

# Congress of the United States

Washington, DC 20510

June 6, 2016

The Honorable Mary Jo White  
Chair  
Securities Exchange Commission  
100 F St. NE  
Washington, D.C. 20549

Dear Chair White:

We are writing to request details on how the Securities Exchange Commission (SEC) conducts oversight of the Financial Industry Regulatory Authority (FINRA).

FINRA has evolved from a membership association primarily responsible for examining and enforcing industry norms into a hybrid entity that enforces securities law alongside the SEC. As a result, FINRA has become a unique quasi-governmental entity. While FINRA is subject to SEC oversight, it is unclear how much oversight the SEC conducts of FINRA.

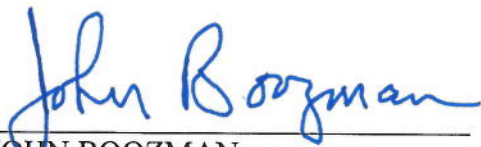
We respectfully request that your response include answers to, but not be limited to, the following questions:

1. Does the SEC have a formal policy, plan, procedure, or guidelines that governs the SEC's oversight of FINRA? If so, please share the SEC's plan.
2. Has the SEC requested its Inspector General look into FINRA's operations? If so, please share the topics of any such request.
3. Does the SEC conduct oversight of FINRA's budget? If so, please share the details of the oversight conducted.
4. Does the SEC conduct oversight on the manner in which FINRA allocates funds to examination staff, surveillance, training, and compensation packages for the senior management and the Board? If so, please share the details of the oversight conducted.
5. Has the SEC, Commission staff, or Inspector General reviewed wait times for investors seeking arbitration awards? If so, please share those details.
6. Does the SEC, Commission staff, or Inspector General conduct oversight on how FINRA enters into Advice, Waiver, and Consent Orders (AWC) with registered broker-dealers related to SEC rules? If so, please share the details of the oversight conducted.

7. Does the SEC review AWC orders to determine whether enforcement of its rules is proper? If so, please detail how the review is conducted.
8. Does the SEC review FINRA AWC's to determine whether the AWC is enforcing existing FINRA/SEC rules or making new policy? If so, please detail how the review is conducted.

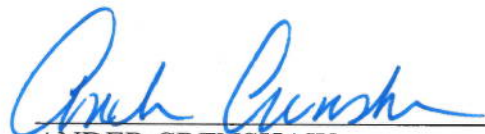
We look forward to your responses on this important matter. We respectfully request you respond within 45 days of receipt of this letter.

Sincerely,



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JOHN BOOZMAN  
Chairman  
Subcommittee on Financial Services  
and General Government  
Senate Committee on Appropriations



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ANDER CRENSHAW  
Chairman  
Subcommittee on Financial Services  
and General Government  
House Committee on Appropriations