

THE FINANCIAL MARKET INVESTIGATION, OVERSIGHT, AND REFORM ACT

- 1) *Create a National Commission on Financial Regulatory Reform to quickly recommend fundamental reforms to the federal regulation of financial markets.*
 - A commission of financial experts and former government officials should be given a four month mandate to conduct a top-to-bottom review of our nation's financial regulatory structure and to develop comprehensive recommendations for:
 - 1) Reforming the laws governing our nation's financial markets;
 - 2) Strengthening and reconstituting regulatory agencies; and
 - 3) Improving transparency and oversight.
 - The Commission should be directed to provide Congress with specific legislative suggestions for a rationalized regulatory framework that promotes greater stability, transparency, and efficiency of our financial system, while protecting the interests of investors, consumers, and taxpayers.
- 2) *Establish a special joint Congressional oversight committee to investigate the causes of the current financial market meltdown.*
 - Financial market transparency must be restored. Congressional leaders should name key Senators and Representatives to serve on a temporary House-Senate Joint Committee dedicated to understanding the root causes of the current financial turmoil and proposing corrective actions to the appropriate committees of jurisdiction.
 - The joint committee should receive investigative authority, including subpoena power, to help expose any misdeeds, manipulative schemes, or malfeasance by Wall Street executives and traders that may be responsible for the current financial crisis, as well as failures of federal oversight agencies to meet their regulatory responsibilities. Based on its investigations, and the results of the ongoing Federal Bureau of Investigations probe, the committee should provide recommendations on whether to establish or increase criminal and civil penalties for fraud or other efforts to manipulate financial markets.
- 3) *Initiate a joint investigation and report by a task force of Inspectors General responsible for financial markets oversight.*
 - Congress should establish a joint investigatory task force of Inspectors General of agencies and commissions responsible for oversight of financial markets (Securities and Exchange Commission (SEC), U.S. Treasury Department, Commodities Futures Trading Commission (CFTC), Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency (OCC), Office of Thrift Supervision (OTS), and Federal Deposit Insurance Corporation (FDIC)).
 - The task force should work collaboratively in a joint investigation of their respective agencies, using the forum of the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE) to share findings with regards to ethics, conflicts of interest, oversight, and accountability.
 - The investigation should focus on whether revolving door relationships or other institutionalized conflicts of interest between regulators and their regulated entities may have affected agency decision-making between January 2002 and August 2008 and make their findings public. The report should include recommendations on how to improve and strengthen financial market regulatory agencies.