

DOLE ON REGULATION AND TRANSPARENCY: LESS IS MORE, EVEN MONTHS BEFORE FINANCIAL MARKETS COLLAPSE

DOLE HAS LONG OPPOSED REGULATION AND TRANSPARENCY IN FINANCIAL MARKETS; MONTHS BEFORE MARKET COLLAPSE SHE TRIED TO LESSEN REGULATIONS

2006: Dole Opposed Financial Controls Of Corporations Under Sarbanes-Oxley. During a speech to the Charlotte Chamber of Commerce in 2006, Dole expressed her concern that “businesses and shareholders [should] receive a benefit from” Section 404 of Sarbanes-Oxley, which required companies to perform an internal assessment of their financial controls and have an auditor attest to those controls. [Dole Senate Office, Speeches, [12/6/06](#)]

March 4, 2008: Dole: Regulation Of Financial Institutions “Increase Cost Of Business” And Burdensome. At a hearing of the Banking Committee on March 4, 2008, Dole touted the legislation that she planned on introducing that lessened regulatory rules for banks and financial institutions. Dole said, “These financial institutions are already highly regulated and it is becoming increasingly apparent that these additional regulations, while well intended only increase the cost of doing business.” [Senate Banking Committee Hearing, 3/4/08]

March 4, 2008: Dole Press Release: “We Must Ensure Businesses And Shareholders Receive Benefits” From Regulations. In a press release from Dole’s U.S. Senate office, Dole announced the introduction of legislation to make auditing regulations mandated in Sarbanes-Oxley voluntarily for banks and financial institutions. In the release, Dole said, “We must ensure that businesses and shareholders receive benefits from these regulations that are commensurate with the burdens they create.” [Dole Senate Office Press Release, 3/4/08]

March 5, 2008: Dole Introduced Bill To Reduce Regulation Of Financial Institutions. In March 2008, Dole introduced the Regulatory Relief and Fairness Act, which is “a bill to reduce the report and certification burdens for certain financial institutions.” The bill sought to ease regulations found in sections 302 and 404 of the Sarbanes-Oxley Act of 2002. [S 2703, Introduced [3/5/08](#)]

- **Sections 302 & 404 Of Sarbanes-Oxley Hold Executives Accountable.** According to the *San Diego Business Journal*, “under Section 302, CEOs and CFOs must personally certify that they are responsible for disclosure” statements in their quarterly and annual reports. Furthermore, “each quarterly filing must contain an evaluation of the design and effectiveness” of their internal accounting and auditing procedures and verify “that they have disclosed to their audit committee and independent auditor any significant control deficiencies, material weaknesses, and acts of fraud.” [San Diego Business Journal, 3/31/03]
- **Internal Controls Defined As “Assurance Regarding The Reliability Of Financial Reporting.”** According to the Securities and Exchange Commission, the definition of internal controls was, “A process designed...to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles...” Such processes should maintain records “in reasonable detail” and provide “reasonable assurance” regarding prevention or timely detection of unethical transactions that might be used to impact financial statements. [Securities and Exchange Commission briefing paper, [4/5/05](#)]
- **Accountancy Age: Dole “Decided To Throw Her Hat In The Credit Crunch Ring” By Making Compliance Voluntary For Banks.** Gavin Hinks, the editor of *Accountancy Age* wrote, Dole “decided to throw her hate in the credit crunch ring by insisting that compliance with certain parts of the Sarbanes-Oxley act should be ‘voluntary’ for banks.” Hinks explained that “the parts she mentioned were section 404 the bit about having auditors verify that you have decent internal controls and section 302, the part that says

CEOs and CFOs should certify that they have checked the internal controls. If they don't they could go to jail.” [Accountancy Age, 3/14/08]

- **Accountancy Age: “Supremely Naive” To Cut Regulation For Banks.** Gavin Hinks, the editor of *Accountancy Age*, wrote that it was “supremely naïve” that Dole would introduce legislation making compliance with regulations in Sarbanes-Oxley that required CEOs and CFOs of banks to ensure that internal auditing controls are checked. Hinks wrote, “It strikes me that it is supremely naïve to believe you should call for a cut in regulation for banks at a time when the judgment of those who run the banks doesn't appear to be something they'd shout about.” [Accountancy Age, 3/14/08]

President Bush Agreed: “I'm Pleased Of The Progress That Hank Paulson And Chairman Chris Cox Are Making To Make Sure The Regulatory Burden Is Not Oppressive.” President Bush: “We don't need to change the law. We need to change the way the law is implemented. America needs a regulatory environment that promotes high standards of integrity in our capital markets, and encourages growth and innovation. And I'm pleased of the progress that Hank Paulson and Chairman - Chris Cox are making to make sure the regulatory burden is not oppressive, and fair, and helps us meet a great national objective to keep the United States the economic leader in the world. Our economic leadership also depends on sensible, pro-growth tax policies.” [ABC News Special Report, 1/31/07]

Bear Stearns PAC Gave Dole \$2,500 Six Days After Introducing De-Regulation Legislation. The political action committee of Bears Stearns gave Elizabeth Dole's campaign \$2,500 in campaign contributions on March 11, 2008, just six days after Dole introduced the Regulatory Relief and Fairness Act. [S 2703, Introduced [3/5/08](#); Center for Responsive Politics, Accessed [9/25/08](#)]

- **3 Days Later: Bear Stearns Collapsed.** On March 14, 2008, Bear Stearns, the nation's fifth largest investment bank at the time, was bailed out by the Federal Reserve and JP Morgan after the company “lost billions of dollars after investing heavily in securities backed by pools of subprime mortgages,” according to the *Associated Press*. [Associated Press, 3/14/08]
- **Bear Stearns Confirmed FBI Probe Into Lending Practices Including Accounting Fraud.** On March 19, 2008, Bear Stearns acknowledged “that government investigators were asking for information about their subprime lending practices,” according to the *Washington Times*. The FBI reported that it was investigating 17 companies “suspected of accounting fraud, improperly securing loans and insider trading, and could grow even larger,” according to the report. [Washington Times, 3/19/08]

Dole Voted Against Improving Transparency In The Energy Market. In November 2003, Dole voted against closing the so-called “Enron loophole” in the Commodities Futures Modernization Act of 2000. The *Associated Press* reported that the loophole “allowed the energy trader to buy and sell energy holdings largely in secret without government regulation. It would have improved price transparency in wholesale electricity markets, prohibited manipulation in electricity markets and provided the Commodity Futures Trading Commission more tools to monitor over-the-counter energy markets.” [Vote 436, [11/5/03](#); Environment and Energy Daily, 11/06/03; Associated Press, 11/05/03]

THE BUSH/DOLE ECONOMIC PHILOSOPHY

2002: Dole Said Reducing Government Regulation Would “Get The Economy Moving.” During a debate in 2002, Elizabeth Dole said that she would reduce government regulations. She said, “That's how we'll get the economy moving and create new jobs.” [Greensboro News & Record, 10/20/02]

- **Bush: 'Excessive Litigation And Over-Regulation Threaten To Make Our Financial Markets Less Attractive To Investors...'** President Bush: “America's capital markets are the deepest, the broadest, and the most efficient in the world yet excessive litigation and over-regulation threaten to make our financial

markets less attractive to investors, especially in the face of rising competition from capital markets abroad.” [ABC News Special Report, 1/31/07]

- **Bush: Lower Taxes And Less Regulations Contributes To Economic Growth.** President Bush: “The latest economic growth is at 4.3 percent. America's workers and businesses have overcome the challenges of two hurricanes, and our energy prices. So the third quarter growth is up to 4.3 percent. It's the fastest rate in nearly two years. It just goes to show that when government unleashes the power and potential of the American worker, the small business owner, the entrepreneur, when America promotes free markets, lower taxes and less regulations, the country will continue to prosper and maintain our economic leadership in the world.” [CNN Live Today, 11/30/05]

1999: Dole “Attacked Government Regulation.” In February 1999, Dole “attacked government regulation” during a speech in Denver, according to the *Denver Post*. [Denver Post, 2/19/99]

- **Bush: 'We Need More Regulatory Relief.'** In 2003, President Bush argued for more regulatory relief to continue economic growth. At a press conference in December, he said, "First of all, I'm pleased with the economic growth that we've seen. I believe the economy's strong. I believe it's getting stronger... It was a mistake not to let class action lawsuit reform go forward. It was a mistake not to get asbestos reform; a mistake not to get medical liability reform. All three of those measures, in my judgment, obviously, are justifiable reforms at the federal level, which would have made a difference in terms of a pro-growth environment. We need more regulatory relief." [President Bush Press Conference, 12/15/03]

1996: Government Regulation Has “Gone Wild.” Speaking at an event to promote her husband’s presidential campaign, Elizabeth Dole said, on the topic of government regulation, “It’s just gone wild, hasn’t it?” [Raleigh News & Observer, 9/27/96]

- **Bush Said Deregulation And Reagan Policies Gave Momentum For Economic Prosperity In The 1990s.** “George W. Bush and his people contend that it is not Democratic policies that are propelling today's prosperity, but those of Ronald Reagan, who got Congress to enact a supply-side tax cut in 1981. 'This is a miracle, but not a mystery,' Bush tells his audiences. 'The momentum of today's prosperity began in the 1980s - with sound money, deregulation, the opening of global trade and a 25 percent tax cut.'” [Associated Press, 6/15/00]

<p style="text-align: center;">DOLE HAS RECEIVED OVER \$850,000 FROM INDUSTRIES BENEFITTING FROM HER SILENCE</p>

Dole Has Accepted \$850,736 From The Securities, Investment And Mortgage Industries. Since 2001, Dole has accepted \$787,986 in campaign contributions from the employees and political action committees of companies in the securities and investment industry as well as \$62,750 from mortgage bankers and brokers. [Center for Responsive Politics, Accessed [9/27/08](#); Center for Responsive Politics, Accessed [9/27/08](#)]

- **As Chair, Dole Allowed NRSC To Accept Over \$3 Million From The Securities And Investment Industry.** As the chair of the NRSC during the 2006 election cycle, Dole allowed the NRSC to accept \$3,186,036 from employees and PACs of companies in the securities and investment industry. [Center for Responsive Politics, Accessed [9/15/08](#)]