

SEC Reports Record Enforcement Actions and Other Activities in Its Past Year

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Recognizing the particular interest in the performance of its enforcement division, the Commission issued a press release in December announcing its enforcement results for fiscal 2013; in a small footnote, the release indicated that this information is part of the Agency Financial Report, of which enforcement makes up only one part.

The first number touted in the press release is \$3.4 billion in monetary sanctions from disgorgement and penalties, an increase of 10% over 2012 and 22% over 2011, when the agency filed the highest number of actions in its history. The SEC filed 686 enforcement actions for 2013, although another footnote indicates that in future years certain categories will be excluded so that number will be 676. In particular, the SEC emphasized that actions have been filed against 169 individuals and entities whose actions contributed to the financial crisis, including 70 CEOs, CFOs and other senior executives. Similar to prior years, 3,238 whistleblower tips were received. A strong enforcement pipeline was on the list of forward-looking initiatives, with 908 investigations already opened (up 13%) and 574 formal orders of investigation (up 20%).

Beyond enforcement, the [Agency Financial Report](#) itself reveals that the SEC had set a target to review 33% of public companies and exceeded that goal by examining 52%. 25.6 days was the average for receiving initial comments in Securities Act filings. In its forecast for what's coming up for 2014, there were few surprises. Among the Commission's high priorities are continuing to fulfill its regulatory agenda under Dodd-Frank and the JOBS Act, including the executive compensation provisions. Identifying and analyzing risk is also a key focus across the SEC, with newly created analytical capabilities and the ability of the Division for Economic and Risk Analysis to support several areas, such as assisting Corporation Finance in assessing registrants' financial statements for anomalies and increasing the efficiency of that Division's reviews.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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