# Group Urges Investigation of FINRA

By Editor Test    *Wed, Apr 14, 2010*

*'FINRA failed not just in Lehman, but Bear Stearns and AIG as well, yet has not been the subject of any investigative action,' says the Alliance for Economic Stability.*

The Alliance for Economic Stability ("AES") has asked the Financial Crisis Inquiry Commission ("FCIC"), which Congress set up to investigate the causes of the financial crisis, to investigate the Financial Industry Regulatory Authority.

AES urged the FCIC to "thoroughly investigate the responsibilities and failures of FINRA in allowing the practices that were the most direct cause of the financial crisis."

FINRA is the securities industries' self-regulatory body. According to the AES, a Washington, DC-based advocacy group whose directors are Allan Block, chairman of Block Communications, Daniel Rodriguez, founder of MGR Group, and Glenn Whatley, managing director of West Bay Energy LLC:

"Most recently, FINRA has evaded scrutiny for having failed to uncover the Lehman Brothers Repo 105 program. FINRA's most direct and specific responsibility is to supervise a firm's compliance with capital requirements. FINRA failed not just in Lehman, but Bear Stearns and AIG as well, yet has not been the subject of any investigative action. Meanwhile FINRA executives use court-granted immunity and a lack of oversight to enrich themselves, making fortunes as what can only be described as 'rogue cops.' FINRA is the only private organization of its kind in the world.

The AES is urging an investigation of FINRA's responsibilities in the financial crisis as part of the larger effort of the AES to advocate responsible economic and financial regulatory policy to ensure the safety of Americans' savings. The letter to the FCIC and an AES report on FINRA can be accessed at the AES websites: www.eally.org or www.eallies.org.