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Paulson Announces Auditing Committee Members to Make Recommendations for a More Sustainable, Transparent Industry

Washington, DC- Secretary Henry M. Paulson, Jr. announced the members of the Treasury Advisory Committee on the Auditing Profession today. The public committee, [which Secretary Paulson first announced in May](#), will make recommendations to encourage a more sustainable auditing profession. The Treasury Department worked with Committee Chairmen Arthur Levitt, Jr., former Securities and Exchange Commission Chairman, and Donald T. Nicolaisen, former SEC Chief Accountant, to choose members through a public nomination process and based on their diverse experiences and perspectives.

"Investor trust in the integrity of our capital markets is vital to the strength of the U. S. economy. Investor trust is based on accurate financial reporting, and a vibrant auditing profession is essential for a well-functioning financial reporting system," said Secretary Paulson. "This Committee has been chartered to develop recommendations as to what can best be done to sustain a vibrant auditing profession, a profession whose work is critical to investor confidence in our capital markets."

Secretary Paulson announced a series of initiatives this year to enhance [U.S. capital markets competitiveness](#), one of his top priorities since taking office. Areas of focus include strengthening financial reporting and seeking a more sustainable auditing profession.

The committee will examine auditing industry concentration, financial soundness, audit quality, employee recruitment and retention, in addition to other topics. Treasury expects the committee to produce findings and recommendations by early summer 2008.

The committee structure will encourage an open and public discussion, with no predetermined outcomes. Meetings will be open to public attendance and comment at the [Committee website](#). The committee members represent a broad range of perspectives, including investors, auditors, large and small public companies, insurance companies, lawyers and regulators. Treasury also selected official observers representing the domestic and international regulatory and policy bodies.

The first meeting will be held at the Treasury Department on Monday, October 15 at 10:00 a.m. in the Cash Room.

Committee members include:

Arthur Levitt, Jr. (Co-Chair) was the 25th Chairman of the SEC. First appointed by President Clinton in July 1993, and reappointed in May 1998, he was the longest serving SEC Chairman when he left on February 9, 2001. He is presently Senior Advisor to The Carlyle Group and Wisdom-Tree, on the Board of Bloomberg LLP as well as a member of the American Academy of Arts & Sciences.

Donald T. Nicolaisen (Co-Chair) was the Chief Accountant at the SEC from September 2003 to November 2005. He serves on the Board of Directors of Morgan Stanley, MGIC Investment Corporation, Verizon Communications Inc. and Zurich Financial Services. In addition, Mr. Nicolaisen is on the Board of Advisors for the University of Southern California, Leventhal School of Accounting. Mr. Nicolaisen also serves in a variety of advisory capacities to other Fortune 25 companies.

Alan L. Beller is a partner at Cleary Gottlieb Steen & Hamilton LLP. Mr. Beller was the Director of the Division of Corporation Finance of the SEC and Senior Counselor to the SEC from 2002 until 2006.

Amy Woods Brinkley is the Global Risk executive for Bank of America. She serves on the Risk & Capital Committee, which oversees allocation of capital to all business lines, and is a member of the bank's Management Operating Committee.

Mary K. Bush is President of Bush International and serves on the Boards of four publicly traded companies--Briggs and Stratton (Audit Committee), Discover Financial Services, ManTech Corporation and United Air Lines (Audit Committee)--and the Pioneer Family of Mutual Funds.

H. Rodgin Cohen is Chairman of Sullivan & Cromwell LLP. He has acted in most of the major U.S. bank acquisitions as well as in numerous leading cross-border and cross-industry acquisitions.

Timothy P. Flynn is Chairman and Chief Executive Officer of KPMG LLP. He is a member of the Governing Board of the Center for Audit Quality, and the Boards of Trustees of the Financial Accounting Foundation (FAF), FAF's Audit, Development and Strategic Planning committees, and the University of St. Thomas.

Robert Glauber is a Lecturer at Harvard's Kennedy School of Government. Previously, he served as Chairman and Chief Executive Officer of NASD (now FINRA) from September 2001 to September 2006, after becoming NASD's CEO and President in November 2000 and a member of NASD's Board in 1996.

Ken Goldman is Chief Financial Officer of Fortinet, Inc. He is a member and

former President of The Financial Executive Institute, Santa Clara chapter, and served as an advisory council member of the Financial Accounting Standards Board from 2000 to 2004.

Gaylen R. Hansen is an audit partner at Ehrhardt Keefe Steiner & Hottman PC and serves on the Colorado State Board of Accountancy and the board of directors of the National Association of State Boards of Accountancy. He is also a member of the Standing Advisory Group that advises the Public Company Accounting Oversight Board.

Barry C. Melancon is the President and Chief Executive Officer of the American Institute of Certified Public Accountants. Prior to joining the AICPA, Mr. Melancon served for eight years as Executive Director of the Society of Louisiana CPAs.

Anne M. Mulcahy is Chairman and Chief Executive Officer of Xerox Corporation. In addition to the Xerox Board, Ms. Mulcahy serves on the Boards of Citigroup Inc., Fuji Xerox Co. Ltd., Target Corporation, and is the Chairman of the Corporate Governance Task Force of the Business Roundtable.

Richard H. Murray is Managing Director and Chief Claims Strategist of Swiss Re. Mr. Murray serves on the Supervisory Board of the Centre for the Study of Financial Innovation, the Advisory Board of Oxford Analytica, the Advisory Board of the Northeast Business Law Center, as a member of the Commission on the U.S. Capital Markets in the 21st Century, and the Institute of International Finance.

Gary John Previts is a Professor of Accountancy at Case Western Reserve University. He is a member of the Accountability Advisory Council of the U.S. Government Accountability Office and President of the American Accounting Association.

Damon A. Silvers is an Associate General Counsel for the AFL-CIO. Mr. Silvers led the AFL-CIO legal team that won severance payments for laid off Enron and WorldCom workers.

Richard A. Simonson is Executive Vice President and Chief Financial Officer of Nokia Corporation. Mr. Simonson has been a member of the Group Executive Board of Nokia since 2004 and the Board of Nokia Siemens Networks since April 1, 2007.

Sarah E. Smith is the Controller and Chief Accounting Officer of Goldman Sachs. She also serves on the firm's Risk Committee, the Commitments Committee, the Partnership Committee and the Private Equity Investment Committee and has oversight of Operational Risk. She is a member of the Washington-based Committee for Economic Development.

William D. Travis has been President and Chief Executive Officer of Bailiwick Data Systems, Inc. since 2007 and currently serves on the Board of Directors of

McGladrey & Pullen, LLP, where he was previously Managing Director and Chairman.

Lynn E. Turner served as the Chief Accountant at the SEC from 1998 to 2001. He serves as a senior advisor to Kroll Zolfo Copper and is a member of the Standards Advisory Group of the Public Company Accounting Oversight Board and the Financial Accounting Standards Board Investor Technical Advisory Committee.

Paul A. Volcker served as Chairman of the Board of Governors of the Federal Reserve System. He is former Chairman of Wolfensohn & Co., Inc., as well as Professor Emeritus of International Economic Policy at Princeton University. He was recently Chairman of the Board of Trustees of the International Accounting Standards Committee.

Ann Yerger, CFA, is the Executive Director of the Council of Institutional Investors. She joined the Council in early 1996 as the Director of the Council's Research Service. She was named Executive Director in January 2005.

Committee observers include:

Robert H. Herz, Chairman of the Financial Accounting Standards Board

Mark W. Olson, Chairman of the Public Company Accounting Oversight Board

Zoe-Vonna Palmrose, Deputy Chief Accountant for Professional Practice in the Office of the Chief Accountant at the Securities and Exchange Commission

Michel Prada, Chairman of the Autorité des Marchés Financiers in France

Sir David Tweedie, Chairman of the International Accounting Standards Board

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REPORTS

- [Paulson's Remarks at Announcement of Committee](#)

