



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 23, 2002
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

**H.R. 3763 - Corporate and Auditing Accountability, Responsibility, and
Transparency Act of 2002**

(Rep. Oxley (R) Ohio and 30 cosponsors)

The Administration supports House passage of H.R. 3763 as an important step toward improving corporate responsibility. The bill is consistent with the President's "Ten Point Plan" and is guided by the core principles of providing better information to investors, making corporate officers more accountable, and developing a stronger, more independent audit system.

The Administration endorses the creation of an independently-funded regulatory organization under the supervision of the Securities and Exchange Commission. The board would develop, monitor, and investigate standards of professional conduct, and enforce such standards, including sanctioning violations by individuals and firms, subject to full supervision and review by the SEC.

The Administration also supports the provision authorizing the SEC to ban individuals from serving as officers and directors of public companies if they engage in serious misconduct. In combination with the initiatives already undertaken by the SEC, the bill will help to reaffirm the investing public's confidence in the transparency and integrity of the U.S. capital markets and its participants.

The Administration has reservations about certain other provisions of the bill, and looks forward to working with Congress as the bill proceeds through the legislative process.

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