

*Draft press release*

The Securities and Exchange Commission (SEC) is creating a new office dedicated to securities industry examinations. The primary function of this organization, which will be known as the Office of Securities Industry Examinations (OSIE), is coordinating and conducting examinations of brokers, dealers, municipal securities dealers, self-regulatory organizations, transfer agents, clearing agencies, investment companies, investment advisers, fund administrators, sponsors of variable insurance products, unit investment trusts, and business development companies.

This reorganization will improve the agency's ability to oversee the securities industry thereby fostering better investor protection. The creation of OSIE will strengthen the examination program, enable the SEC to be more responsive to the industry it regulates, and allow for better use of agency resources. Examinations will have a broader perspective covering factors which cross the lines between the various regulated entities. Consolidating the examination activities will promote consistency and enhance coordination with the Division of Enforcement.

The Divisions of Market Regulation and Investment Management previously were responsible for coordinating and conducting the examination activities, which are performed primarily in the SEC's regional and district offices. With the creation of OSIE, the Divisions of Market Regulation and Investment Management will retain all other ongoing activities.

The establishment of OSIE is in keeping with Chairman Levitt's ongoing efforts to identify areas of the SEC's administrative and programmatic operations that would benefit from reorganization, consolidation, or elimination. Since 1993, the Commission has streamlined regional office operations and reorganized major program offices. Centralized coordination of the SEC's examination activities will facilitate Commission efforts to improve efficiency of operations and responsiveness to industry concerns and, foremost of all, strengthen efforts to protect investors through a vigorous examination program.