

## LARSON VOTES AGAINST INEFFECTIVE AUDITING REFORM BILL

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WASHINGTON, D.C.—U.S. Congressman John B. Larson (CT-01) today voted against H.R. 3763, a Republican sponsored bill which claimed to address auditing and accounting reform in the wake of the Enron and Arthur Anderson debacle. Larson voted in favor of the Democratic substitute which would have put real reform in place to bring accountability to corporations and their auditors. Larson said he based his decision on discussions with Connecticut Secretary of State Susan Bysiewicz who has raised concerns with the state board of accountancy about the need for substantive reforms within the accounting profession.

Larson stated: "The Republican legislation lacked the teeth to correct the flaws in the financial reporting system that brought about the collapse of Enron."

Larson favored provisions President Bush had outlined as prudent and responsible, specifically, these points would have:

1. Required CEOs and CFOs to certify the accuracy of their firms' financial statements. Violation of this provision would carry civil or criminal penalties provided for under the securities laws.
2. Required corporate officers who falsify their financial statements to surrender their compensation, including stock bonuses and other incentive pay. It would have empowered the Securities and Exchange Commission (SEC), in an administrative proceeding, or in court, to seek such a disgorgement.
3. Empowered the SEC to bar officers and directors from serving in that capacity for a public company if they are found guilty of wrongdoing and determined to be unfit. It would have also removed judicial hurdles to seeking such a bar in court. In fact, it codifies the most restrictive judicial standard, one that the head of the SEC's Enforcement Division has said makes it extremely difficult for the SEC to obtain officer and director bars.

-30-