to endure a shutdown.

So now, the second crunch is underway. The team has 60 days from December 17th to submit a final budget, one with very little give should priorities change or unforeseen circumstances arise.

It's tough, detailed work building the financial infrastructure that supports the SEC's mission. But, says Grover, thanks to months of hard work and a belief in the SEC's mission, the budgeters will be able "to put the agency in a place where we're able to accomplish our mission."

### LETTER FROM THE COO: EVERYDAY EXCELLENCE

specially this time of year, when media outlets turn to seemingly nonstop coverage of the college and pro playoff season to break up the post-holiday doldrums, it's tempting to think of excellence as something outside our own lives, something pursued and achieved by big-name athletes turning in game-changing performances at critical moments—before a nationwide audience.

But Vince Lombardi, who coached the Green Bay Packers to an extraordinary five NFL championships in seven seasons, whose name is on the Super Bowl trophy, saw it differently: "The quality of a person's life is in direct proportion to their commitment to excellence, regardless of their chosen field of endeavor."

Lombardi, whose teams produced the heroics we expect of championship squads again and again, knew that excellence wasn't just the province of star athletes or elite businesspeople or high-powered attorneys. He understood that every profession, the glamorous and the unassuming, offers each of us a chance to excel.

And I would add this: As public servants, as custodians of public money, as part of an agency on which 100 million investors and the world's most important financial markets rely, we have not just the opportunity but the obligation to excel.

One of the most heartening aspects of my short time at the SEC is seeing how people across the OCOO have embraced this obligation. This issue of "The Scoop" reveals the breadth of our commitment to excellence by:

- » An Office of Information Technology team's epic effort to make the relationship among our agency's many data systems more visible and easier to troubleshoot.
- » An interoffice group determined to make the basic, necessary and occasionally annoying process of submitting our hours more rational and easier to perform.
- » Acquisitions specialists who embraced a new process and attitude that speed deliveries, save money and improve performance.



Jeff Heslop. Chief Operating Officer

These may not appear to be glamorous initiatives to those outside our office, but they are important to OCOO efforts to increase efficiency and effectiveness within the SEC—and, therefore, important to the SEC's ability to carry out a mission that touches every corner of the American economy.

Our colleagues' excellence is not broadcast to millions or downloadable on YouTube. You might not even notice it until, say, you're walking through Station Place and you realize that someone's effort at hanging art on the walls has made that building a more pleasant and professional place to work.

Or you might not notice it at all, unless, like the dog that didn't bark, you perceive how smoothly the SEC budgets, spends and operates despite the ongoing irregularities of the process that funds our efforts.

But I notice it. And I am pleased to see excellence becoming an integral part of OCOO culture, proud to watch it spread throughout the organization and have a real effect on the SEC's performance, at every level.

(continued on next page)

Excellence takes longer to achieve. It takes harder work, more focus, a better attitude. But it returns the effort in so many ways—not just in improved performance at the individual, team and agency levels, but also in the extraordinary satisfaction you feel when a challenging task comes together in ways that meet even

the highest expectations, or how you feel just getting through a tough day having done your best.

Whatever you do, a commitment to excellence not only improves the quality of your work; as Coach Lombardi said, it improves the quality of your life.

### ACQUIRING SUCCESS (continued from page 4)

While six months is considered standard lead time for a federal acquisition, FY 2014 saw 78 percent of the SEC's acquisitions completed in 90 days or less.

A second key is asking questions early.

Says OA Assistant Director Mike Whisler: "At first, our customers weren't used to being questioned, but we've shown that a better understanding of customer expectations leads to better problem solving and, in the end, a better solution. We ask questions to understand and exceed expectations."

A third critical piece of communicating for success is the Contract Review Board (CRB). All larger acquisitions come before the CRB, and customers are encouraged to participate in discussions that educate OA staff and all participants. The CRB also ensures that best practices are observed, and that acquisitions benefit from the expertise and varying perspectives of OA's entire staff, as well as board members. The CRB is a good place to ask, in Mike's words, "whether we're doing things the smart way."

### **Customers Take Notice**

Customers are noticing process improvements and greater engagement. Pam Dyson, acting director of OIT, OA's largest customer, says she is "delighted with my partnership."

But it's not just people waiting to get their hands on new software or hardware who are delighted with the results. New practices are leading to a projected \$40 million in cost savings over the next five years. With more time to fine-tune and execute plans, and a better understanding of what other acquisitions are in the works and what other customers may need, the agency doesn't overbuy or—just as troublesome —under-buy. OA is able to negotiate longer-term agency-wide, scalable contracts that:

- » bring discounts,
- » reduce transactions,
- » speed up deliveries and
- » improve the relationships with our contractors.

And, perhaps not surprisingly, a successful effort to serve customers better is shining a little delight on OA itself.

Says Ilana, "There's more collaboration within OA and with our partners throughout the SEC, more knowledge sharing and more talking."

The new culture makes it more fun to go to work in the morning, and it shows: OA's Federal Employee Viewpoint Survey scores showed one of the biggest jumps in the agency last year. Mike calls it "one of our best years ever, statistically and culturally. Helping our customers to be successful has, in turn, helped make OA successful."

### STATE OF THE ART AT THE SEC

hese days, it's both less likely that you'll find yourself lost in Station Place (SP) I or II and more enjoyable if you do, thanks to the 200 artworks hung there last summer under the curatorial eyes of Carla Hairston and the SEC's Fine Arts Committee. Designed to add visual interest to the building's previously austere corridors and to facilitate "wayfinding," the SP I and II art initiative is both the culmination of a five-year SEC effort and a part of larger federal tradition dating back to the 19th century.

The federal government's public art collection was launched in 1850 and famously includes the Works Progress Administration artworks commissioned during the Great Depression and Alexander Calder's 53-foot-tall Flamingo (located outside Chicago's Kluczynski Federal Building).

The SEC's contribution to the federal collection is more modest, though no less carefully selected by space management specialist Carla and the Fine Arts Committee's Patricia Copeland (National Treasury Employees Union), Linda Sudhoff (Office of Support Operations), Erica Williams (Chair's Office) and Sara Young (Office of the Chief Operating Officer).

### The Right Person for the Task

Carla was unusually well-prepared to coordinate the effort—she has a bachelor of fine arts and a (b)(6)

Artist, curator and space management

Artist, curator and space management specialist Carla Hairston poses with one of her favorite pieces, an Ansel Adams image of Yosemite's El Capitan. and designed office interiors or several architectural firms n Providence, R.I., and the Washington, D.C., area before oining the SEC in 2007. Though she spent most of the past 18 months selecting office urniture for and helping to acilitate the agency's many regional office moves and expansions, she calls the time and energy spent leading the effort to enliven the SEC's halls "a fun break in a busy year."

All federal new construction budgets include a modest allocation for art acquisition. And much of the art now on display at Station Place originally was selected for a previous project, the 2009 renovation of the SEC's Alexandria, Va., Operations Center. With a budget that ruled out acquiring

### **DID YOU KNOW?**

The General Services administration reserves one-half of one percent of the estimated construction cost of each new federal building to commission project artists.

historic works (or, perhaps, another Calder sculpture), Carla and the committee focused on limited-edition prints signed by the artist, and repairing and repurposing existing artwork by adding new frames.

By 2011, when the SEC was preparing to expand into SP III, Carla and the agency were working with architectural contractors to select original works by up and coming artists from the juried stable at the Lorton Workhouse for the Arts. A local gallery assisted with matting and framing.

Federal art acquisition is not as simple as buying a painting for your living room. In addition to taking the coloring and design of the workplace into consideration, the team consulted a General Services Administration handbook on the subject and their own sensibilities to ensure that the art selected was appropriate for a federal workspace.

### **Fine Distribution**

The closing of the Operations Center in the summer of 2013 freed more than 50 pieces of art for redeployment. In combination with pieces already held by the Office of the Secretary and in storage at the SEC, the Fine Arts Committee had enough art to hang on all 10 floors.

After looking over the inventory and discarding works that might be inappropriate or were too damaged to be hung, the committee worked to distribute the art:

- » Break rooms and corridors were assigned abstract art.
- » Testimony rooms were hung with pieces reflecting the SEC's mission and the architecture of the D.C. area.
- » Areas that were more heavily traveled—around main elevators, for example—became a focus, but the team tried to distribute the art as evenly and fairly as possible.

One testament to the committee's commitment to aesthetics and evenhandedness, Carla placed her own favorite pieces, a series of Ansel Adams photographs, five stories away from her own office—she "didn't want to put all the good stuff" on her own floor.

The result: a more vibrant workspace, an environment more similar to a private office space—and a little boost for everyone who walks by.

"I think it makes staff more proud of their work environment when it has a professional or corporate appearance," says Carla.



(b)(6)



Saving the Trees

Significant Supplementals

Budget Reboot 5

New Faces

From Building to Buildings

COO Update 12

# **Teleconnected**



As I write this piece <sup>(b)(6)</sup>	(b)(6)
(b)(6)	
	All the while, I'll have kind thoughts f dynamic duo of SEC remote access
	balance descrit just bannon Poople

All the while, I'll have kind thoughts for Chris & Chris, the dynamic duo of SEC remote access. Because work-life balance doesn't just happen. People like Chris & Chris make it happen.





The SEC has an annual acquisitions budget of about \$450 million, roughly a third of the agency's total budget. That \$450 million in spending is so thoroughly documented it almost seems as though there are 450 million pieces of paper in the acquisition team's Station Place file room, in the thousands of contract files that line the shelves.

All this paper—correspondence, planning documents, statements of work, contractor proposals, quality assurance plans, payment histories, the contracts themselves supports legal agreements between the SEC's contracting officers and the hundreds of companies the agency does business with every year. These documents help ensure the success of our programs and, when things don't go as planned, protect the SEC from harm. And the information contained in those files is valuable not just because it documents the SEC's obligations, but also because it helps in the forming future acquisitions strategy.

Unfortunately, accessing all the information in all those files can be time-consuming and occasionally painful.

But that's changing for the SEC, thanks in large part to the leadership of the Office of Acquisitions (OA) Business Management Office's (BMO's) project lead, Tanya Dorsey, and her team's "awesome" working relationship with the Office of Information Technology (OIT).

### A Long Road

Like so many things that make life faster and simpler, the process that brought forth the new system, named OA eFile, was long and complex. OA eFile went live April 4, 2016, but planning for OA eFile had begun more than a year before.

The OA team began by reaching out to other financial agencies, including site visits to the Federal Deposit Insurance Corp., the Internal Revenue Service and the Defense Information Systems Agency. Looking at what other agencies had (mostly paper files), how much money they were spending (in the millions) and the value they were receiving (often, very little), convinced OA that building a new system in-house would save a lot of time and even more money. Tanya and OA leadership, including Director Vance Cathell and Assistant Director Mike Whisler, worked closely with OIT's eFile project manager, Gururaj Belur, to develop the system requirements. A robust search capability, says Guru, "was where the rubber met the road."

But there were dozens of other decisions (how large documents could be, what makes a document "final" and

so on) that had to be made as well. Vance says, "OA sees every project that is supported by a contractor; we've learned that thorough planning is the key to success."

And plan they did. The SEC team of OA and OIT spent most of a year digesting lessons learned by other agencies and deciding what it wanted out of eFile for itself and its customers. One result: Not only will OA's contract files be captured by eFile, but so will the hundreds of contracting officer representatives' (COR) files.

Once team members had an idea of what the final product might look like, they had to choose a platform. Thinking back to lessons learned on their site visits, the team focused on in-house antions (D)(7)(E)

in-house options. (b)(7)(E)
(b)(7)(E)

2016 Scoop), two other proprietary vendor systems and the SEC workhorse. SharePoint enjoys broad usage by contracting officers and CORs whose experience may lie outside information technology—and broad familiarity among the many agency employees who already have with it. Building on a SharePoint platform would reduce costs significantly. In addition, a Share-Point-based system would be able

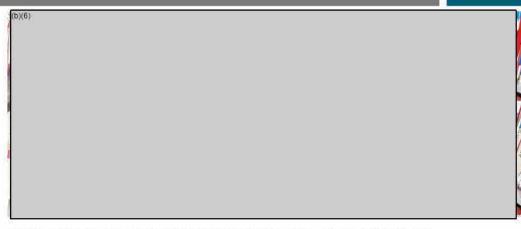
to interact with existing systems, such as the Acquisition Requisition Management System used by OA and its customers for acquisition workload distribution and tracking. And so, the workhorse won.

From there, the OA and OIT team began finalizing details. OA worked with OIT's Sudha Bhat on the requirements development process, and Teresa Atchison served as the SharePoint Solutions Center (SSC) alternate COR for this project, providing user-experience input. Meanwhile, a number of OA team members-including Ilana Jolson, Regina Mumford-Rush, Anke Taylor, Debora Coreas, Gabriel Aviles and Wanda Armwood—supplied contracting expertise. Together, they worked with OIT to answer questions and hammer out the details.

IT specialist Renea McGriff says the collaboration was a smooth one. "They were very supportive" and, more important, "they knew what they wanted. They had an opportunity to get hands-on during the development process, and it paid off," she says. Tanya is equally enthusiastic about OIT's support for OA: "They held our hands the entire way," she says. "OA is proud to have a partner in OIT to help us transform our acquisition management process," says BMO Branch Chief Victor Cairo.

### Countdown to Launch

After awarding a contract to the SEC's in-house contractor for (b)(7)(E) development, Procentrix, Tanya



The OA eFile team, surrounded by a just small portion of the documents their work is eliminating. Clockwise from lower left: Anke Taylor, Wanda Armwood, Regina Mumford Rush, Gabriel Aviles, Gururaj Belur, Renea McGriff, Teresa Atchison, Ilana Jolson, Sudha Bhat, Tanya Dorsey. Not pictured: Debora Coreas.

and her team were meeting with OIT and Procentrix as often as twice a week for hours at a time, hashing out the details that would define the user experience. It wasn't exciting work, but it was important. And despite some last-minute configuration problems that arose from with (b)(7)(E) as the first tool to use (b)(7)(E)

of Archana Gahlot and Gautam
Anand of the SEC's Chief Information
Officer governance team—the tool
was able to launch on time this
spring and within budget.

eFile doesn't just save paper and make physically locating documents easier. The real power of eFile is its search tool. OA's decision to use 2013 SharePoint as the eFile platform allows users to search contract documents by word or phrase, just like a Google search. This means that individual pieces of data can be used to find answers to broad questions or locate files containing certain defined attributes. And it makes the system far more effective for planning purposes, as well as for sourcing and assessing supply chain management methodologies.

"What we learned early on from other agencies helped us create a sophisticated and effective system," Victor says. "Now, I expect other agencies' acquisition offices to come here and learn from us."

eFile training began in February, with four sessions so far for CORs and program managers, each led by a management program analyst and supported by the vendor and OIT. The system was rolled out April 4 for OA's staff, with CORs expected to move to it by the start of October—giving OA time to work out any bugs and make enhancements before handing off a well-established system to the CORs.

This early on, Tanya is cautious. "It's a learning curve" she says. But eFile already is gaining traction as a well-received system. Renea, who is also a COR for several contracts (including the SSC contract) and will be using eFile extensively, describes it simply as "wonderful." ▼



## Significant Supplementals

It was supposed to be simple, she remembers. Cheronda Alford would bring her two decades' experience with employee benefits at the Department of State and in the private sector to the SEC's Office of Human Resources (OHR), cross a few T's, dot a few I's and "bring the supplemental retirement program to ground." For her first big project at the SEC, she'd see that a key promise to employees was kept by delivering an important benefit to her new colleagues. And she'd do it almost without breaking a sweat.

But it wasn't so simple after all. In 2012, the SEC had agreed to match employees' contributions of up to 1 percent of their salary. In August 2014, it had agreed to a match of up to 3 percent. Money was already being set aside.

But the problem was that the SEC had no place to put it.

The SEC regulates virtually every financial adviser, brokerage firm and investment company in the United States, and the potential conflicts involved in allowing one of them to administer the agency's supplemental retirement fund would be too great. Who wants to regulate, much less investigate, an institution that controls millions of dollars of your colleagues' retirement savings. And how might close relationship between regulator and registered entity be perceived outside the agency? Fortunately, Cheronda enjoys a challenge.

So the new human resources specialist started from the ground up. At first, Cheronda says, it was easier to figure out what was out of bounds than to discover what might be possible. "We're very limited in what we can do," she says.

 The funds could not be lumped in with the Thrift Savings Plan (TSP), a governmentwide program that, because it is administered by the Federal Retirement Thrift Investment Board, would have allowed the SEC to invest its funds there without conflict. But the TSP didn't have

- the flexibility to create a unique SEC benefit.
- Other agencies would not let the SEC piggyback on their retirement plans.
- And, of course, anything a regulated entity might offer remained out of reach.

### Finding the Right Fit

Running out of options, Cheronda and OHR, in collaboration with the Office of General Counsel (OGC), consulted with an attorney who specializes in employee benefits, and they finally found a solution: a 401(a) plan. 401(a) plans resemble the 401(k) plans most people are familiar with, but there is no employee contribution, and they are entirely employer funded.

It seemed like the perfect solution. But identifying the solution didn't make achieving the solution any less challenging. With the clock ticking, Cheronda, assisted by the Supplemental Retirement Plan team in the Office of Acquisitions (OA), worked to draft a tailored request for proposal, finally getting the interest she felt the plan deserved.

(CONTINUED ON PAGE 10)

Cheronda Alford's first big project with the SEC turned out to be far more complicated than expected.



## **Budget Reboot**

Imagine if you had to plan your annual household budget, almost down to the dollar, at the beginning of each year. Some spending categories would be pretty predictable, like housing. Others, like transportation, have real potential to vary wildly. Your car might break down or be involved in a fender bender, or subway fares might jump. And you may find yourself shifting priorities—repainting the house instead of taking a vacation. So, you'd probably want a chance to recalibrate half-way through the year, to see how you are doing against your forecast and figure out how to fund urgent needs that simply weren't on the horizon when the initial budget was determined.

That's what the SEC's Midyear Budget Review is about. It's an opportunity for the divisions and offices to work with the Office of Financial Management's (OFM's) budget team, led by Budget Officer Richard Bak, to check spending against the budget, determine any new needs that may have arisen and, if necessary, make a persuasive case for new or redirected funding.

"There are a lot of reasons that the initial budget might need adjusting," says Richard. "Contracts are renegotiated, work is finished early, new contractors are needed for a new or existing project." And Richard

understands that late-year initiatives, requiring funding that had not been budgeted, are something of an SEC tradition.

At the SEC, reallocation can be a challenge. Moving money from one "budget object class" (BOC, or spending category) can mean taking it out of the pocket of one team and giving it to another.

### Past is Proloque

Of course, reconciling the budget approved at the beginning of the year with actual needs as determined midyear is easier if the original budget is accurate. "There are essentially two ways to do that: projecting well, which can be a combination of careful analysis and informed guesses, and having a backup plan," Richard says.

Generally, the key to accuracy is basing a budget request on past expenditures, and that's the first thing for which the budget team looks. "If there's a huge change from year to year, we need the office or division to give us a pretty detailed explanation it seems as though the office or division might not have fully vetted and prioritized requests originating at a "for a rainy day," a budget request can expect increased scrutiny.

For all the discipline Richard has to bring to his role, where "no" can be the easiest answer, he and his team "try to be sympathetic to what people have to go through to get the numbers."

The four budget analysts on his staff do ongoing outreach with all SEC offices, letting them know the importance of good information up front and how to get and present it. And there's a lot of back-and-forth in the process.

So, Richard's team will help develop a plan for accommodating unexpected expenditures whenever possible.

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(CONTINUED ON PAGE 11)

of what has changed." Similarly, when lower level, or has set too much aside

The OFM budget team redirects funds in the initial budget where they're needed most. Clockwise from top left: Chris Sheedy, Budget Analyst; Richard Bak, Branch Chief; Budget Analysts Yolanda Dews and Keesha Jones. Not pictured: Budget Analysts John Leszczynski and Grover Stephens; Pam Scott, Budget Technician.

New Faces

Between August and December 2015, the OCOO welcomed a number of new employees.

(b)(6)			
SHERRY ANDREWS HR Specialist (Info Systems), OHR	LYUBOV DINITS Accountant, OFM	MARK ELBERT Supervisory IT Specialist, OIT	RUCHIR GHOSH IT Specialist, OIT
(b)(6)			
STEPHEN HENDERSHOT Student Trainee-Program Support, OFM	OLATOKUNBO OLABODE IT Specialist, OIT	LASHAWN POINTER- WALKER HR Specialist, OHR	PAMELA ROBINSON Physical Security Specialist, OSO
(b)(6)	DADDENI WALITE	YOLANDA WILKERSON	
KATHERINE TAYLOR Chief of Building Operations, OSO	DARREN WHITE Management and Program Analyst, OSO	HR Assistant, OHR	

## From Building to Buildings

Today's question: Can a woman who "likes to build things," and who spent most of the past two decades doing that, find happiness allocating federal building office space and negotiating leases for the federal government? The short answer is "yes," she is very happy working with the talented team here at the SEC.

The long answer? "Yes" as well, because the SEC's new chief of building operations, Katherine Taylor, embraces change and likes taking on challenges and responsibilities. "I like to learn new things," she says simply. And the SEC offers the opportunity to continue—as she has consistently throughout her career—doing just that.

Katherine's first job out of the Massachusetts Institute of Technology (MIT) took her to Dearborn, Mich., as a research scientist for Ford Motor Co. She spent eight years at Ford in a variety of positions, including product engineering, manufacturing engineering and production supervision. During that time, she returned to MIT for twin master's degrees in business administration and chemical engineering.

Hoping to stay on the East Coast, near family, Katherine ultimately made the hard decision to leave Ford. She chose a dramatically different alternative, jumping from manufacturing at an established behemoth to procurement at a startup near Dulles airport. WaveCrest Laboratories' brushless DC electric motor design never attained sustainable market

share and so, hoping to stay in the local area, Katherine decided to try distribution. After overseeing distribution operations at government services contractor GTSI during its transition to Oracle, processes stabilized and Katherine found herself missing the challenges of production. It turns out that the largest manufacturer inside the Beltway is just blocks from the SEC's home office: the Government Publishing Office (GPO).

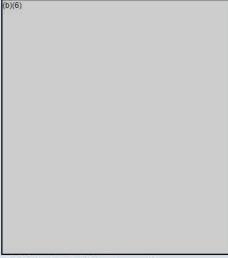
### From Private to Public

Katherine began her decade with the GPO as second-shift assistant production manager, spent four years as superintendent of the Binding Division and eventually transferred from production to engineering services. It was a decade of varied challenges, during which she learned a lot and enjoyed the opportunity to work with a wide range of professionals—skills she brought with her to the SEC.

Office of Support Operations Deputy Director Olivier Girod, her supervisor here at the SEC, was pleased to see her come onboard: "She really combined what we were looking for, with the smarts to do the job, the experience leading organizations, and the ability to be effective in a customer-centric environment."

## From Changes to Challenges

Today, Katherine is addressing the new challenges of building management at the same time she's



SEC Chief of Building Operations Katherine Taylor.

sed to the r	ew challen	ges
1	ised to the r	used to the new challeng

Katherine says she's enjoying the way her career continues to evolve and is looking forward to being part of an operation where she can continue to grow professionally and challenge herself without the geographic hopscotching that manufacturing demands. Right now, there's the challenge of learning a new environment and, further on, "as the agency's mission evolves, the footprint will change," creating new optimization puzzles to be solved. And she just likes working here. "There's a lot going on—I'm part of a great team and the SEC has a cool mission," Katherine says. V



### **TELECONNECTED** (CONTINUED FROM PAGE 1)

### A Productive Partnership

Chris Cook and Chris de la Rosa share a first name, an office, a title that reveals little about their importance to the agency—information tech specialist—and a conviction that it should be as easy to do good work for the SEC almost anywhere there's an Internet connection as it is in an SEC facility.

(b)(6)		
(b)(6)	they claim to be "pre	etty interchange-
able," whic	h isn't exactly true once you	get to know them.
Cook is the		and
has the (b)(6	De	e la Rosa is a former
	Il Scholar who—like Bill Clint	ton, the president
who award	ded Chris the medal—attend	ded Georgetown
University of	and (b)(6)	
(b)(6)		

### **Explosive Growth**

Chris & Chris (b)(6) each bringing a decade's experience to the agency when the agency was making work-life balance a priority and the number of teleworking days was about to explode.

"Usage wa	s a fraction of	what it is now. If you <sup>(b)(7)(E)</sup>
(b)(7)(E)		says de la Rosa. The system
was in goo	d shape. But v	vith the number of users poised
to jump by	50 percent tw	o consecutive years and by (b)(7)(E
(b)(7)(E)		pe for updating.

The first thing to do was increase capacity, adding servers, acquiring more licenses, making sure the back end—the software you don't notice but keeps you logged in and

determines response time—was up to date. Then it was off to the races, an endless series of tweaks, maintenance and upgrades that on peak days allow more than half the SEC to do their work from remote locations.

### **Tracking Users' Needs**

Last yea	ar, the duo overhauled the (D)(T)(E)
designir	from the ground up. Some
change:	s are easy to notice: Lags during login have been
reduced	for many users, and "type lag," the annoying gap
between	n the moment you hit a key or click your mouse
and wh	en your computer actually responds (formerly
a proble	em with slow connections), has been almost elimi-
nated. C	Other changes are more subtle. The old server
arrange	ment routed users to one of as many as (b)(7)(E)
b)(7)(E)	offering a slightly different interface experience
than the	e others.

But there are tradeoffs: For remote access purposes, is essentially a series of screenshots of your computer. The interface can be sped up by, for example, limiting the color palette you see remotely. But the emphasis is on finding ways to delivering a responsive, high-quality user experience without sacrificing quality. "We wanted to make it as snappy as we could," says Cook.

"We spend a lot of	time analyzing what's popular," says
de la Rosa, and pr	ioritizing upgrades from there. And not
just for teleworkers	(b)(7)(E)
(b)(7)(E)	

This summer, Anywhere users should notice an upgrade to (b)(7)(E) the feature that allows users to back into their office remotely. Chris & Chris developed My

(P)(I)(C)	
b)(7)(E)	at zero cost. Currently, your home
computer con	nects and logs in to a Citrix server, and
that server the	en connects you to your desktop. In its next
iteration, My C	Computer will eliminate that process—called
a "double hop	"—and the resulting long start times.

(CONTINUED ON NEXT PAGE)

Chris Cook takes advantage of telecommuting's relaxed dress code.

### **Unique Challenges**

Chris & Chris live in an environment of unrelenting change. "We're constantly moving forward and upgrading," says de la Rosa. The next frontier? (b)(7)(E) The recent rollout of (b)(7)(E) allows management of Apple iOS devices and secure delivery of apps that work with the SEC network, a capability soon to be extended to (b)(7)(E)

The SEC's remote system is routinely tested by events that developers in other cities can only imagine. For millions of Americans, Pope Francis' visit last September was a spiritual experience. For Chris & Chris, it was also a test of their system: the Office of Personnel Management asked federal employees to telework if at all possible. (b)(7)(E)

Since then, there have been snow closures, a one-day Metro shutdown and the Nuclear Security Summit. "Three or four years ago, just the idea of a winter like this would have us frozen in fear," says Cook. "But even though we got a lot of curveballs thrown at us, we got through."

Even when the federal government is closed, Chris & Chris keep working. "Everyone gets to enjoy those days off except us," says de la Rosa. "Closed days and snow days are long, hard days for us," with users' personal equipment and Internet service providers more than occasionally causing problems for which Chris & Chris get blamed.

### **Finding Balance**

Chris & Chris do benefit from their own efforts, though:

"We have to use what we're



Chris de la Rosa settles in at home for some interruption-free detail work.

selling," says Cook, what on his telework days. And, according to de la Rosa, whose commute was extended significantly when his office moved from the Alexandria Operations Center, "teleworking is just more conducive to things like report writing and statistical analysis because there are fewer interruptions."

In fact, remote access is about more than SEC productivity and morale. In times of systemic stress, Chis & Chris make the work-life balance a little better for everyone in the metro area—and even the taxpayer. "One of our biggest days was a day the government was closed," says Cook. Without remote access "the government would have lost all that time." You could even suggest that only workers who enjoy a decent work-life balance are the type to voluntarily log in on a day off.

Thanks, Chris & Chris. (b)(6)

I'll revise this over the weekend and have it ready first thing Monday. —Charles Sweeney



Between April 2015 and April 2016, 5,657 unique users logged into their workstations using the My Computer feature of SEC Anywhere. Some SEC staff even work on holidays: 249 individuals logged in last Thanksgiving, 175 people did some work on Christmas Day 2015, and 253 SEC employees celebrated the new year by working at least some of the day online.

### SIGNIFICANT SUPPLEMENTALS (CONTINUED FROM PAGE 4)

Presentations with vendors and attorneys followed, as did team meetings with representatives of OA, OGC, the Office of Financial Management and the Office of Information Technology. Senior OHR management weighed in, including Chief Human Resources Officer Lacey Dingman.

"It was nerve-wracking working on a large-dollar contract, negotiated with the union, that has the potential to affect every employee," says Cheronda. But as program administrator, she and her team worked long hours and studied the smallest details. They finally decided on a Wells Fargo collateralized bank account, insured by the Federal Deposit Insurance Corp. (FDIC), as the ideal vehicle for the SEC's supplemental retirement program.

It was monumental when we signed the agreement," Cheronda says.

So the signing was monumental—and then the rest of the work began:

setting up accounts for thousands of SEC employees and communicating this important new benefit.

### A Unique Benefit

There are a few things employees should keep in mind when thinking about their new accounts.

- Like all FDIC-insured deposits, employees' Wells Fargo accounts are considered low risk, but the account holders aren't able to control where their money is invested, as they would with a 401(k). They should think in terms of an interest-bearing bank account.
- There are legal limits on withdrawals from any 401(a) or 401(k) plan before the age of 59½: Employees must wait two years to move an initial deposit and five years to have total control over their funds.
- To maximize the SEC's contributions—up to 3 percent of an employee's salary—employees

need to contribute at least 8 percent (Federal Employees Retirement System) or 3 percent (Civil Service Retirement System) of their salary to their TSP.

### The Big Payoff

It was a long time coming. But when, in December 2015, employees finally received word that their accounts were available for review, they already had money in them, with deposits retroactive to January 2013.

The two-month project Cheronda Alford thought she had inherited had finally—in large part because of her tenacity and creativity—been resolved, after nearly two years.

"It was a great accomplishment for the team," Cheronda says.

And it was a promise kept for the SEC. ▼



### **BUDGET REBOOT (CONTINUED FROM PAGE 5)**

### Midcourse Corrections

For the midyear review, budget staff track year-to-date and expected expenditures against their approved operating plan. If there are budgeted funds that won't be required, they are returned to OFM. If there are new requirements that can't be funded from the approved plan, the divisions and offices are asked to describe the specific need (including things like contractors and essential travel), the negative effect if the item is not funded and assurance from the Office of Acquisitions that the contract has a high probability of being awarded in the current year.

A certain amount of uncertainty is built into the original process and, often, a modest amount of money will be held back for midyear adjustments. The ability to do this is constrained by the fact that transfers between BOCs and programs are limited to \$5 million or 10 percent of the appropriation, whichever is smaller. But in general, OFM tries to accommodate well-justified needs whenever possible, within those constraints.

An additional complication is the fact that Congress has a habit of finalizing the agency budget (known as

year, final budgets had been in place for barely two months. On the other hand, OA's year-end acquisition is in May. No matter how late Congress clarifies the year's final budget, federal contracting deadlines have to be met.

And for all the rigor and detail that the midyear review process—and the initial budgeting process—demands, the goal is not to deny funding for important projects, but to find the funds that allow the SEC to carry out its mission as effectively as possible. In the end, says Richard, "If you ask for something that makes sense and funds are available, we will do





Of the \$68 million of midyear review requests received this year, OFM was able to fund \$19 million (28%).

### ABOUT THE SCOOP

The Scoop is published by the OCOO Communications team and is designed to improve internal communications within the OCOO and with the SEC at large, while also recognizing the hard work and achievements of OCOO employees and teams each quarter. We welcome your comments, ideas, suggestions and submissions. Please send an email to: OCOOCommunications@sec.gov.

## A Message from the **Chief Operating Officer**

I, along with the leadership of the SEC, am committed to making this agency a great place to work as well as an effective regulator and law enforcement agency. I know firsthand from meetings with the Chair and other directors that work-life balance and creating an atmosphere of supportive professionalism are priorities throughout the agency. And the SEC's improving performance in the annual Federal Employee Viewpoint Survey suggests that employees are recognizing that this focus is paying off.

With that in mind, this issue of The Scoop illustrates something that pleases me a great deal, something that makes me very proud of our work in the offices that comprise the OCOO family. And that is this: In many ways, it is all of you who are really leading this effort to make the SEC a better place to work, personally and professionally.

### A few examples:

- Cheronda Alford's team in the Office of Human Resources worked hard (and worked closely with colleagues in the Office of Acquisitions) to deliver on one of the most significant commitments the SEC has made to its employees in recent years: to create a supplemental retirement program that has the potential to make all our "golden years" a little brighter.
- Katherine Taylor in the Office of Support Operations (OSO) is bringing decades of experience in engineering, manufacturing and working with diverse teams to the task of making our physical workspace as efficient and supportive as possible.
- · Every one of the hundreds of staffers who touch or work with SEC contracts will benefit from the work of OA's led by Tanya Dorsey and supported by the Office of Information Technology (OIT)—and the new accessible, portable and easily searchable (b)(7)(E) they've created.
- · Richard Bak and the Office of Financial Management's budget team are there twice a year—at the beginning of the fiscal year and again at the midyear review—to work with your team to find the money needed to fund vital programs or unexpected contingencies, even giving managers and budgeters a second chance after they are

able to compare real spending to earlier estimates.

lives better.

· Chris Cook and Chris de la Rosa are the highly skilled OIT technologists Jeff Heslop behind the teleworking program that more than half the SEC's staff take advantage of regularly—maintaining a system that can handle challenges ranging from a papal visit to a record blizzard and saving us countless thousands of hours of commuting time and unquantifiable amounts of hassle every week.

Most Americans, even most of America's smaller retail

investors, are unaware of how much the SEC does to

protect their investments and encourage the entrepreneurs

that make our economy grow. In much the same way, it's

probable that many in the SEC don't understand the work so many in the OCOO family do to make all their work

Chief Operating Officer

As many of you have heard me say, it's a little like working for the power company. No one calls and says thank you when their lights are on at night, but should they go out, the complaints roll in quickly and loudly. That's why it's important that all of us within the OCOO family recognize and celebrate the work we do for one another, whether it's making our time at work a little easier or helping us maximize and enjoy the time we spend away from the workplace a little more.

Unlike our customers, who expect the "lights" to be on, you each live with the challenges of keeping them on every day, and you have a deep appreciation for just how difficult a task that is. You are meeting those challenges in a simply incredible, expectations-exceeding manner. In many cases, you go beyond simply "keeping the lights on". You are continually improving our efficiency and effectiveness through innovative approaches and a deep sense of commitment to our mission.

Even more than usual, this issue of The Scoop documents the way we help one another and, by doing so, make this a happier and more effective agency. It's an honor to lead a team that does so much for so many, and a pleasure to see some of your accomplishments highlighted in this issue.





Breaking Down Technology Silos
Working Smarter: How FOIA Office

Stays at Top of its Game

OFM Branches Follow the Money

New Faces

COO Update

# Finding Money: Meet OA's Champions of Closeouts and De-obligations

Imagine pulling on an old pair of jeans you haven't worn in a while and finding a crumpled \$20 in one of the pockets. What feels better?

Now imagine that you have hundreds of pairs of jeans that may or may not have anything from a couple of nickels to a Benjamin in their pockets—so many pairs of jeans that you need people to work full time going through them. Then you get some idea of what Rob Sudhoff and others on the Office of Acquisitions (OA) team do for the SEC.

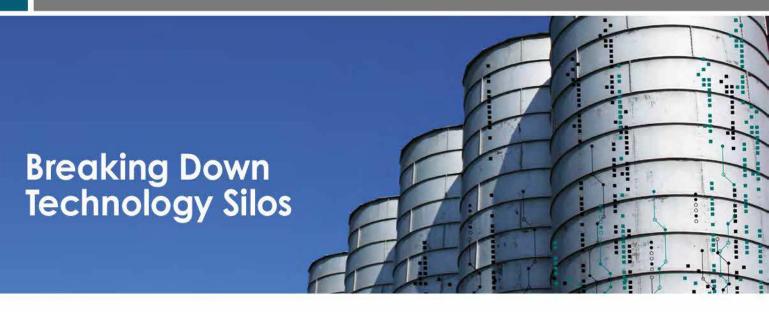
Here, it's called closeouts and de-obligations, and instead of old denim, it's old, possibly inactive contracts that Rob and a number of committed staffers including Victor Cairo, Paul Catches and Ricky Mills go through, looking for money that has been budgeted and contracted but not yet spent—money that can therefore be returned to the SEC's budget.

And, instead of a few bucks, the de-obligation team has discovered more than \$94 million for the SEC in the first five years of the effort.

The de-obligation team's work is indicative of not only the agency's ongoing pursuit of more bang for the buck, but its ongoing management improvements generally, and showcases OA's determination to excel at every point in the procurement process. Not surprisingly, the first parts of the process—soliciting bids and awarding contracts—get a great deal of attention, and OA's work to carry out these tasks more effectively is saving the agency millions of dollars. But follow-through is critical. The process doesn't end until the contract is closed out, and focusing on the back end of the contracting cycle brings significant returns, as well.

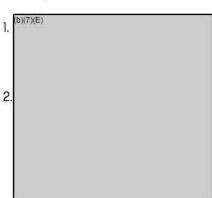
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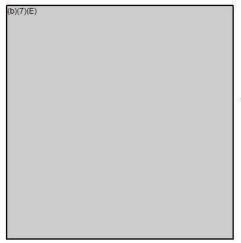




"Breaking down silos" has been a critical SEC goal in recent years, as everything from the rulemaking process to examinations and investigations becomes a collaborative process—blurring organizational lines and bringing together individuals and teams from across the agency. In that spirit, Paul Mussey and his Office of Information Technology (OIT) team took on a complementary but unique long-term challenge: breaking down silos that literally were hard-wired into the SEC as dozens of different platforms and sometimes incompatible applications were adopted by different arms of the agency in the years since the first Wang word processors were brought in.

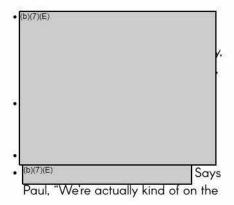
Fortunately for the SEC—and for users throughout the agency and the investors who rely on us—2015 saw two leaps forward in that effort:





### Advantages of Common Platform

Until recently, offices and divisions tended to acquire technology with little knowledge of or attention to other entities' actions. Deploying a common platform brings several advantages over the previous arrangement:



leading edge on the technology, which is unusual for a government agency, and it's an enjoyable environment to work in."

The first app, (b)(7)(E) will replace the cumbersome, labor-intensive process by which contracting officers' representatives handle requests for litigation support and communications. Rather than processing all requests for the entire Division of Enforcement via e-mail and tracking them in a spreadsheet, requests are being routed and tracked through a central program, which offers enhanced organization and search functionality and single sign-on capabilities. The result: more timely support and better oversight and controls.

The second app, [b)(7)(E)
launched early last month. This is
designed to build a workflow-based
dissemination system for the Division
of Investment Management's (IM)
Disclosure Review Offices to monitor
and track correspondences. IM
Dissemination will replace the current
manual process and yield improved
controls over monitoring, tracking,
reviewing, security and auditing.
Next up: [b)(7)(E)

Next up: (b)(7)(E)

(b)(7)(E)		
examinations from inception to completion and serve as a critical tool for Office of Compliance Inspections and Examinations (OCIE) examiners.		
Systems Communicate  Launch of a (b)(7)(E)  complements the creation earlier last year of (b)(7)(E)  a massive	Paul Mussey; Information Technology Spec	Platform and Data Management Branch Chief ialists Richard Theisen, Amy Chen, and Jun Wu
database that brings together the many different types of data, from many different sources, that the SEC collects. As with platforms and apps, SEC data formerly were acquired and stored in independent streams. Cross-referencing trading data with information from the Tips, Complaints	and a world-class extract, transform and load tool to search and move data throughout these systems.	data, finding a common thread with other individuals' suspicious trades and then integrating publicly available integration, the SEC was able to identify a pattern whose scope might have gone undetected before.
and Referrals (TCR) system, for example, was a challenge. And lack of processing power meant that	One product of this massive increase in computing power is the (b)(7)(E)	Big Picture The work of the Platform and Data Management Branch is emblematic of the way the SEC is changing its attitude and approach.
Today, however, massive parallel processing systems brought online through the efforts of Amy Chen, Jun Wu and Richard Theisen allow (b)(7)(E)	Financial Industry Regulatory Authority (FINRA) chronologies, security price data, market indexes, merger and acquisition announcement data, and director and executive data.  (b)(7)(E)	"We're finally seeing the whole picture and making it come together in important and innovative ways," says Chief Information Officer Pam Dyson.  Just as OCIE and the Division of Economic and Risk Analysis (DERA) and Enforcement are working together to create (b)(7)(E)
data silos, OTT'S Platform and Data Management Branch has allowed individuals to query across systems such as TCR and EDGAR (Electronic Data Gathering, Analysis and Retrieval) in seconds.		another and their separate data stream to be combined and analyzed.
(b)(7)(E)	In the course of a recent investigation, (b)(7)(E)	Continued Pam, "Paul and his team are putting computing power behind a new agency dynamic, and it's making us more powerful and effective than we have ever been." ▼



# Working Smarter: How the FOIA Office Stays at the Top of its Game

In an era where "do more with less" is practically the mantra of the federal government, and "work smarter, not harder" has become a cliché, few teams take those approaches to heart more literally and successfully than Office of Support Operations' Office of Freedom of Information Act (FOIA) Services, including Branch Chief Ray McInerney and lead FOIA research specialist Jason Luetkenhaus. In the face of doubledigit volume increases in the number of FOIA requests received, Ray, Jason and their colleagues have kept the pace without significant staffing or resource increases, and have actually improved performance as measured by a number of key indicators. How do they do it? An effective process and growing expertise—working smarter, for sure.

The 29 members of the FOIA
Office—FOIA and Privacy Act Officer
John Livornese, four branch chiefs,
21 research specialists and three

program specialists—handled nearly 17,000 FOIA requests last year, a priority for an agency committed to openness and up from about 12,000 just two years before (when Jason joined the branch in 2001, the number was closer to 2,500).

The bulk of FOIA requests fall into a few distinct categories:

- Media requests from journalists doing feature or in-depth stories, or more complicated requests from those working on books.
- Public policy groups focused on the rulemaking process and contacts between agency staff and entities outside the agency.
- Attorneys and financial advisers doing due diligence for clients or seeking transcripts of administrative proceedings.
- Responses to any major market event—they're still getting requests regarding the 2010 "Flash Crash."

Whoever makes the request, it is routed through a series of scripted steps, designed to make the process as efficient as possible.

### **Processing Requests**

After being logged in, the requests are assigned to a research specialist, who conducts preliminary research in various systems of records, finding out which office(s) and/or division(s) might have the requested records. Next, the requests are referred to liaisons within the divisions and offices. These individuals assemble the requested records and in some instances, provide a proposed release recommendationand return them to the FOIA Office for evaluation and response to the requester. The research specialist assigned to the case then performs an independent, line-by-line analysis of the records and recommendation provided by the program office, in order to determine whether any of the records contain personally identifiable information, confidential commercial information, sensitive law enforcement information or other privileged information. If so, the research specialist must apply the appropriate exemption(s) to protect the information from release.

(CONTINUED ON PAGE 10)

Members of the SEC's crack FOIA Team: (Back Row) FOIA Branch Chief Ray McInerney; Lead FOIA Research Specialist Jason Luetkenhaus; and FOIA Research Specialist Carl Rollins. (Front Row) FOIA Research Specialists Everene Johnson, Karline (Kay) Reid and Ronnye Hall

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## **OFM Branches Follow the Money**

In fiscal year 2015, the SEC was awarded more than \$4 billion in penalties and disgorgementsrepayments of "ill-gotten gains" imposed on wrong-doers. But with hundreds of cases to keep track of and information maintained in several non-integrated systems, it takes a dedicated team to make sure that disgorged funds are collected, payments are appropriately credited and the money is turned over to U.S. Treasury or wronged investors.

The Office of Financial Management's (OFM) Enforcement Audit and Data Integrity Branch, led by Branch Chief Mark Hudjohn, and OFM's Enforcement Treasury Operations Branch, led by Branch Chief Jeffrey Long, are responsible for seeing that literally billions of dollars make it into the SEC's accounts and ultimately are guided to the correct party. It's a complicated task, dependent on multiple, sometimes outmoded systems, that demands patience and care. With millions riding on their calculations, "you really have to have your ducks in a row," says Jeff.

Division of Enforcement (ENF), which investigates and identifies securities fraud that is litigated in court cases and/or administrative proceedings. OFM identifies and tracks these cases with various tools. For federal district court decisions, the LexisNexis product CourtLink is used to track and obtain court documents, which are then uploaded into the SEC's ImageNow system. Settlements and

SEC's administrative law judges are tracked by OFM in conjunction with the Office of the Secretary and also are loaded into ImageNow.

With so much money—not to mention the SEC's reputation—at stake, it's important that all documents, particularly judgments, settlements and final decisions, be studied closely to ensure that all the necessary financial details are available. This also ensures we record a receivable that accurately reflects the legal nature of the order.

### Figuring the Sum

Figuring out how much money is owed "is hard when you don't control the information flow," says Mark. It's a lot more complicated than reading the sum off a court document.

· Sometimes the wording is ambiguous, and OFM has to coordinate with ENF.

(b)(6)

· Accounting impacts, such as the accrual of interest, may make the actual amount owed different from the figure ordered.

The allocation of cash received between penalties and disgorgements, which are treated differently, must be determined.

- Late payments can incur interest and fees, and because actions are brought under a variety of laws and regulations, fees and interest can vary.
- Changes in interest rates and payment terms can mean two judgments for the same amount may ultimately require different payments.
- · Cases involving multiple defendants or frozen assets lead to questions regarding who is responsible for what sum and the timing of payments.
- · Other litigation may affect the amount owed or the application of credit and payments. For example, parallel proceedings such as a criminal prosecution by the Department of Justice can result in monetary sanctions that can be credited to SEC cases.

(CONTINUED ON PAGE 11)

The process actually begins in the final decisions handed down by the

> Attorney Adviser Elizabeth Gillette; Enforcement Audit and Data Integrity Branch Chief Mark Hudjohn; Enforcement Treasury Operations Branch Chief Jeffrey Long

New Faces
Between August and December 2015, the OCOO welcomed a number of new employees.

W			9
(b)(6)			
ANDREW KRUG Chief Information Security Officer, OIT	ANTHONY WILSON Financial & Operational Risk Analyst, OCOO	BARBARA SHAFFER Financial Management Specialist, OSO	CASEY COLEMAN Management and Program Analyst, OSO
(b)(6)			
CHRIS EMERY Supervisory IT Specialist, OIT	EARLINE WOODEN Human Resources Specialist, OHR	F. OLIVIA NGUYEN Management and Program Analyst, OSO	GONZALO FERRO OD Specialist, OHR
(b)(6)			
IAN KOMOROWSKI Supervisory IT Specialist, OIT	ISHRATH RAHEEM IT Specialist, OCOO	JESUS BONET PLANTEN IT Specialist, OIT	JIM BECKER Supervisory IT Specialist, OIT
(b)(6)			
KESHIA WILKERSON Human Resources Specialist, OHR	KEVIN SNYDER Management and Program Analyst, OSI	MATT DODGE IT Specialist, OSI	MATT RUFE Human Resources Specialist, OHR

(b)(6)			
MICHAEL CHAMBERS Human Resources Specialist, OHR	NICK PEZZAROSSI Human Resources Specialist, OHR	PAULINE BYRD Research Specialist, OSO	PETER GIMBRERE Attorney Adviser, OHR
(b)(6)			
RACHEL ELLIOTT Disability Program Specialist, OHR  (b)(6)	RICH THEISEN IT Specialist, OIT	SHEDRICK NICHOLS Supply Management Specialist, OIT	SHELBY LIDINSKY Educ. Program Specialist, OHR
TAMARA DURAND Human Resources Specialist, OHR	VERA LIGGINS IT Specialist, OIT	W. AARON FRENCH Communications Specialist, OCOO	

#### FINDING MONEY (CONTINUED FROM PAGE 1)

Not long ago, follow-through wasn't getting the attention it merited. In 2010, a Government Accountability Office (GAO) audit found that the SEC was, in fact, leaving money in its old jeans. When the project began, more than 2,000 contracts were inactive and millions of dollars unspent.

For example, if the Division of Enforcement hires an expert witness for a trial but the case is settled before going to court, that money can go back into the agency budget. Similarly, if a long-term project comes in under budget or agency management changes priorities or a new technology emerges that leapfrogs current systems, payments to a contractor could be stopped before the contract runs out. And when good project managers and contracting officers' representatives (COR) overseeing contracts are able to keep costs below what's budgeted on contracts, that money can be returned to the SEC for better use.

But returning the money to the operating budget doesn't magically happen. And it wasn't getting done.

### **Determining Contract Status**

A GAO audit of a sample of the SEC's many inactive contracts found more than \$6 million that had been budgeted and obligated but never spent, suggesting that a thorough examination process would yield many millions more.

And so, under threat of having the SEC's budget cut by an amount equal to the idle funds, OA focused on the task of finding and returning all that money to the agency's budget. Contract specialist Paul Catches, who initially came to the agency in 2012 as a contractor, was charged with combing through this vast backlog.

"Essentially, they'd pull a stack of files out of the filing rooms, drop them on my desk, and say, 'go.'" After identifying dormant contracts with excess funds, especially those whose period of performance has expired, Paul and his colleagues had to "go through all the moving parts," to make sure the contract was ripe for closeout.

They reached out to CORs to see if the contract had been fully executed or if the contractor's services were no longer required. To return to our expert witness example, perhaps instead of a settlement, a judge has continued the case and testimony might still be needed months or years down the road, so the contract can't be closed out. Situations like this happen frequently and further complicated OA's ability to find and return funds.

Many times, the OA team reached out to the contractor, seeking an agreement that the SEC has carried out its end of the deal and a "release of claim," signaling that the contractor would not pursue additional payment in the future. Given the age of many of the contracts, it wasn't unusual to find that the COR had left the agency with no replacement or the contracting firm had lost people who had experience with the contract. In this case, Paul documented the status of COR and contractor as best he could so that the process could move forward, follow all regulations and be sufficiently transparent to stand up to any audit or other scrutiny. Occasionally, this process was complicated by accounting differences, which often meant a settlement between the contractor and OA had to be negotiated after hours of trying to reconcile differences.

### **Backlog Diminished**

Over the years, Rob has watched his team shrink from actors to two federals as the mountain the words of contracting officer Victor Cairo naller mountain." Says Rob, "it's been one of reent inspiration, 90 percent perspiration jobs,"

a decade's worth of inactive contracts.

(CONTINUED ON NEXT PAGE)

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Contracting Officer Rob Sudhoff and Contract Specialist Paul Catches As the backlog has diminished, OA is determined to keep it down. Says COR Karen Glass, "one of the things we did was emphasizing that you're a COR until the contract is closed—there are some steps that had been skipped earlier that we needed to be sure were taken. If you take them consistently, it's a manageable workload."

And COR Tanya Dorsey was brought in to improve operations doing tracking, updating spreadsheets and helping others in the office work through the process. "I try to make the trains run on time," she says.

There were process changes, as well. Victor. (b)(6) found that responding to internal data calls on inactive contracts often interfered with his "real" job shepherding acquisitions as team lead supporting OA's customers.



"Being a process-oriented individual," Victor spotted gaps in the way information was flowing during the contract administration process, so he stepped in to help "streamline the process—something I like doing." His efforts helped speed automation of the closeout and de-obligation process through the creation of centralized forms. And he brought a management perspective to improving the workflow.

Now that they're scaling a smaller mountain, de-obligations work has been de-centralized and become a regular part of contract administration across OA. And this means that Paul and Victor can, in Victor's words "focus more on other aspects of our jobs:" overseeing contracting for a more effective OA and working for an office that, thanks to their work, will have a little more cash ready to fund agency's needs, rather than stuffed in a stray pocket and forgotten. ▼

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#### WORKING SMARTER (CONTINUED FROM PAGE 4)

This is the most challenging moment for the research specialist, and the point where the FOIA Office has consistently demonstrated its commitment to achieving the OCOO's vision of delivering extraordinary solutions and services for its customers.

The FOIA Office is something of a traffic cop, coordinating with other offices throughout the agency to see that requesters get what they need in good order. But the FOIA Office specialists are more than thatthey're consultants, as well. Ray and Jason often work with requesters, helping them refine searches, which in turn saves work for the SEC offices and their liaisons, as well as precious agency resources so that the SEC can better carry out its mission, and gives the requesters better results. Sometimes requesters aren't sure exactly what they're after, and other requests are so vague that pulling the files would be a challenge and the results would overwhelm the requester.

Refining requests is particularly important because requests are placed in one of two tracks: simple or complex. The FOIA Office works to fulfill simple requests within 20 working days. Complex requests, those that will yield a voluminous amount of records and/or require a significant amount of search and/or review time to fulfill, go into a "first in, first out" queue—where it can take 24–36 months to reach the front. Confronted with this option, many people are willing to narrow their requests.

But refining requests isn't the only way that the office is able to handle its growing volume so efficiently:

- The work has been streamlined, with process bottlenecks eliminated.
- The ongoing shift to electronic record-keeping helps: Teams no longer inevitably have to work through cardboard boxes of files, looking for the proverbial needle in a haystack.
- Enhanced electronic redaction software means that specialists don't have to hand-tape redactions on documents before copying and sending them out.
- The agency as a whole is gradually becoming paperless, which will continue to speed research.

### 'Great Place to Work'

More important than process, though, are the people in the FOIA Office. Jason's observation that the FOIA Office is a "great place to work," is borne out by the low turnover within the office. Staff longevity—more than 500 cumulative years of FOIA experience—means that there is subject matter expertise and institutional memory in abundance. These veteran researchers know where in the terabytes of data and mountains of boxes to look, and they are eager to help newer staffers learn their way around.

Says Jason, "I enjoy passing my knowledge to the people in the office." And Ray credits COO Jeff Heslop and Office of Support Operations Director Barry Walters with their backing of the FOIA Office and commitment to training. They really are committed to getting us the training we need to keep up and stay effective." Ray says.

Researchers benefit from training at annual conferences of the American Society for Access Professionals, as well as training offered in-house.

It can be a delicate job, balancing transparency with the need for registered entities' confidential information to remain confidential, and knowing where to draw the line.

"A lot of people are reluctant to give out records," says Ray. "We have tremendous responsibility to safeguard information."

But it's one that staff enjoy, doing interesting work with the flexibility of teleworking (as most researchers do), real responsibility, the challenges presented by each new request and the support of higher-ups.

It's this positive attitude, coupled with state-of-the-art training and the insights that only years in the stacks can confer, that keeps the FOIA Office at the top of its game—working hard, getting smarter and handling growing volume without growing in size.

Fiscal Year	Received	Processed
FY 2000	2,875	2,854
FY 2009	7,878	8,285
FY 2010	10,461	10,554
FY 2011	11,555	11,562
FY 2012	11,292	11,302
FY 2013	12,275	12,167
FY 2014	14,862	14,757
FY 2015	16,898	16,207



### OFM FOLLOWS THE MONEY (CONTINUED FROM PAGE 5)

Attorney-adviser Elizabeth Gillette recalls a case with almost a dozen entities and individuals as defendants in which each was assigned joint and several liability. Determining who owed what was so complicated that she asked the trial attorney for clarification from the court—which they couldn't provide. It was more than challenging—it was "terrifying," to have allocation of a massive order determined by her calculations.

### **Paying Up**

Once the financial details are determined, an accounting transaction is set up with the SEC's federal shared services provider that manages the agency's financial systems. Judgments and final orders usually provide payment schedules and payment options: check, Fedwire (a Federal Reserve funds transfer network) and Pay. gov, which allows payment to federal agencies by credit and debit card or direct transfer.

When payments are received, it's not unusual for there to be some question as to who it's from. A

payment may come from a law firm's account, or transfer from an individual or company not named in the enforcement action, in which case research will be needed to ensure that the right account is credited.

While some of the money collected goes directly to the U.S. Treasury, much of it is returned to harmed investors. The disgorgement team works with ENF's Office of Distribution to ensure that the funds are reaching the appropriate individuals. If large numbers of investors are involved—the numbers can run into the hundreds—fund administrators will handle the distributions. For small groups, the SEC handles distribution.

It can be a cumbersome process, one that is still very 20th century: Information must be sent to the FSSP, which has to manually enter it into the system before sending it back to the SEC in usable form. Payoffs have to be calculated manually by OFM staff, and reconciliations are still done using custom spreadsheets and Access Databases. And nowhere within the system can a

single snapshot of the case and the payments be accessed. It is testament to the skill, patience and attention to detail of OFM that so much money gets handled without error.

But the SEC is working to see that the process evolves. Vendors will be submitting proposals for a system that will automate many of the current manual functions and will streamline the current process. Jeff is looking forward to a "one stop shop for debts, where you'll be able to get figures without having to talk to three people and access five systems," while Beth is eager to "have all the legal and support documents on the same system." The team is anticipating significant improvements and a little less stress. Until then, defendants, the Treasury and harmed investors will continue to rely on the accurate calculations and patient research they and Mark will continue to provide. V



In the last three years, the SEC has won orders for over \$11.75 billion in penalties and disgorgements—almost three times its combined budget for 2013-15.

### ABOUT THE SCOOP

The Scoop is published by the OCOO Communications team and is designed to improve internal communications within the OCOO and with the SEC at-large, while also recognizing the hard work and achievements of OCOO employees and teams each quarter. We welcome your comments, ideas, suggestions, and submissions. Please send an email to: OCOOCommunications@sec.gov.

# Letter From the COO: Balanced Attack

With the New Year, many of us are enjoying the climax of the football season, cheering favorites (or booing rivals) and watching the most talented and determined teams slog toward the Super Bowl. Who's going to take home the Lombardi Trophy? I'll leave the predictions to the experts. But I will say this: Years of fandom have taught me that one defining characteristic of successful teams is a balanced offense, one that scores once with a 60-yard passing strike and next by punching the ball over from the one after a 12-play, clock-grinding drive. Sure, sometimes the golden arm of a brilliant passer or the kinetic brilliance of a dashing halfback will carry an entire team. But more often, it's a balanced approach that brings success.

As our Office of the Chief Operating Officer team works to succeed in our quest to build, per our Vision, "a proven reputation as a valued partner" by continuously improving our game, we need a balanced attack as well: bold strokes that bring rapid improvements in performance, and constant incremental improvements that add up to important achievements at the end of the day. I am pleased that this issue of "The Scoop" shows that we are, in fact, mastering this approach—that we are able to improve both through dramatic change that brings significant leaps forward and through less obvious but equally important long-term efforts.

- The Office of Support Operations' FOIA team is processing 60 percent more requests than it processed five years ago with the same people and resources, and not because of a sudden technological leap or radical restructuring of its team. Instead, a focus on a few chokepoints in the process, a consistent emphasis on training and a team that learns how to do its job a little bit better with every request it processes are making an enormous, long-term difference.
- The de-obligations team in the Office of Acquisitions chipped away at a backlog of more than 2,000 dormant contracts for four years before finally eliminating the backlog and returning millions of dollars to the SEC's budget.

On the other hand.

- The new Oracle platform and the Electronic Data Warehouse launched by the Office of Information Technology already are enabling bold increases in the SEC's investigatory practices
  - and will continue to bring significant efficiencies in a number of areas for many years to come.
- And over in the Office of Financial Management, the groups responsible for seeing that disgorgements find their way into the proper pockets are planning to enhance an analogue-era system with a digital-age upgrade that will significantly streamline operations.

Making forward progress can be a pain. Just as 60-yard touchdown strikes are the product of endless hours of demanding practice, seemingly sudden technological leaps come from thousands of hours of planning and often demand dramatic breaks from the comfortable "way we've always done things." Incremental progress often seems invisible, and it can take tremendous discipline to keep trying to work better when improvements seem elusive over the short term.

But our effort pays off—for ourselves, our agency and all who rely on us. Going long when it makes sense and grinding it out when we must ensure that we continue to improve across the board, all the time. And if, in the middle of retraining for a new tool or repeating the same process, we look up and can't see the progress we're making, sometimes it helps to look back and see how far we've come not in the past week or month, but through years of consistent effort.

In my years as COO, I've watched your efforts bring vast improvements in key areas of our organization through a combination of inspiration and determination. This balanced approach has unequivocally yielded tremendous results, and I am proud to lead a team distinguished by our willingness to work, our commitment to change and our determination not just to do well, but to do better.  $\blacktriangledown$ 



Jeff Heslop Chief Operating Officer





Mirror, Mirror

Back Office to the Front Line

Cloud Dreams

New Faces

Needed Push

Save the E-mails

Small Offices, Big Changes

The Agony and the Economy

Learning More by Asking Less

Letter from the COO

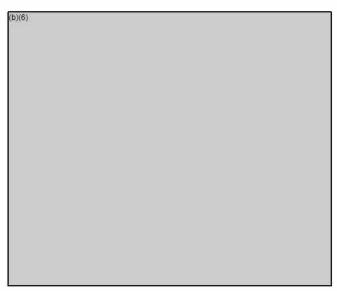
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# Mirror, Mirror



Everyone knows how hard it is: standing in front of the mirror just before the big date or important interview or public ceremony, practicing your lines and taking an honest look, asking yourself if you really are the best you can be. As the SEC strives to become one of the best places to work in the federal government by providing its workforce a balanced and rewarding environment, it's Gonzalo Ferro's job to hold up the mirror—in the form of the annual Federal Employee Viewpoint Survey (FEVS)—and help the SEC's leadership take a good look at where we're doing well, and where we could improve.

It could be a tough job. But Gonzalo—the program manager for Employee Engagement in the Office of Human Resources (OHR), better known as "The FEVS Guy", feels fortunate. He has "tons of support from Lacey and Jamey [Dingman and McNamara, the SEC's top human capital officers]." In addition, he enjoys a strong collaborative relationship with agency management, the National Treasury Employees Union (NTEU) and local labor management forums (LLMFs), which are strongly involved in all efforts to improve employee's experiences.



"The FEVS Guy," Gonzalo Ferro, credits rising FEVS scores to collaboration between the NTEU and SEC leadership.

### Good news for the SEC

And he mostly gets to deliver good news—the SEC's FEVS ratings have risen dramatically over the last four years.

The FEVS Global Satisfaction Index (GSI) measures employee satisfaction with their job, their pay, their organization, and whether or not they would recommend their organization as a good place to work. In 2016, the SEC's GSI was 77 percent; up an amazing 18 percentage points since 2012 and up nine points just since last year. The SEC's GSI now ranks third among the 37 "large" federal agencies surveyed.

Similarly, the Employee Engagement Index, which measures the engagement potential of an agency's work environment, is up 11 percentage points since 2012. The SEC is ranked sixth among large agencies. And the Leader Effectiveness Index is up 11 points in that period.

This news is good for the agency and for the SEC's many stakeholders, according to Gonzalo. "Ultimately, organizational performance is tied" to the sort of things that the FEVS measures: confidence in leadership, the relationship between work and reward, work-life balance. Gonzalo, who spent a decade as an organizational research scientist and consultant—he once helped the Army select Special Forces candidates by screening for cross-cultural adaptability and the decision-making ability under stress—helps translate the raw data the FEVS serves up into an agenda for management to consider.

The SEC's 76 percent response rate to the voluntary survey is giving Gonzalo a lot of data to work with, but that's just the start. "FEVS is a thermometer: it tells if you have a fever, but it can't diagnose the underlying disease. Is it leadership? Resources? Communications? That's what we have to try and find out."

According to Gonzalo, the FEVS scores' upward trajectory "speaks volumes about the quality of employee's connections to the SEC's mission." You can read that connection in numbers like the 90 percent of employees with a positive response to the "The work I do is important" and the impressive 98 percent who are "willing to put in the extra effort to get a job done."

### Labor-management collaboration

Other important contributors to rising scores include:

- Collaboration and cooperation of National Treasury Employees Union (NTEU) and SEC management
- · Pay and leadership development resources
- · Improving impressions of the SEC leadership

He emphasizes the NTEU's work on behalf of employees: "Pay and benefits make the SEC an employer of choice. And we offer competitive childcare, flextime and other work-life benefits."

He also credits management with creating a positive feedback loop, "letting people know that we're engaged" and translating FEVS data into positive responses.

But it's the relationship between the two that really counts. "Collaboration between management and the LLMFs is the key driver."

He mentions this year's significant uptick in response rate as an example of that collaboration. In 2016, each office, division and region had two "FEVS Champions:" one from the union and one representing management, "who did an amazing job communicating the importance of participating in the survey." Response rates jumped nearly five percentage points to 76 percent—30 points higher than the federal government average.

One important aspect of that feedback loop is the FEVS Insights Dashboard. A project developed by the National Labor Management Forum and spearheaded by Gonzalo and James Fay (NTEU Steward in the Boston Regional Office), the dashboard will allow SEC staff to drill down



into the survey, examining not only the indices by year and division or office, but responses to each of the 71 individual questions that comprise the survey.

Another aspect is the attention to FEVS from the highest levels. In a communication with SEC staff, Chair Mary Jo White and NTEU Chapter 293 President Greg Gilman lauded the across-the-board increases in FEVS scores, but recognize that "there are areas that still require improvement throughout the commission or that may be of particular concern within a localized organization or subgroup."

Leadership not only pays attention, they act. "Starting this fall," they continued, "we will begin training and providing resources to the Local Labor Management Forums within each division or office to tackle pressing issues that may be affecting employees."

### **Finding solutions**

Gonzalo's own employee viewpoint is a positive one. He enjoys the analytical aspects of the job: "here's the problem. How do we come up with a solution?" He sees FEVS as "opening the door in a constructive way." In his case, some of the doors lead to the offices of senior agency leadership, who he regularly briefs.

"Data can be somewhat uncomfortable," he notes, perhaps thinking of the 55 percent of SEC employees who have a negative response to the statement "Pay raises depend on how well employees perform their jobs." But he is eager to help management and the LLMFs discover collaborative solutions to the challenges pointed out by the data. And he finds that the SEC "leadership has been willing to accept hard truths."

For now, communications from management and especially the branch chief level seem to be a key to continued improvements, along with a focus "productivity, diversity and inclusion." And, of course a labor-management focus that empowers both the NTEU and agency leadership to work and communicate with staff.

But those priorities could change as this year's responses—and the agency's response to them—are further analyzed and observed, and the next year's survey numbers come in. What won't change: the determination to look honestly in the mirror, and to make changes that make the SEC a better place to work.



Based on FEVS scores, the SEC is now ranked 6<sup>th</sup> of 27 mid-sized agencies in the Partnership for Public Service annual Best Places to Work in the Federal Government rankings.

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### **Back Office to the Front Line**

The (b)(7)(E) (b)(7)(E) systemspearheaded by the Office of Strategic Initiatives (OSI) and first deployed last February—is one of those rare projects that's making life better for everybody at the SEC. From the number crunchers in the Office of Financial Management and computer counters in the Office of Information Technology (OIT) to the frontline employees and contractors with hardware needs and service requests, everyone is benefitting from (b)(7)(E) cradle-to-grave hardware and IT service tracking capability, thanks to a user-friendly EAMS Portal.

### Good for our customers

Says OSI's Billy Sarosi, functional lead for the (b)(7)(E) "we were looking to create a system that was simple for end users while making inventory and asset management more transparent. We wanted to deliver something that benefitted everyone."



IT-related requests. Simply by going to the SEC staff can request new hardware or hardware loaners, return hardware, and view and manage their IT hardware assets. At the same time, it ensures full tracking, transparency, control and accountability of all IT hardware assets within the SEC.

"It's good for our customers," adds
Customer Service Branch Chief
Andrew Kaplan, referring especially
to the Contracting Officers,
Contracting Officer Representatives
and "purchase initiators"—primarily IT
specialists and OIT program/project
leaders who must use (D)(7)(E) o start
critical process workflows.

In September of this year, (b)(7)(E) aunched with the IT service management functionality merged with (b)(7)(E) allowing requests for IT and help desk services through the portal as well as tracking of progress as service (and hardware) requests are fulfilled.

of audit findings and required a systematic study of just what was going on in asset management and what an ideal system would involve.

Functional Lead Billy Sarosi wanted to deliver "something that benefitted everyone."

### Simple, but sophisticated

Branch Chief Vicki Ellison, whose
Asset Management Branch is
accountable for more

(b)(7)(E)
looked forward to a system
that was "simple enough for everyday
users, but sophisticated enough for
the analytics our branch needs
to perform."

Billy, who coordinated with the business units and sat in on a series of interviews and working sessions with stakeholders and subject—matter experts during the functional requirements gathering phase, discovered that the SEC's asset management processes prior to were "manually intensive... a lot of e-mails and manual handoffs and a lack of clarity on process."

"There were a lot of silos," he says of the way the SEC used to track its hardware requests and inventory. "If you were in Asset Management, you might not know what was going on in the Office of Financial Management." Tracking the delivery, inventory and disposal of hardware was hit or miss.

Billy's job as functional lead was to keep his interviewees focused on "what, not how," helping to develop the parameters and requirements of the new system while OIT staff, led by Gururaj Belur, worked through the technical challenges and coordinated with Bravium Consulting to develop bi(7)(E)

(CONTINUED ON NEXT PAGE)



Users can visit the EAMS portal to reset passwords, request A/V services, request a move to a new office or division, or request changes to e-mail groups, among many other services.

Some key observations associated with the  $^{(b)(7)(E)}$  initiative include:

- Service level agreements (SLAs) needed to become an integral part of (b)(7)(E) Explains Billy "we didn't know how many requests we were getting in a month. When something was promised to be delivered in two days, we didn't know if it was delivered because there was no formal confirmation."
- It was important that (b)(7)(E) (b)(7)(E) so that

when a user creates a request from the bottom portal page, the system automatically infills the relevant personal information, preventing input errors that impede tracking and efficiency.

- "Action, awareness, approval notifications... if you needed to know about a request, take any sort of action, or just needed to be kept up to date on the status of your request, notifications needed to be automatic," according to Billy.
- The ability to look beyond simple inventory and provide key analytics needed to efficiently allocate resources: types of equipment, dispersal, availability and so on.
- It was important that all phases of (b)(7)(E) could be constructed (b)(7)(E) and that enhancements and best practices be incorporated easily.

**Ongoing progress** 

The September launch of (b)(7)(E) and (c)(7)(E) ccurred just as (b)(7)(E) and (c)(7)(E) resulting in unprecedented service desk request volume. But, according to Andrew, the service desk is "getting more efficient every day. [EAMS is] really just in its infancy."

Adds Vicki, whose team led user testing and provided workflow analysis for the original design: "we're pleased with the tremendous improvement b(D(T)(E) affords when compared with prior systems, but tweaking is ongoing." The intrinsic workflows in b(D(T)(E) not only allow for tracking accountable assets, but also allow b(D(T)(E) s

Internal controls that are inherent in the system ensure that proper segregation of duties is maintained, approvals are obtained at appropriate checkpoints, and transactions are traceable.

(b)(1)(E)	will also enable th	1e <sup>(D)(7)(E)</sup>
(b)(7)(E)		to
condi	uct more frequent, t	argeted
and c	onvenient inventory	checks by
using	the individual "conf	firm receipt'

the opportunity to view a list of their assigned assets and can provide AMB with feedback on any changes instantly. And, as the team settles in preparation and requirements gathering for (b)(7)(E) is already underway.

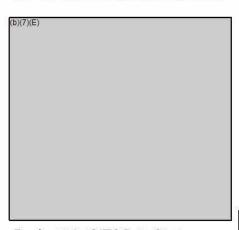
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It's a long slog, but the payoff for all the painstaking work will be large: an agency that delivers and effortlessly accounts for nearly all of its physical assets, and a system that saves the users of that hardware, software, and furniture time and energy with every request.



### **Cloud Dreams**

Songwriters, children and other dreamers have always looked at clouds and seen visions that captivate and charm: ice cream castles, wild beasts, blossoming flowers. This year, the more practical staff of the Office of Information Technology (OIT) has looked into cloud computing and discovered equally captivating—if less poetic—visions: unprecedented computing speeds and cost reductions; a dramatic leap forward for the SEC's technology office and a new level of collaboration between the OIT and the SEC's business units.



For the trials, OIT'S Data Strategy and Operations and Enterprise Architecture staff joined with representatives of the Divisions of Economic and Risk Analysis (DERA) Investment Management (IM) and Trading and Markets (TM), and OIT's Electronic Data Warehouse (EDW) personnel and key contractors on six tests in which large-scale data analytics tasks were performed both on in-house servers and the AWS cloud.

With roughly 90 percent of the cloud computing market, Amazon is the leader in the field and was the clear choice of vendor. The SEC expects to benefit from their commitment to constant innovation as the agency comes to rely more heavily on cloud services.

### Faster, cheaper, scalable

The results were consistent across the board: significant improvements in scalability, elasticity, cost and overall performance. The team demonstrated their ability to create new computing environments using cloud services to do the same work currently performed in-house—often faster and less expensively.

In one pilot, a test of the ability to perform market quality analytics, EDW staff compared the ability to execute common commands such as "select all records matching criteria" and "create new table" using market (b)(7)(E)

result: a 40 percent improvement in execution time and dramatic 80 percent decline in cost. Similarly, an IM comparison of Monthly Money Market Report performance against AWS yielded faster results-about half the time-for less than double the cost.

"By putting data into a cloud environment, you can go from hours to minutes of calculating times, accurate to six decimal places," according to Assistant Director for Enterprise Data Management Mark Elbert. And it's almost instantaneously scalable: "you can have the equivalent of an EDW for a day, and then let it go."

A DERA test involving massive amounts of options market data with National Best Bid and Offer (NBBO) computation found a minor loss of calculating speed offset by a 65 percent cost decrease. Says Guang Yang, a (b)(7)(E) administrator, "the platform is very flexible, and has the tools and the capabilities for our use cases. We did get good support from Amazon."

# Pushing the technical envelope

The importance of these tests lies not just in its demonstration of the practical advantages of cloud computing in individual cases. It also underscored the SEC's broad ability to integrate the most innovative technology and vendors into their operations in ways that will significantly improve our ability to execute our mission.

This hands-on experience, working with a cloud provider to move large amounts of data without network impact, laid the groundwork for future projects by giving OIT and others a better understanding of the capabilities and costs of cloud-based data analytics. While there were initial challenges connecting to the cloud, they were resolved—and OIT is pursuing a more robust connection for the future.



For the SEC, innovation and security are inseparable—it's critical that the latter be assured as the agency embraces the former. In this case, the SEC's security team were supportive throughout. According to Senior Advisor for Data Management Matthew Perry: "We had security heavily engaged from day one. They were the ones who were saying 'you can do this."

(b)(6)

The trials were run on publicly available data that was nonetheless handled as though it was highly sensitive, with Amazon-supported by SEC security—using their "Snowball" data transport solution to move encrypted data from the SEC to their servers.

# Collaborating across organizations

Matthew points out a third important result of the pilots—it got business users involved. As with any significant change in operations, potential partners had legitimate concerns. But "now we have believers throughout the building... this is a business-led effort."

As the agency increasingly turns to tools that crunch vast quantities of data to discover suspicious behavior—like ARTEMIS and text analytics—and sophisticated analysis becomes a more significant piece of the agency's mandate, computing speed and capacity become more important.

A move to the cloud has the potential to spawn further innovations in support of investigations and examinations, bringing unprecedented speed and capacity to divisions and

OIT's cloud computing trial team is working with the SEC's business units to take advantage of cutting edge technology. Left to right: Bruce Cheng, Matthew Perry, Kristi Kaepplein, Ted Shelkey and Paul Mussey. (Not pictured: Kevin McLees, Tom Chester)

offices throughout the agency. And rapid scalability can support rapid response when large-scale analyses or urgent investigations are called for, as in the aftermath of the 2010 Flash Crash. Support is growing. Says team member Tom Chester, a Senior IT Specialist: "You had people saying 'my stuff will never be in the cloud,' and now they're saying 'maybe it should be."

The move to the cloud also frees up technical talent within the agency for other purposes. Notes Tom: "as you move workloads to the cloud, you're free from managing infrastructure," which means more people and resources available for other tasks.

### Looking ahead

The cloud my not be ideal for every usage. A cloud Strategy and Migration Planning Team are, according to Tom, searching for "what works best in the cloud," such as "lumpy" workloads, where the frequency is irregular, but involves huge chunks of data. And DERA

Financial Economist Li Su, points out that "the options markets are huge, [generating] 10 terabytes of data a day. This is the best approach when dealing with a larger data set."

And there is an education process underway. Understandably, given the confidential nature of much of the SEC's data, the team expects to focus first on less sensitive areas, taking the time to demonstrate that the cloud can be a safe place for the SEC to do business.

Looking ahead, however, there is a real sense that an energized OIT is poised to work with business units that increasingly see the cloud's advantages: the ability not only to operate more efficiently, but to undertake activities that might not be feasible at all if the SEC had to rely on its current servers alone. A real sense that the SEC really can see something tangible and important in the cloud.  $\blacktriangledown$ 

# **New Faces**

Between August and November 2016, the OCOO welcomed a number of new employees.

b)(6)			
TODD CANALI	ROBYN CASEY	JENNIFER CASH	KEVIN COMPHER
IT Specialist, OSI	Budget Analyst, OFM	Contract Specialist, OA	IT Specialist, OIT
(b)(6)			
TERRY DALTON Management Program Specialist, OFM	JENNIFER DAVITT Librarian Fellow, OSI	STACY DAWN Supervisory IT Specialist, OIT	TEDRA EMBRY HR Specialist, OHR
(b)(6)			
VICTOR FLORESPAREDES Records Management Specialist, OSO	JOHN GOETZKE HR Specialist, OHR	DIA GONSALVES Supervisory Mgt Program Analyst, OHR	BRENTNEY GRAY HR Assistant, OHR
b)(6)			
KEVIN IESSAR	RUPERT MANLEY	DAT NGUYEN	CHUCK RIDDLE

New Faces

Between August and November 2016, the OCOO welcomed a number of new employees.

22				
(b)(6)				
TERRANCE SIMS HR Specialist, OHR	KEVIN SMITH Personnel Psychologist, OHR	TUCKER SMITH Contract Specialist, OA	GREG STEIGERWALD Contract Specialist, OA	
(b)(6).				
CHERIAL STEPTOE OHR Pathways Intern, OHR	TAHESHA TAYLOR HR Assistant, OHR	ANGELA WEBSTER HR Specialist, OHR	COURTNEY WIGGINS Contract Specialist, OA	
b)(6)				
BRIAN WILLIAMS Security Specialist, OSO	SHAHZAD ZEB IT Specialist, OIT			

Not pictured:

Vimal Kumar, Michael Mishou, and Tyesha Prater

### **Needed Push**

If you're an SEC support staff employee whose career feels like a car stuck in a snowbank and spinning its wheels, Lead Human Resources Specialist Kai Petty and the Upward Mobility Program (UMP) may turn out to be the friendly neighbors who not only push you out, but give you a few tips on how keep rolling forward.

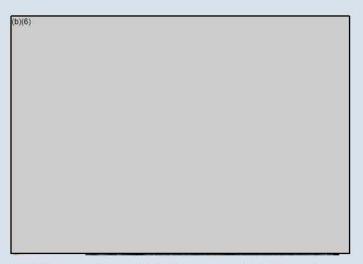
Created by the 2013 Collective Bargaining Agreement, UMP is the National Treasury Employees Union (NTEU) and SEC management working together to create career opportunities for staff.

### Comprehensive support

The UMP is aimed at employees (in or out of the bargaining unit) looking to move up and beyond. The program sets aside designated promotion opportunities for UMP participants and offers personal training programs designed in partnership with SEC University to those selected for promotion to help move their careers forward.

It's "a comprehensive program, that builds skills and provides opportunities," says Kai. And the result, according to UMP participant and program specialist Anthony Abbott, is "the ability and the know-how to continue moving up."

Kai worked closely with the NTEU's Vice President Patricia Copeland and Chief Steward Dan Barry on the latest hiring round, making sure that the process was fair and that appropriate procedures were followed.



The NTEU's Dan Berry and Patricia Copeland (not pictured) worked closely with Kai Petty to ensure a fair selection process.

"Kai's just a star," says Patricia. "Her people skills are excellent." According to Dan, "Kai is a treasure. She brought order and calm to a very complicated process with lots of moving parts." Together the trio provided coaching and résumé advice, while Kai "made sure the candidates were able to do their best during the interviews."

Adds Patricia: "you can tell she knows her stuff."

Including the hiring and subsequent training, UMP is a two-year program that begins with a competitive hiring process, which includes three rounds of scrutiny from résumé and interview panels and then an interview with the hiring manager.

Diane Evans (b)(6) learned about the program from her then-supervisor, who told her "Diane, we're going to hate to lose you," when recommending that she apply for her current position as a program support specialist. Like many participants able to make it through the challenging selection process, Diane was a valued and ambitious staffer who just hadn't been able to advance to the next level.

Anthony, who today finds himself "in a position where I can move up and advance," had also been through a number of interviews over his 19 years at the SEC, but just wasn't "the one."

(CONTINUED ON NEXT PAGE)

Upward Mobility Program lead Kai Petty "knows her stuff."

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### **Developing professionally**

Both Diane and Anthony have special praise for the training that accompanies their new positions.

"I've been confronted with many challenges but, thanks to the training, I'm able to take them on," says Diane. "The guidance received has matured my work ethic and enhanced my communication skills"—skills that help her fulfill her payroll and other administrative duties.

Anthony points out that as important as the work experience and classroom time is, UMP has given him something else just as important, but less tangible: trust. "If you get trust [from your supervisor] and you have trust, you're going to want to work smarter and you're going to want to come to work."

According to Rabia Cebeci, assistant regional director of operations (LA), UMP benefits aren't limited to the participants, with her office selecting "a self-starter who is committed to making the work group a better place... it is good for the office."

Her office is committed to the program and to giving people opportunities for growth and upward mobility. "It's a good example of working closely with the union," she says, and an excellent way to help someone broaden his or her experience and increase advancement potential while pursuing and contributing to the SEC's objectives.

Anthony and Diane were selected from a pool of 150 applicants for 20 positions, many of whom took advantage of Office of Human Resources "brown bag" seminars that taught resume writing and interview tips.

### **Shared commitment**

Says Kai, who came to the SEC two years ago from a position as an HR specialist at the (b)(6)

"An important part of the program is giving people the confidence to apply."

UMP has a long, if inconsistent, history, having been first established in the 1960s and dissolved and re-established several times since. In 2012, the NTEU proposed re-introduction of the program and it was included as part of the 2013 Collective Bargaining Agreement. Twenty positions were set aside for the program, with seven announced in 2015 and five this year.

Given the enthusiasm of participants and management alike, along with a shared commitment from the NTEU and the SEC's senior staff, the program is currently in place for the long term, with eight new positions to be announced in early 2017.

In the meantime, says Kai, interested employees should keep an eye out for those OHR brown bag lunches to learn "anything that will help them with their résumé and interview skills." ▼

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Diane Evans lauds the UMP's training component: "I've been confronted with many challenges, but thanks to the training, I'm able to take them on."





The federal government has long recognized that it no longer communicates chiefly through carbon copies that are spooled out of manual typewriters and circulated via "holy Joes" or the U.S. postal service.

Today, most federal records are "born digitally," meaning they are created through software, online applications, and/or digital cameras.

However, it wasn't until 2011 that
Presidential Memorandum M-12-18
jump-started efforts to address
the challenges behind managing
electronic records. This mandate
specifically required that all federal
agencies "develop a 21st-century
framework for the management of
government records" by December,
2016. This meant that the SEC's
Office of Records Management
Services (ORMS) was faced with the
challenge of developing a new e-mail
management approach that involved
minimizing the number of e-mails

retained by the SEC while ensuring that all legal and historicallysignificant communications are preserved.

Led by Tonia Austin-Douglas and Casey Coleman, the ORMS team accepted the challenge.

In collaboration with the Office of Information Technology (OIT), ORMS worked diligently to implement the Capstone approach, a methodology that enables the SEC to identify "Capstone Officials," i.e., employees whose roles within the agency require that their records are permanently retained. E-mail accounts that meet this criterion will be properly preserved then transferred to the National Archives and Records Administration (NARA), thus reducing the SEC's storage and maintenance costs while also ensuring those records are available for future reference.

### Technical challenges

Of course, deciding which employees need to be designated as Capstone Officials was only part of the challenge: The teams also had to determine—and implement—an efficient and sustainable process for retention.

"We didn't want to incur additional costs," Tonia revealed. "The biggest challenge was finding something that would work within the existing IT environment."

According to OIT team members Paul Cattaneo and Sudha Bhat, the process went rather smoothly—but not without a bit of technical tightrope walking.

"No other federal agency had [applied these new requirements], so we didn't have anyone to help us figure things out—and you don't want to tell everybody that they can't have access to e-mail for five days."

Working closely with multiple OIT and ORMS groups, vendors, and other stakeholders, Sudha, Paul, and their team were able to create a "bubble" for pre-launch testing.

The collaborative effort paid off.

"Our goal was for [the Capstone approach] to be launched with the least user impact," Sudha explained. "The Records Management team was actively engaged in the entire effort, which made things go more smoothly," Paul added, noting the soft launch went so well, "nobody even noticed."

### The way ahead

Some of the primary components to a successful introduction of technology-

based changes include creating a system that is searchable, preserves audit trails, and holds and retains documents almost automatically. Most important, however, is assisting SEC personnel with the e-mail management process.

The ORMS team launched an ongoing training and communications strategy including SEC-wide training sessions, division/program office briefs, and communication reminders. In addition, the team developed and published detailed reference materials such as guides that explain how to migrate e-mails from Outlook, an overview of the Capstone approach, and frequently asked questions (FAQs). The documents are posted on the ORMS Insider page.

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### Historic significance

Ultimately, the proper management of e-mails and other federal records goes beyond everyday administrative concerns. As the memorandum that initiated this implementation points out: "Records are the foundation of open government... Well-managed records can be used to assess the impact of programs, to improve business processes, and to share knowledge across the government. Records protect the rights and interests of people and hold officials accountable for their actions. Permanent records document our nation's history." The Capstone approach and the team behind it at the SEC are working to ensure that history will be preserved and accountability will be maintained. V

Tonia Austin-Douglas, Sudha Bhat and Casey Coleman are bringing the SEC's records retention strategy into the digital age.



# **Small Offices, Big Changes**

For almost 20 years, Business Manager Verena Gibbs has been bringing both core competence and European élan to jobs whose importance far outweighs their glamour. Today, she finds herself bringing order and energy to the back office operations of four small SEC offices.

staff of the Offices of Administrative Law Judges, the Chief Accountant, Investor Advocate and International Affairs for her commitment to operational efficiency and a joie de vivre highlighted by a lot of music, a little bit of fashion and contagious energy.

### **Operations specialists**

Rena's current role is the result of the SEC's move away from its traditional practice of promoting talented individuals into management positions where, in addition to their primary duties, they have to handle space management, hiring, IT development and other chores. Instead, larger offices now have business managers specifically charged with handling these processes, allowing other professionals to focus on their primary duties as attorneys, accountants or other professionals.

Smaller offices, however, don't have the need or the headcount to justify a full-time business manager and, until recently, continued to rely on professionals to wedge back office duties into their scheduled whenever they could. Until Rena stepped in. In April, 2015, Rena was asked by Managing Executive Kevin Stemp to take part in a pilot program acting as de facto business manager for the Office of the Chief Accountant, applying skills learned as an administrative officer on the Office of Inspector General and before that, a program specialist in the Division of Enforcement.

The result, as Kevin put it when nominating her and colleague Mary Ward for their 2016 SEC Honorary Award for Exceptional Service, was "an immediate, game-changing impact upon each of the small offices—quickly improving their efficiency, effectiveness and ability to focus on their mission by orders of magnitude."

### How-to

Rena downplays the technical skills that help her flourish in her role. "Anyone can learn what I do... you just have to know how to connect the dots." Instead, she relies on her ability to shape-shift and adapt to the different personalities and missions of her offices. "Soft skills are more important. My main asset is being personable."

And, if people don't seem to be having a good time? The self-described extrovert declares: "I refuse to work in a miserable environment. If there's anything I can do to make people happier, I do."

"One challenge is getting them to trust me with these responsibilities—

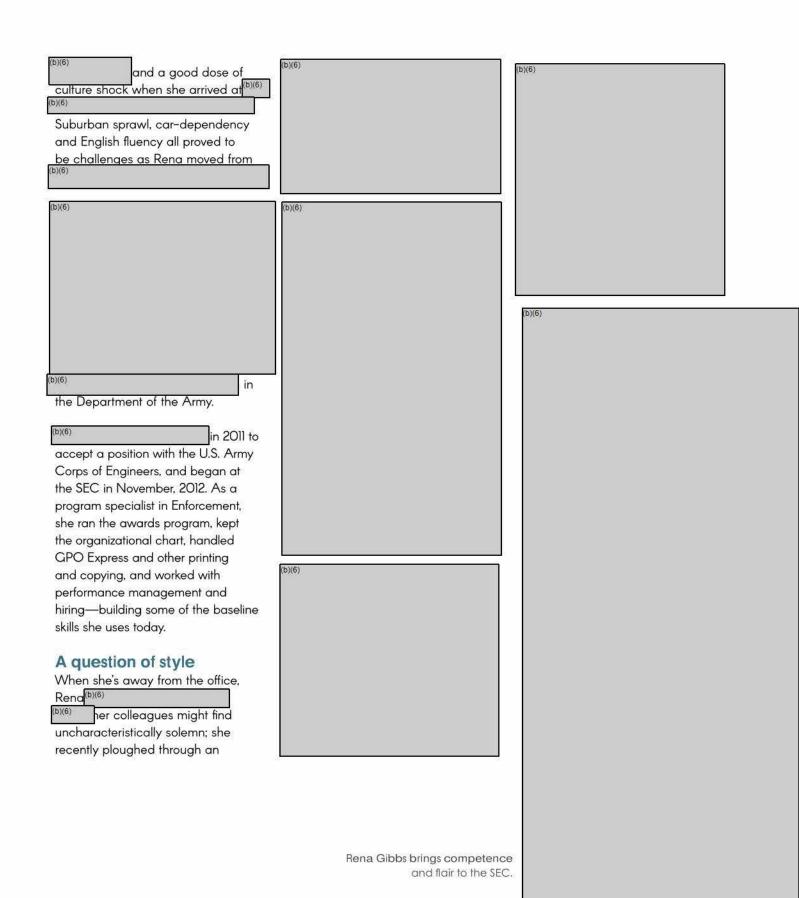
showing them that what I can do for them." Another is teaching offices how many resources might be available, if they only knew how to ask—for example, how to create a position, how to hire a contractor. what software is available and how to get it. And, experience has trained the bilingual staffer for another type of translating role: helping her managers negotiate the acronym- and jargon-filled worlds of the Information Technology and Human Resources offices. "A lot it is just knowing how to speak their language."

"One aspect of the work that I love is that we get to know the offices really well." And, once that happens, the benefits to the offices can be enormous, as SEC Investor Advocate Rick Fleming wrote: "[While Rena was taking care of administrative tasks], I was able to focus on making a recommendation to FINRA and the MSRB regarding mark-up disclosure in fixed-income transactions, plus a recommendation to the Commission regarding a proposed BATS rule to prevent spoofing and layering, plus finish up our report to Congress, plus MANY other things. In other words, by having you to help with these administrative matters, I am able to spend my time fighting for investors."

# Intercontinental career path

Rena's route to the SEC's offices began with a (b)(6)





# The Agony and the Economy

"He who will not economize will have to agonize" —Confucius

It appears that Office of Acquisitions (OA) is taking to heart the principles of the frugal Chinese civil servant (really) and philosopher, Confucius, and doing its best to spare the SEC the agony of equipment shortages and acquisition delays by finding new ways to economize. The result: \$11 million in costs saved or avoided in FY 2016.

(No word on whether SEC vendors felt, if not agony, at least a little pain as an aggressive SEC team worked to maximize the impact of the agency's always-tight budget. But SEC budgeteers—and taxpayers—were undoubtedly ecstatic.)

An aggressive OA team has rolled out a number of different approaches for wrestling cost savings from individual contracts including renegotiating existing agreements, finding alternative acquisition strategies, and combining multiple acquisition streams into a single contract. But each is supported by a single guiding principle: "It really starts with educating ourselves," says team member Victor Cairo. "Once we're educated consumers, we can buy things better."

### Doing homework

Or, to quote the Master: "Success depends upon previous preparation, and without such preparation, there is sure to be failure."

Once a team has an understanding of the current market conditions, economizing sometimes seems almost as easy as just asking, especially if you catch the right phase of the contract process. One professional support service offered additional labor rate discounts up to almost seven percent, for total price decrease of \$390,000, when asked. And a security services support vendor offered savings of \$380,000.

Vendors looking past the current contract period to the potential for long-term relationships with the SEC can be particularly amenable. The ServiceNow platform team (which supports the Enterprise Asset Management System and the EAMS Portal) was able to negotiate a savings of \$1 million a year.

Takela Morris and Melissa Rivera-Weedin "did all the hard work" on the Oracle Portfolio Management Solution

It's not usually that easy though. More often, savings are achieved through multiple rounds of detailed negotiations.

- Hard bargaining won cost savings of more than \$700,000 off the SEC's Disgorgement and Penalty System. Additionally, performance disincentives were negotiated into the terms of the contract to protect the SEC from the risk of unsatisfactory contractor performance.
- By bargaining for discount pricing for the base period of a reasonable accommodations support services contract and four option periods, OA's negotiators achieved more than \$1.3 million in lifecycle savings.

In fact, exercising option periods in a timely fashion is another effective economy: by offering to exercise two remaining option periods, OA was able to negotiate \$285,000 in lifecycle savings on a child and elder back-up services contract with the Home Office's Bright Horizons care center.

### Simplify, simplify

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One way inefficiency creeps into the contracting system is when a lot of smaller agreements over a period of years congeal into a confusing mass of vendors, payments and requirements, all related to each other, but each demanding its own servicing. For example, the SEC began working with Oracle years ago, gradually adding vendors and services until, according Brad Smith, "there were contracts all over the place." Suggesting "let's try to do things smarter and see how it works out," Brad and his team led an OA effort to "take all the pieces and wrap

(b)(6)			

Angela Dunson worked to bring order to a confused transcript acquisition strategy.

them into a single one" and negotiate a single blanket purchase agreement (BPA). The resulting \$99 million BPA (6)(7)(E)

bring more long-term stability and efficiencies to the SEC's

Sometimes teamwork makes all the difference. Until recently, SEC attorneys needing transcripts of trials or other legal proceedings worked through a haphazard system that varied from regional office to regional office and sometimes among attorneys and paralegals within the same office. Seeking to reduce expenses and administrative time spent hunting down the transcripts—there were almost 500 individual transactions last year, each charged to someone's government purchase card—the Division of Enforcement worked with Angela Dunson and the Mission Support Branch to find a single vendor.

The search was complicated by the fact that existing transcription services often had conflicts, such as providing services for opposing counsel, which prevented the SEC from signing a contract with them.

The solution came from D'Jaris Gladden, whose experience working with minority and small business contractors led her to a (b)(6) contractor who provided transcriptions to the medical industry, but not to clients with SEC conflicts.

"This required teamwork because it was such an innovative approach," says Angela. Enforcement did a lot of the legwork; OA identified a non-traditional vendor and the vendor learned to provide a service it hadn't offered before.

According to Angela, the five-year contract is expected to reduce the administrative burden and generate significant cost savings. "It was totally out of the box, and it's working."

### Effort yields results

As easy as it sometimes looks on paper (or sounds when the ancients say it), economizing is hard work, and the millions of dollars OA has saved are the result of real commitment backed by hours of study and a thorough understanding of what can and cannot be negotiated.

But, for all their work and success, Victor's analysis of his and his colleague's success is typically self-effacing: "We just go out there and do our jobs."

As Confucius said: "The superior man [or woman] is modest in his speech, but exceeds in his actions." ▼

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D'Jaris Gladden used her small business acquisitions experience to help find a needed vendor.



Confucius began his government career as minor functionary before rising through the ranks to become Minister of Crime for a Chinese state, earning a reputation as a "good government" reformer.

# **Learning More by Asking Less**

In a data-driven age, it seems counterintuitive that the SEC could better calculate the cost in time and resources, of pursuing key activities and its strategic goals by relying on less precise inputs. But that's exactly what last July's introduction of new webTA Activity Codes is expected to do. By reducing the number of codes available by 84 percent, the Office of Financial Management (OFM) expects to increase their usage and thus give planners more—and more effective—information about how SEC staff spend their time.

Says Vikash Mohan, of OFM's Planning and Budget Office (PBO), "the goal is to increase participation by making it easier to use the codes."

In addition to the benefitting agency planners, employees will benefit from the simplicity of the new system and a faster payroll reporting process. And besides, says Vikash, "we realized that a lot of [activity codes] weren't being used."

### Keeping count

It's easy to determine how much money the SEC spends on photocopiers or expert witnesses. It's far more difficult to determine how much time agency employees are spending on activities like managing correspondence or monitoring market programs—much less how much time is spent pursuing broader strategic objectives like "promo [ting] capital markets that operate in a fair, efficient, transparent and competitive manner." Yet these activities obviously affect the agency's single largest expenditure, staff salaries, and quantifying their cost in staff time is important to resource allocation.

In addition to the SEC's own commitment to complete and accurate financial reporting, congressional appropriation and oversight committee members and staff and the general public have an interest in SEC reporting that accurately reflects staff work and priorities.

PBO began by reviewing each of the codes then in use and trying to determine which could be combined or eliminated, and subjecting the proposed new codes to a thorough review within OFM. The preliminary list was then submitted to each of the SEC's offices and divisions to receive their input and ensure that the new system would yield the data they needed.

"We were worried that this might be under their radar," says Vikash, "but we received comments from nearly everyone."

### Significant streamlining

The streamlining is dramatic in some cases. For example, the new activity 1.2, "Promulgate Rules" replaces nine earlier codes, including 1.2.1, 1.2.1.1 and 1.2.1.2 ("Propose Rules," "Propose Rules (Internal)" and "Propose Rules External") and three variations on the theme of "Adopt Rules/Propose Adoption of Rules."

While use of the new activity codes is voluntary, OFM is hoping that the staff will embrace their use. OFM's goal is to have 80 percent of the hours identified by an activity code. Currently about 75 percent of the staff time is identified by an activity code, with about 40 percent having made the switch to the new codes.

Vikash and OFM are hoping to raise that figure by communicating the benefits to the SEC across the SEC. "It's part of our effort to make a more efficient and responsive agency." Staff with questions about recording their time in webTA should work with their administrative contact or supervisor.



The number of activity codes was reduced from 250 to 40.

### ABOUT THE SCOOP

The Scoop is published by the OCOO Communications team and is designed to improve internal communications within the OCOO and with the SEC at large, while also recognizing the hard work and achievements of OCOO employees and teams each quarter. We welcome your comments, ideas, suggestions and submissions. Please send an e-mail to: OCOOCommunications@sec.gov.

# Letter From the COO: Power Lifting

Whenever I can, I like to talk to our team about the OCOO Vision, and how the work we do ties back to our quest to "be an exemplary service and support organization with a proven reputation..."

And, when I do that, I like to emphasize how much hard work it takes to make the vision real. We can sit around and talk about high-sounding principles like "exemplary service" and "proven reputations" all day. But if we're not actually rolling up our sleeves and doing the heavy lifting—especially the unglamorous stuff that doesn't draw much attention—our words are just a bunch of hot air. So, as I looked over the early draft of this edition of The Scoop, it was heartening to read not only about the key initiatives that support our agency's mission, but also, and more importantly, the men and women who are getting them done: quickly, quietly and without a lot of fuss.

Some of our colleagues have turned the pillar "Deliver Extraordinary Solutions and Services" into real action and positive change:

- The Office of Acquisition's Brad Smith's blunt reaction to the Oracle contracting clutter he helped clean up is a great lesson in basic common sense: "Let's try to do things smarter and see how it works out." (It worked out well.)
- The Office of Information Technology's cloud computing team also seems to have adopted that same attitude, recognizing the immense potential of a new approach and making the pilot program happen despite misgivings in other quarters, and setting the stage for significant improvements in our data strategies.
- Verena Gibbs has made herself indispensable to offices that barely knew they needed her, taking on the toooften thankless tasks that "make the trains run on time" so other SEC professionals could spend more time on the other duties they're charged with.

Despite the complexity of some of the challenges, our team often moves quickly. The Office of Records Management Services beat an OMB deadline for a groundbreaking records retention policy by six months. Meanwhile, the Office of Strategic Initiatives is systematically rolling out increasingly inclusive versions

of the Enterprise Asset Management System—a much-needed fix to the agency's previously haphazard approach to acquisition and inventory tracking.



Jeff Heslop Chief Operating Officer

Integrity and accountability comprise another pillar of the OCOO vision and are key values in any organization. But they're particularly critical here at the SEC, where the U.S. Code makes us accountable to the American people and our institutional values makes us accountable to our colleagues. The Office of Financial Management's new webTA activity codes now provide SEC planners and outside stakeholders a more complete and accurate picture of the activities or priorities to which our agency's staff devote their time, while making efficiencies and better decisions about resource allocations possible. Meanwhile, Gonzalo Ferro in the Office of Human Resources (OHR) provides the SEC's top leaders with insight into on the mindsets and attitudes of employees and helps them use that information to make the SEC a more effective and engaging workplace.

And nothing energizes a workplace—the third pillar—quite like the knowledge that hard work, management support and dedication can help to get you ahead. For instance, the collaboration between OHR and NTEU known as the Upward Mobility Program, is an innovative and successful effort to help deserving staff jump-start their careers.

There's not a lot of glamor in the things we do in the OCOO—"keeping the lights on" or fixing things before they become a problem. But the attitude and focus of the smart women and men in our organization—along with our colleagues featured in this issue—set us apart. You're able to do what you do, every day, because together you understand what makes this agency work, focus on real problems and find practical solutions. Since joining the SEC in 2010, I have been proud to observe, lead and be a part of this exciting journey with you as we continue to actualize the final pillar supporting our vision, "Being Excellent In All We Do."

Thank you and best wishes for a happy New Year.