



U.S. Securities and Exchange Commission

SEC Names New Specialized Unit Chiefs and Head of New Office of Market Intelligence

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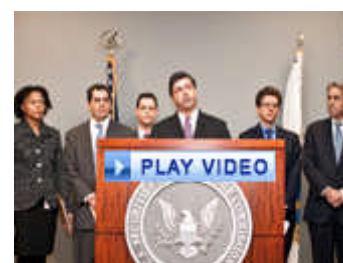
Washington, D.C., Jan. 13, 2010 — The Enforcement Division of the Securities and Exchange Commission today announced the appointment of the newest members of its national leadership team as the Division undertakes its most significant reorganization since its establishment in 1972.

The Division named leaders of national specialized units it has established in five priority areas dedicated to particular highly specialized and complex areas of securities law. The Division also has created a new Office of Market Intelligence that is responsible for the collection, analysis, and monitoring of the hundreds of thousands of tips, complaints, and referrals that the SEC receives each year. These units and the new office will help provide the additional structure, resources, and expertise necessary for enforcement staff to keep pace with ever-changing markets and more comprehensively investigate cases involving complex products, markets, regulatory regimes, practices and transactions.

"Two great challenges face every enforcement authority policing our securities markets — the complexity and high-velocity pace of innovation in financial products, transactions, and markets, and the willingness of violators to use every trick to cover their tracks," said Robert Khuzami, Director of the Division of Enforcement. "These specialized units address both challenges through improved understanding of complex products and markets, earlier and better capability to detect emerging fraud and misconduct, greater capacity to file cases with strike-force speed, and an increase in expertise throughout the Division. And by making connections between similar tips from different outside sources, our new Office of Market Intelligence will enable the Division to better focus resources on those tips and referrals with the greatest potential for uncovering wrongdoing."

Through enhanced training and improved access to specialists, unit members will obtain increased understanding of particular markets, products and transactions. They will use that expertise to adopt a more proactive approach to identifying conduct and practices ripe for

Video: News Conference



SEC Enforcement Director Robert Khuzami introduces new unit chiefs:
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investigation, to conduct those investigations with increased efficiency and effectiveness, and to share that expertise with all staff throughout the Enforcement Division conducting investigations in these specialized areas.

The new Office of Market Intelligence will be led by Thomas A. Sporkin. This office will analyze tips according to internally-developed risk criteria as well as SEC priorities, and will utilize the expertise of the SEC's other Divisions and of the specialized units to help analyze the tips and identify wrongdoing. Mr. Sporkin assumes this new role after serving as Deputy Chief in the Office of Internet Enforcement at the SEC since 2001. Previously, he was Senior Counsel and Staff Attorney in the SEC's Division of Enforcement. Mr. Sporkin received his J.D. from American University Washington College of Law, and his B.S. in Economics from the University of Maryland.

The specialized units and their Unit Chiefs are:

Asset Management — This unit will be led by Co-Chiefs Bruce Karpati and Robert B. Kaplan and will focus on investigations involving Investment Advisors, Investment Companies, Hedge Funds, and Private Equity Funds.

Mr. Karpati was founder and head of the SEC's Hedge Fund Working Group, and has served as Assistant Regional Director for the New York Regional Office of the SEC. Earlier, he was a Branch Chief and Attorney in the Division of Enforcement at the agency. Previously, Mr. Karpati was an Associate at Dechert LLP in Washington, D.C. Mr. Karpati received his J.D. from University at Buffalo Law School, and his B.A. in International Relations from Tufts University.

Mr. Kaplan has served as Assistant Director of the SEC's Division of Enforcement. He previously held positions as Assistant Chief Litigation Counsel and Senior Counsel/Staff Attorney in the Division. Earlier, he was an Associate with Morgan, Lewis & Bockius LLP in New York. Mr. Kaplan received his J.D. from New York University School of Law, and his A.B. in History from Columbia College, Columbia University.

Market Abuse — This unit will be led by Daniel M. Hawke, and will focus on investigations involving large-scale market abuses and complex manipulation schemes by institutional traders, market professionals, and others.

Mr. Hawke is Director of the SEC's Philadelphia Regional Office. He joined the SEC's Philadelphia office as Associate Regional Director, and previously served in the Washington, D.C. office as Branch Chief and Staff Attorney in the Enforcement Division. Earlier, he was a Litigation Partner at Tucker, Flyer & Lewis LLP in Washington, D.C. Mr. Hawke received his J.D. from Boston University School of Law, and his B.A. in Political Science from Tulane University.

The Market Abuse Unit Deputy Chief is Sanjay Wadhwa. Mr. Wadhwa has been Assistant Regional Director for the New York Regional Office of the SEC. Earlier, he was Branch Chief and Senior Counsel/Staff Attorney in the Division of Enforcement at the agency. Previously, he was an Associate at Skadden, Arps, Slate, Meagher & Flom LLP in New York. Mr. Wadhwa

received his LL.M. in Taxation from New York University School of Law, his J.D. from South Texas College of Law, and his B.B.A. in Accounting from Florida Atlantic University.

Structured and New Products — This unit will be led by Kenneth R. Lench and will focus on complex derivatives and financial products, including credit default swaps, collateralized debt obligations, and securitized products.

Mr. Lench has served as Assistant Director, Branch Chief, Assistant Chief Counsel, and Senior Counsel/Staff Attorney with the SEC's Division of Enforcement. Earlier, he was a Senior Attorney with the SEC's Division of Corporation Finance, and an Associate with Sills Cummis P.C. in Newark, N.J. Mr. Lench received his J.D. from Boston University School of Law, and his B.A. in Political Science from Brandeis University.

The Structured and New Products Unit Deputy Chief is Reid A. Muoio, who has been an Assistant Director, Branch Chief, and Staff Attorney with the SEC's Division of Enforcement. Earlier, he was an Associate with Hughes Hubbard & Reed LLP in New York. Mr. Muoio received his J.D. from Yale Law School and his B.A. in Economics from Williams College.

Foreign Corrupt Practices — This unit will be led by Cheryl J. Scarboro and will focus on violations of the Foreign Corrupt Practice Act, which prohibits U.S. companies from bribing foreign officials for government contracts and other business. Ms. Scarboro has served as Associate Director, Assistant Director, Deputy Assistant Director, and Staff Attorney in the SEC's Division of Enforcement. She also was Counsel to SEC Chairman Arthur Levitt, Jr.. Earlier, she was an Associate at Sutherland, Asbill & Brennan LLP in Washington, D.C. Ms. Scarboro received her J.D. from Duke University School of Law, and her B.A. in Political Science from the University of Alabama in Huntsville.

Municipal Securities and Public Pensions — This unit will be led by Elaine C. Greenberg and will focus on misconduct in the large municipal securities market and in connection with public pension funds including: offering and disclosure fraud; tax or arbitrage-driven fraud; pay-to-play and public corruption violations; public pension accounting and disclosure violations; and valuation and pricing fraud.

Ms. Greenberg is the Associate Regional Director of the Philadelphia Regional Office of the SEC and has served as the Co-Chair of the Division's national Municipal Securities Working Group. Earlier, she was Assistant Regional Director, Branch Chief, and Staff Attorney in the Philadelphia office. Ms. Greenberg received her J.D. from Temple University School of Law, and her B.A. in Anthropology from Temple University.

The Municipal Securities and Public Pensions Unit Deputy Chief is Mark R. Zehner. Mr. Zehner has served as Regional Municipal Securities Counsel in the SEC's Philadelphia Regional Office and as Co-Chair of the Municipal Securities Working Group. Previously, he was an Attorney-Fellow in the Office of Municipal Securities in the SEC's Washington, D.C. office. Earlier, Mr. Zehner was a Partner with Saul, Ewing, Remick, & Saul LLP in Philadelphia. He received his J.D. from the University of Pennsylvania Law School, and his B.A. in Government from Dartmouth College.

Prior to today, among the recommendations already implemented, senior officers have received the authority to open formal investigations and initiate the issuance of subpoenas to facilitate the swifter collection of evidence. Other initiatives that are being undertaken by the Division include substantially expanding staff training programs, streamlining management, putting additional experienced investigators on the front lines, revising internal enforcement procedures, restructuring processes to ensure better sharing of information, leveraging the knowledge of third parties, and revamping the handling of tips.

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