

FEBRUARY 28, 2002

**CONGRESSIONAL DEMOCRATS ACT
TO HALT FUTURE ENRON-LIKE DISASTERS**

WASHINGTON, D.C. - Saying that without Congressional action another Enron could be right around the corner, U.S. Representative Jan Schakowsky (D-IL) today joined Congressional Democrats to announce a legislative proposal to strengthen oversight and disclosure procedures in the financial markets. The Comprehensive Investor Protection Act of 2002, introduced by Financial Services Ranking Democrat John LaFalce (D-NY), would protect workers and investors by ensuring that auditors are free to provide unbiased financial score cards.

The bill, supported by major consumer groups and the AFL-CIO, would create a Public Accounting Regulatory Board to provide strong and effective oversight of the auditing industry. The bill would also ensure auditors' independence, and require that they place the priorities of the public first. In addition, it would enhance financial disclosures, expand resources for the Securities and Exchange Commission, limit destruction of information by requiring auditors to retain certain key files to be available for investigators, and enhance conflict of interests guidelines for analysts and auditors.

Below is Schakowsky's statement.

Thank You Congressman LaFalce for your ongoing leadership on this important issue. I am proud to stand here today with Democrats, including our Democratic leaders who are committed to cleaning up the system and passing this very important legislation.

Many Americans woke up after Enron declared bankruptcy and found out that they have lost their lifesavings. No one would have invested in Enron if they have known the truth. It was a sham. This is true not just for people who consciously decided to invest in Enron, but for those members whose pension funds were invested in Enron.

All investors expect some level of risk, but no one who invested in Enron could have understood how stacked the deck was against them -- a company that cooked the books, accounting firms with unimaginable conflicts of interests, an SEC that was looking the other way, and a legal system that was changed in the 1990s to take away the legal rights of defrauded investors.

Unfortunately, many more investors are at risk because there are many more Enron's out there. This bill will fix those problems and ensure that a mechanism is in place that is designed to put the interests of the investors first.