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## PITT ANNOUNCES SPECIAL STUDY OF SEC OPERATIONS, RESOURCES

Washington, DC, March 20, 2002 - Securities and Exchange Commission Chairman Harvey L. Pitt today announced the commencement of a four-month internal special study to examine the Commission's operations, efficiency, productivity, and resources.

"Starting with my confirmation hearing last summer, I have said on several occasions that I am committed to undertaking a thorough review of the Commission's operations, effectiveness, and resource needs to see whether we can improve the quality and level of our service to investors and other constituencies while we also institute meaningful efficiencies," Pitt said.

"With the events of September 11, the loss of our Northeast Regional Office in New York, the Enron and Global Crossing bankruptcies and ongoing investigations, as well as the implications of the recent indictment of Andersen for Andersen's clients, we have not been able to begin such a review. However, these events and the continuing extraordinary demands on our resources confirm my initial view and demonstrate why we must begin this study immediately.

"Two weeks ago, in the face of an enormous surge in our enforcement, accounting, and disclosure activities, I asked Congress, after consulting with the Office of Management and Budget, to increase our staffing level by 100," Pitt said. "The special study will enable us to ascertain whether we need staffing and other resources beyond the amount we have requested, or whether more efficient use of existing staffing and other resources may meet our needs.

"As the President has made clear, we cannot allow our current resource situation to impede our primary mission of protecting investors and I have assured him personally that the staff of the Commission will continue to perform our responsibilities with the effort and dedication for which the agency is known. I firmly believe that this special study is a crucial step in ensuring a strong, vibrant and efficient SEC."

In a report earlier this month, the U.S. General Accounting Office concluded that strategic planning could help the agency better identify and manage its resource needs. The special study is intended, in part, to implement the GAO's recommendation.

"Findings in the GAO report go to the core of my view that government is a service business, consistent with our

overriding investor protection mission," Pitt said. "Being a service business does not mean saying `yes' to any and all comers. It does mean that we, as public servants, have an obligation to reach decisions and provide answers as quickly and as efficiently as possible so that government does not end up inadvertently impeding a vibrant and growing economy. The promptness with which we respond to our many constituencies is one of several objectives of this study."

The special study will be conducted by mid- and senior-level staff from divisions and offices throughout the agency with working experience in more than one of the major divisions or offices. An outside consultant will assist the special study group throughout its effort. Commission staff leading the study have already apprised the GAO and the OMB of this effort and solicited their views, and intend to continue to do so throughout the study.

Comments from the public on the special study should be directed to [SpecialStudy@sec.gov](mailto:SpecialStudy@sec.gov).

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