

Ron Paul

**US House of Representatives
Committee on Financial Services
Congressman Ron Paul
SEC Confidentiality Hearing
September 16, 2010**

Mr. Chairman,

Thank you for holding this hearing. The topic of the SEC's new confidentiality procedures is an important one. The revelation that language had been inserted into the Dodd-Frank bill giving the SEC great exemptions from the Freedom of Information Act was shocking, but unfortunately not surprising. In a conference report that is 2300 pages long and rushed through Congress there is an incredible opportunity for slipping in all sorts of objectionable legislative language that will not be noticed until someone is negatively affected. It would not surprise me if Dodd-Frank contained other surprises that might crop up in the future.

While defenders of the SEC might point to certain trade secrets or proprietary information that the SEC might have access to which should not be publicized, no one ever questions why the SEC has access to that information in the first place and what use it might possibly be. Given the SEC's shoddy performance as a regulatory agency, we should not be seeking to give it more power, more funding, or more exemptions from oversight, but instead should be focused on shutting it down. In the Madoff and Stanford cases the SEC repeatedly ignored information from concerned parties over the course of many years, allowing these fraudulent schemes to operate with an implicit imprimatur.

To reward a failed regulatory agency by changing legislative language to make them even less transparent is unconscionable. I am one of a number of members who have introduced legislation to repeal the new language and keep the SEC transparent, and it is my hope that the Financial Services Committee seriously considers these legislative proposals this fall.