

LEGAL UPDATES

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Enforcement Priorities of the Obama Administration

President Barack Obama's choices for key cabinet positions have staked out the priorities of the nation's top law enforcement agencies, and they suggest a new federal law enforcement focus on American businesses, large and small. The priorities include:

- Financial Fraud
- Anti-Trust and Market Manipulation
- TARP Funds Oversight and Compliance
- Mortgage Fraud
- Consumer Protection Including Food and Product Safety
- Import Compliance
- Export Licensing
- Foreign Corrupt Practices Compliance
- Environmental Protection and Criminal Enforcement

The President highlighted his intention to focus on ensuring corporate compliance and re-invigorated enforcement and regulations during his Inaugural Address on January 20, 2009.

[T]he question before us [is not] whether the market is a force for good or ill. Its power to generate wealth and expand freedom is unmatched, but this crisis has reminded us that without a watchful eye, the market can spin out of control - and that a nation cannot prosper long when it favors only the prosperous.

President Barack Obama

On the Friday after these remarks, Senate Banking Committee Members Chuck Schumer and Richard Shelby introduced a bill to hire 500 new FBI agents, 50 new federal prosecutors and 100 new SEC enforcement agents to investigate financial crimes. The senators called for expanded investigation of financial crimes by the Department of Justice and the SEC.

The testimony of the nation's new Attorney General, sworn into office today, and the new Chairman of the Securities and Exchange Commission reiterated the anticipated expansion of financial regulation and significant investigations of financial crimes. The proposal by Senators Schumer and Shelby will provide the government with significant resources for those investigations.

Attorney General Eric Holder

[Click here to read Holder's opening statement.](#)

Attorney General Eric Holder identified his priorities during his confirmation hearing on January 15, 2009. Holder testified he would "reinvigorate the traditional missions of the Justice Department" while focusing on specific, defined areas of enforcement.

"To that end, the Justice Department must wage an aggressive effort against financial fraud and market manipulation. As taxpayers are asked to rescue large segments of our economy, they also have a right to demand accountability for wrongdoing that only the Department of Justice can provide.

"The Department of Justice must also protect American consumers. We need smart anti-trust enforcement to prevent and punish unlawful conduct that hurts markets, excludes competition, and harms consumer welfare. The Justice Department shall also reinvigorate its efforts to protect the public in areas such as food and drug safety and consumer product safety. And we must work actively with the EPA and other agencies to protect our environment."

Securities and Exchange Commission Chairman Mary Schapiro

[Click here to read Schapiro's opening statement.](#)

SEC Chairman Mary Schapiro promised to lead an active enforcement effort and to increase oversight of the securities markets and publicly-traded companies.

"I will move aggressively to reinvigorate enforcement at the SEC. With investor confidence shaken, it is imperative that the SEC be given the resources and the support it needs to investigate and go after those who cut corners, cheat investors, and break the law. As the first SEC Chairman, Joseph Kennedy, told the nation 75 years ago in explaining the agency's role, 'The Commission will make war without quarter on any who sell securities by fraud or misrepresentation.'" Noting that the regulatory system has fallen behind the pace of the markets and the needs of investors, she urged that the SEC be an "investor's advocate."

Schapiro went on to pledge a "laser-like focus" on fraud and investor protection, agreed to carefully revisit the idea of a move from GAAP to IFRS, and suggested that the federal government should have a role in regulating the insurance industry.

As these priorities begin to take shape in the form of enforcement and regulatory initiatives, the lawyers of Husch Blackwell Sanders' White Collar, Internal Investigations & Compliance group will identify those industries and actors that should be aware of new and expanding rules, the ways in which organizations can prevent government scrutiny, and how to respond to government inquiries and investigations.

The attorneys in Husch Blackwell Sanders LLP's White Collar, Internal Investigations & Compliance practice group include former federal, state, and local prosecutors who are well versed in helping corporations ensure compliance in this changing enforcement environment. For additional information on this topic or other compliance issues, please contact Harvey Tettlebaum.

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