



December 13, 2011

The Honorable Scott Garrett
Chairman, Subcommittee on Capital Markets and Government Sponsored Enterprises
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member, Subcommittee on Capital Markets and Government Sponsored Enterprises
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Garrett and Congresswoman Waters:

The Securities Industry and Financial Markets Association (SIFMA) strongly supports H.R. 2483, the Whistleblower Improvement Act of 2011, sponsored by Representative Grimm (R-NY). The legislation would amend Section 922 of the Dodd-Frank Act to ensure a more efficient, fair and reasonable reporting of whistleblower matters.

Importantly, the legislation would require employees to first use available internal reporting procedures prior to reporting information regarding possible securities law violations to either the Securities and Exchange Commission (SEC) or the Commodities Futures Trading Commission (CFTC) to be eligible to receive any whistleblower rewards. Internal corporate compliance reporting systems are particularly important in the financial services industry, and are currently undermined by the existing whistleblower laws. H.R. 2483 would address this issue by ensuring such internal systems are given the opportunity to work as intended.

SIFMA also supports the provisions in H.R. 2483 that expressly prohibits culpable persons from becoming eligible to receive whistleblower awards, thus ensuring that wrongdoers do not receive awards. Further, H.R. 2483 ensures that employment actions taken against whistleblowers which are consistent with the companies' employment policies, practices, and codes will not be considered retaliatory under the law.

Finally, H.R. 2483 gives companies 30 days to investigate whistleblower complaints prior to the SEC or CFTC bringing an enforcement action unless there is evidence of bad faith or the complaint involves the highest level of management. SIFMA believes such notice would provide firms adequate time to investigate the complaint and take any immediate action necessary to stop additional wrongdoing prior to any formal action being taken. Under the current structure, a company may not even be aware that a complaint has been submitted to a regulator.

We strongly support H.R. 2483 and urge the Subcommittee to affirmatively report the bill. Thank you for your consideration of our views.

Sincerely Yours,

A handwritten signature in blue ink, reading "Ken Bentsen", with a stylized flourish at the end.

Kenneth E. Bentsen, Jr.
EVP, Public Policy and Advocacy

cc: Capital Markets and Government Sponsored Enterprises Subcommittee