



CONGRESSMAN

**BRAD SHERMAN**

REPORT TO THE SAN FERNANDO VALLEY

# CONGRESSMAN SHERMAN REPORTS ON CORPORATE ACCOUNTABILITY



As the only Certified Public Accountant on the Financial Services Committee, Congressman Sherman has worked for years for greater corporate accountability. In the wake of Enron and WorldCom, he has redoubled his efforts.

Congressman Brad Sherman helped craft the *Corporate and Auditing Accountability Act* which passed the Congress by an overwhelming majority last month, and which will:

- Prohibit loans by large publicly-traded corporations to their CEO's and directors.
- Create an independent regulatory board with sweeping investigative and disciplinary powers over audit firms.
- Partially control the conflicts of interest affecting stock market analysts.
- Provide some additional resources to the Securities and Exchange Commission (SEC).
- Substantially increase penalties for executives who defraud shareholders and those who alter or destroy documents in a criminal investigation.
- Protect whistle-blowers from retaliation.

While this legislation is an important first step, Sherman has been a chief proponent of tougher action. Sherman will continue to work for legislation to:

- Provide even more resources for the Securities and Exchange Commission and require it to review the financial statements filed by America's largest public corporations every year.
- Help investors know which stock market analysts are completely independent—and whose employers do not receive consulting or underwriting fees from the very companies that they are evaluating.
- Require a proper accounting for stock options.

Sherman has cosponsored the *Employee Pension Freedom Act of 2002*, to prohibit employers from requiring employee pension accounts to be locked into the employer's stock.

Sherman has also cosponsored the *Corporate Patriot Enforcement Act of 2002* that would prevent companies from avoiding taxes by setting up phony offshore operations.

# CONGRESSMAN SHERMAN WORKING FOR VALLEY FAMILIES

## IMPROVING VALLEY TRANSPORTATION

Congressman Sherman has worked closely with other Valley leaders to improve the 101/405 Interchange and the Sepulveda Pass. These efforts are beginning to bear fruit, though far more work is needed.

Congressman Sherman also secured \$2.8 million for a new bike path from the North Hollywood Metro Station to Warner Center and to complete the Warner Center Transit Hub. He has worked with others to fund an exclusive lane for a 14-mile bus corridor, known as the East-West Valley Busway, from the North Hollywood Metro Station to Warner Center. The busway should be fully operating in early 2005, thus reducing traffic on the 101 Freeway.



## IMPROVING EDUCATION

Congressman Sherman strongly supported the *Elementary and Secondary Education Act*, signed into law in January, which authorizes \$8 billion in additional federal funds to raise teacher standards, improve teacher compensation, reward successful schools, provide more information to parents and expand after-school programs.

Congressman Sherman supports federal financial aid to worthy students, including Pell Grants and federally insured student loans. Sherman will discuss how students may make use of these programs at a College Financial

Aid Workshop in Reseda on September 28. Please contact Congressman Sherman's office for the time and location of this event or for information on student financial aid.

Last December, Congressman Sherman secured \$440,000 in federal funds for the Guadalupe Center to expand its pre-school and after-school programs in Canoga Park. Again, for more information, please call our office.

Last year, Congressman Sherman helped secure \$100,000 in federal funds to bring free Internet connections to our local schools and is currently seeking an additional \$100,000 to provide free home Internet connections to students who complete a computer course taught by New Directions for Youth, a leading Valley non-profit organization.

## PRESERVING OPEN SPACE AND RECREATION

The Sepulveda Basin provides Valley residents a chance to enjoy nature and activities like fishing, golf, baseball and soccer. Last year, Sherman obtained \$650,000 to help fund improvements in the Basin. This year, Congressman Sherman is seeking an additional \$1 million in federal funds.

Last month, the House of Representatives approved \$2.5 million to buy land in the Santa Monica Mountains, including land near Tarzana. In prior years, Sherman secured federal funding to complete the Backbone Trail, which will be dedicated later this month.



Congressman Sherman is helping lead the effort to stop the Ahmanson Ranch project, which would dump 45,000 additional vehicle trips per day onto Valley roads and the Ventura Freeway.