

APRIL 11, 2002

**SCHAKOWSKY: □
NO PROTECTION FOR WORKERS IN REPUBLICAN □
SO-CALLED PENSION SECURITY ACT**

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) was not surprised that the Republicans in the House passed legislation that would do nothing to protect workers from future Enron-like disasters. □ □ The legislation actually weakens current law.

"Enron employees were robbed of their lifesavings, yet this so-called Pension Security Act would do nothing to stop future abuse of workers by other corporate criminals," Schakowsky said. □ □ □

Schakowsky pointed out that this bill does not contain tough criminal or civil penalties to deter management fraud and other misconduct that results in workers losing their pension savings. Enron employees lost more than \$1.3 billion from their 401(k) retirement accounts that had been invested in company stock. □ □ Leading up to the collapse of Enron, executives at the company were dumping their stocks and making millions, while assuring employees that Enron stock was a sound investment.

In addition, the bill fails to allow workers to fully diversify their company stock at a timely manner, to alert workers when executives are "dumping" stock, or to give workers a seat on pension boards. □ □ Furthermore, the bill would weaken current law by creating a loophole that could result in employees receiving biased and conflicted investment information without access to an independent alternative.

"It is no surprise that the Republicans protected their corporate friends' interests, while doing nothing to protect workers' retirement savings. □ Ken Lay and his executives would be very proud," Schakowsky added.

The Democrats offered a comprehensive worker pension protection bill that would have required strong criminal penalties for executives who engage in mismanagement and abuse and the notification of employees when executives are dumping company stock. □ The bill would also have ensured that employees receive honest and timely information about their pensions from unbiased, independent financial advisors; and placed an employee representative on pension boards. □ The Democratic alternative was defeated.