

Criminal Enforcement of the U.S. Securities Laws

March 5, 2008

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The United States securities laws are enforced through both civil and criminal actions. On the civil side, the Securities and Exchange Commission (SEC) has broad investigative powers and can bring civil enforcement actions seeking monetary penalties, injunctions, bars against serving as a director or officer of a public company, and other civil remedies. The SEC's civil enforcement is supplemented by the activities of self-regulatory organizations such as the major stock exchanges, state securities regulators, and private litigants. The SEC does not have authority to bring criminal actions. Criminal violations of the federal securities laws are prosecuted by the Department of Justice and the ninety three United States Attorneys offices throughout the country (collectively the DOJ). The DOJ may seek indictments for criminal violations of the securities laws on their own initiative or through formal or informal referrals from the SEC. This paper, presented to the Union Internationale des Avocats Winter Meeting on Claims Management, Torts and Litigation of Claims, focuses on the criminal enforcement of the U.S. securities laws.