

**Chairman Ander Crenshaw**  
**Subcommittee on Financial Services and General Government**  
**House Committee on Appropriations**  
**Securities and Exchange Commission FY 2014 Budget Hearing**  
**May 7, 2013**  
**Opening Statement As Prepared**

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The hearing will come to order.

I would like to welcome our witness, SEC Chairman Mary Jo White. Thank you for being here today and congratulations on your confirmation.

The SEC has the unique and critical task of protecting investors, maintaining fair and efficient markets, and encouraging capital formation. These are things that touch the lives of many and have profound and far reaching effects on our domestic and global economy. Since 2001, Congress has provided the SEC with additional regulatory tools and has drastically increased the Commission's annual appropriation. And yet, the agency has missed major investment frauds, like Madoff and Stanford, as well as several embarrassing management lapses such as purchasing unneeded space, destroying investigative documents, and repeating material weaknesses in the SEC's own financial statements, to name a few.

While the SEC has made some progress in addressing these lapses, I believe many of these problems are symptomatic of fundamental problems within the SEC's organization and structure. This Committee is disinclined to throw more money at the SEC until these fundamental problems are addressed in a meaningful and comprehensive way.

The fiscal year 2014 request proposes another substantial funding increase of 27 percent over fiscal year 2012 and 33 percent over the sequester amount. Just because the SEC is funded by fees does not excuse the Commission from rigorously managing the funding it has and it does not discharge this Subcommittee from providing serious oversight. I look forward to hearing how the Commission, under new leadership, intends to:

- Provide investors with confidence in the markets,
- Take strong enforcement actions against individuals committing fraud,
- Help facilitate access to capital for American businesses, and
- Effectively use and manage the resources provided to you to run your operations.

The SEC is facing many challenges including finishing up Dodd- Frank and JOBS Act rulemakings, modernizing technology systems, and organizational reform. I would encourage the SEC to be measured and thoughtful in tackling these challenges. There are many statutory rulemakings still left to complete and investors and industry are waiting.

Chairman White, we recognize that you have an incredibly difficult job. We know you and your staff are working hard and we appreciate your efforts. As the newly installed Chair of this agency, you have the opportunity to make meaningful reforms and significantly impact the management and efficacy of the Commission. We appreciate your willingness to take on this challenging position. Your experiences as a prosecutor and in the private sector should be very useful as you work to improve the Commission and the functioning of our securities markets.

We look forward to working in partnership with you on these challenges, and I look forward to your testimony.

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