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United States Government Accountability Office  
Washington, DC 20548

October 27, 2004

The Honorable John D. Dingell  
Ranking Minority Member  
Committee on Energy and Commerce  
House of Representatives

Subject: Follow-up on SEC's and CFTC's Fines & Disgorgement Collections

Dear Representative Dingell:

Concerning your letter to the Comptroller General requesting a GAO study at the Securities and Exchange Commission (SEC) and the Commodity and Futures Trading Commission (CFTC), we met with your staff on October 20, 2004 to gain a further understanding of your needs. Please see enclosure I for the list of requesters with whom we will be coordinating this assignment.

Due to the uncertainty regarding the availability of the SEC and CFTC data we plan to use for our review, we will need to proceed with a separate design phase. The purpose of this letter is to set forth the study objectives and provide you with a completion date for the design phase. The overall objectives of our work will be to: 1) evaluate the extent to which SEC has improved its information system for tracking and maintaining data related to fines and disgorgements; 2) assess the effectiveness of actions that SEC and CFTC have taken to implement previous GAO recommendations; and, 3) review SEC's implementation of Section 308 (Fair Funds provision) of the Sarbanes-Oxley Act of 2002, and similar CFTC programs.

The design phase will be completed by November 30, 2004. We will remain in contact with your staff, and at the end of the design phase, we will provide you with a projected completion date for the total study. Should you have any questions, please contact me on (202) 512-8678 or, Karen Tremba, Assistant Director, on (202) 512-3113.

Sincerely yours,

Richard J. Hillman  
Director, Financial Markets  
and Community Investment

Enclosure

cc: <sup>uc</sup> Consetula Washington

**LIST OF REQUESTERS**

Ranking Minority Member  
Subcommittee on Capital Markets, Insurance  
and Government Sponsored Enterprises  
House of Representatives

Ranking Minority Member  
Committee on Financial Services  
House of Representatives