

NEWSROOM: BLOG

## President-elect Obama names key regulatory appointments (Update 2: video)

Thursday, December 18, 2008 07:38pm EST / Posted by *Dave Rochelson*

President-elect Barack Obama called for a “a 21st century regulatory framework to ensure that a crisis like this can never happen again” in announcing the nominations of two top regulatory officials: Mary Schapiro as the Chairwoman of the Securities and Exchange Commission (SEC) and Gary Gensler as the Chairman of the Commodity Futures Trading Commission.

“Financial regulatory reform will be one of the top legislative priorities of my Administration, and as a symbol of how important I view this reform, I’m announcing these appointments months earlier than previous administrations have,” President-elect Obama said at this morning’s press conference in Chicago.

Schapiro is currently Chief Executive Officer of the Financial Industry Regulatory Authority, the nation’s largest independent regulator of securities firms. Gensler is a former Undersecretary of the Treasury and a longtime partner at Goldman Sachs.

“These individuals will help put in place new, common-sense rules of the road that will protect investors, consumers, and our entire economy from fraud and manipulation by an irresponsible few,” President-elect Obama said. “These rules will reward the industriousness and entrepreneurial spirit that’s always been the engine of our prosperity, and crack down on the culture of greed and scheming that has led us to this day of reckoning.”

President-elect Obama also announced the appointment of Dan Tarullo to the Federal Reserve Board.

Photos from the press conference and the text of President-elect Obama’s remarks below.



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**Remarks of President-Elect Barack Obama - As prepared for delivery  
SEC, CFTC, and Federal Reserve Board Announcements  
Thursday, December 18, 2008  
Chicago, Illinois**

Over the past few weeks, I've announced key members of my economic team, who are now crafting a 21st Century Economic Recovery Plan that will create 2.5 million jobs. But as I said throughout the campaign, what will be just as important to our long-term economic stability is a 21st century regulatory framework to ensure that a crisis like this can never happen again.

Today, I am pleased to announce two individuals who will be leading that effort – Mary Schapiro as the Chairman of the Securities and Exchange Commission, and Gary Gensler as the Chairman of the Commodity Futures Trading Commission. I'm also pleased to announce that Dan Tarullo will be bringing his years of expertise on regulatory and banking reform to the Federal Reserve Board as one of its new governors.

In the last few days, the alleged scandal at Madoff Investment Securities has reminded us yet again of how badly reform is needed when it comes to the rules and regulations that govern our markets. Charities that invested in Madoff could end up losing savings on which millions depend – a massive fraud that was made possible in part because the regulators who were assigned to oversee Wall Street dropped the ball. And if the financial crisis has taught us anything, it's that this failure of oversight and accountability doesn't just harm the individuals involved, it has the potential to devastate our entire economy. That's a failure we cannot afford.

Financial regulatory reform will be one of the top legislative priorities of my Administration, and as a symbol of how important I view this reform, I'm announcing these appointments months earlier than previous administrations have. These individuals will help put in place new, common-sense rules of the road that will protect investors, consumers, and our entire economy from fraud and manipulation by an irresponsible few. These rules will reward the industriousness and entrepreneurial spirit that's always been the engine of our prosperity, and crack down on the culture of greed and scheming that has led us to this day of reckoning. Instead of allowing interests to put their thumbs on the economic scales and CEOs run off with excessive golden parachutes, we'll ensure openness, accountability, and transparency in our markets so that people can trust the value of the financial product they're buying. And instead of appointing people with disdain for regulation, I will ensure that our regulatory agencies are led by individuals who are ready and willing to enforce the law.

These are precisely the reasons why I chose the outstanding public servants who are with me today. Mary Schapiro currently serves as the Chief Executive Officer of the Financial Industry Regulatory Authority, the largest regulator for all securities firms that do business with the United States. Before that, she served as an SEC commissioner, and as Chairman of the Commodity Futures Trading Commission.

Mary is known as a regulator who's both smart and tough – so much so that she's been criticized by the same industry insiders who we need to get tough on. For years, she's used her position to educate investors about market risks, warn seniors and employers about retirement scams, and call for increased regulation of mortgage brokers long before this housing crisis hit. I know that Mary will provide the new ideas, new reforms, and new spirit of accountability that the SEC desperately needs so that fraud like the Madoff scandal doesn't happen again.

To chair the Commodity Futures Trading Commission, I've chosen Gary Gensler, who brings a wealth of expertise from both the public and private sectors to this position. In addition to serving as Under Secretary of Treasury during the Clinton Administration and a Senior Advisor to the Senate Banking Committee, Gary also gained a deep knowledge of our financial institutions during his decade as a

of the Transition and the incoming Administration to the Federal government resources available to them.

partner at Goldman Sachs. As the new chairman of a commission charged with regulating some of the unsound practices and excessive leverage that helped cause this crisis, I know he will restore sound judgment and strict oversight to our markets. Along with Mary, Treasury Secretary-designee Tim Geithner, and others, Gary will also serve as a key member of the team that will reform our outdated financial regulations.

I am also announcing Dan Tarullo, one of my trusted economic advisors, as a new governor of the Federal Reserve Board. The Federal Reserve's monetary policy function will continue to be critical in navigating us through these trying economic times. But, as many of you know, the Federal Reserve also serves a vital regulatory function. Dan will bring a lifetime of experience to the Fed in economic policy, and financial regulation. A professor of law at Georgetown, Dan previously served as a senior economic advisor in the Clinton Administration, where he coordinated international economic policy and served as President Clinton's personal representative to multiple G-8 summits. His academic and policy work on financial regulation has anticipated some of the problems we have observed, and he has generated important ideas for how we should move forward. I have no doubt that his knowledge, experience, and independence will make him a valuable addition to the Federal Reserve at this critical time.

For over two centuries, our market has created a prosperity that is the envy of the world, and rewarded the innovators and risk-takers who have made America a beacon of science, technology, and discovery. But the American economy has worked in large part because we have guided the market's invisible hand with a higher principle – that America prospers when all Americans can prosper. That principle is why we put in place common-sense rules of the road to regulate our market, and it's why we need to restore and renew those rules today – so that every American from Wall Street to Main Street can have the chance to prosper once more. I have great faith and confidence in the ability of the team I've announced to make this possible. Thank you.

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