

Braley Calls for Stricter Oversight of Excessive Wall Street Bonuses

Written by Caitlin Legacki
Monday, 18 October 2010 08:02

Sends letter to Securities and Exchange Commission, urging crackdown on bonuses

Waterloo, Iowa – Rep. Bruce Braley (D-Iowa) sent a letter today to Securities and Exchange Commission Chairwoman Mary Schapiro expressing outrage over the recently announced excessive Wall Street compensation and benefits. This week, it was reported that Wall Street firms are expected to award \$144 billion in bonuses to their executives.

“While our economy is still struggling to get back on its feet, I believe that such excessive compensation in an industry that contributed to our financial collapse is unconscionable,” states Braley’s letter. The letter also states, “I firmly believe these firms could put these funds to better use as investment capital to assist small businesses, for job creation, and to put our economy back on track.”

Braley urged Chairwoman Schapiro to expedite strict regulations to protect shareholders, consumers and investors, by cracking down on these excessive bonuses. Under the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, which Braley supported, the SEC is instructed to create regulations that give shareholders more say over executive bonuses, increase the transparency of those bonuses, and allow for companies and shareholders to recover excessive executive bonuses under certain circumstances.

Braley’s letter is below:

October 15, 2010

The Honorable Mary L. Schapiro

Chairwoman

Security and Exchange Commission
100 F Street, NE

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Washington, DC 20549

Dear Chairwoman Schapiro,

I'm writing to express serious concerns over recent media reports suggesting Wall Street firms are on track to provide \$144 billion in compensation and benefits, which is a record high for a second consecutive year. While our economy is still struggling to find its feet, I believe that such excessive compensation in an industry that contributed to our financial collapse is unconscionable.

For the past several years, I have urged Secretary Geithner and the Administration to crack down on excessive compensation and provide accountability for the use of taxpayer funds. I've also called on Attorney General Holder to investigate the potential criminal misuse of funds by AIG to provide bonuses to many of their most senior executives. In Congress, I have worked hard to provide accountability for consumers and investors and I supported strong regulations in the *Dodd-Frank Wall Street Reform and Consumer Protection Act* to provide transparency and executive accountability to their investors as a means of reigning in risky decisions in pursuit of short term profits.

With the authority under the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, I urge you to expedite the issuance of strict regulations to protect investors and consumers and ensure that any compensation provided by these firms is warranted and not harmful to investor or consumers. Furthermore, as some of the drivers of the economic collapse, I firmly believe these firms could put these funds to better use as investment capital to assist small businesses, for job creation, and to put our economy back on track.

Once again, I urge you to expedite the regulations contained in the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, and to ensure strong protections for shareholders, consumers and investors from such irresponsible executive compensation. Thank you for your attention to this matter.

Sincerely,

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Bruce Braley

Member of Congress