The University of Texas School of Law's 3rd Annual Government Enforcement Institute (2016)

SEC Priorities: The Year Past, The Year Ahead

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Current SEC Enforcement Focus Areas

- Insider trading
- Financial fraud
- Market structure
- Gatekeepers
- Cybersecurity
- FCPA
- Municipal securities
- Private equity
- Anti-money laundering

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Sources of SEC Enforcement Matters

- TCR system
- Whistleblowers
- SRO referrals
- State and federal law enforcement
- SEC staff case generation efforts
- Sweeps and initiatives
- Broken windows

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Inter-agency Coordination

- Inter-agency coordination within Texas region
  - SEC information sharing with state and federal partners
  - Parallel investigations and prosecutions
- Defense considerations
  - Assume information sharing and coordination
  - Cooperation considerations
  - Joint defense agreements

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SEC's Use of Data and Analytics

- Computer software applications developed by SEC employees and outside consultants that analyze large volumes of data
  - Insider trading applications
    - Parallel trading analysis tool
    - Phone analysis tool
  - Financial fraud applications
    - Company risk profile rankings

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SEC's Use of Data and Analytics

- Practical considerations:
  - Insider trading
    - SEC is better at developing relationships between tippers, traders, and rings of traders
    - Conduct that used to go undetected can now be identified using data analysis tools
    - Insider trade at your own risk!
  - Financial fraud
    - Companies could find themselves under SEC inquiry based solely on high-risk profile rankings

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