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Message from the Chairman on Current Ethics Enforcement Policy

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A MESSAGE FROM THE CHAIRMAN ON
CURRENT ETHICS ENFORCEMENT POLICY

PRESENTATION BEFORE THE SECOND NATIONAL ETHICS
ENFORCEMENT CONFERENCE
ON DECEMBER 1, 1976

PRESENTED BY MICHAEL N. CHETKOVICH, CHAIRMAN OF THE
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
AND MANAGING PARTNER OF HASKINS & SELLS

A MESSAGE FROM THE CHAIRMAN ON
CURRENT ETHICS ENFORCEMENT POLICY

ON BEHALF OF THE AICPA AND ITS BOARD OF DIRECTORS, I WOULD LIKE TO EXTEND GREETINGS TO THE STATE SOCIETY ETHICS CHAIRMEN AND VICE CHAIRMEN, STATE SOCIETY EXECUTIVE DIRECTORS AND OTHERS INVOLVED IN THE PROFESSION'S ETHICS ENFORCEMENT PROGRAM WHO ARE HERE TODAY.

I AM PLEASED TO BE ATTENDING YOUR SECOND ANNUAL NATIONAL ETHICS ENFORCEMENT CONFERENCE. THIS MEETING SERVES SOME VERY IMPORTANT PURPOSES, AND, IN ADDITION, NEW ORLEANS IS NOT THE WORST PLACE IN THE WORLD TO BE -- PARTICULARLY IN DECEMBER.

AS I SEE IT, THE MAIN PURPOSE OF THE CONFERENCE IS TO ENABLE THOSE OF YOU WHO ARE INVOLVED IN THE ETHICS EFFORT IN STATE SOCIETIES TO ESTABLISH IMPORTANT COMMUNICATION LINKS WITH ONE ANOTHER IN ORDER TO FURTHER A CONSISTENT AND UNIFORM APPROACH TO ETHICS ENFORCEMENT. IN ADDITION, WE AT THE AICPA WOULD LIKE TO DO ALL THAT WE CAN TO FURTHER THIS PURPOSE AND TO COMMUNICATE TO YOU OUR IDEAS ON THE OBJECTIVES OF ETHICS ENFORCEMENT AND TO DISCUSS WITH YOU MATTERS OF NATIONAL CONCERN.

AS WE BEGIN THE SECOND YEAR OF OUR JOINT ETHICS ENFORCEMENT PROGRAM, WE ARE WITNESSING A PERIOD OF CHANGE AND UNCERTAINTY UNLIKE ANY OTHER TIME IN THE HISTORY OF OUR PROFESSION. IN THIS

CHANGING ENVIRONMENT, THERE IS MUCH TO BE PROUD OF IN A NUMBER OF IMPORTANT RECENT ACCOMPLISHMENTS, AS WELL AS SOME VERY DISTURBING STORM WARNINGS ON THE HORIZON.

ON THE POSITIVE SIDE OF THE LEDGER, WE HAVE SEEN THE WIDESPREAD ADOPTION OF THE JOINT TRIAL BOARD PROGRAM. CURRENTLY, 41 STATES, THE DISTRICT OF COLUMBIA, AND THE TERRITORY OF GUAM ARE PARTICIPATING IN THIS SYSTEM. FURTHER, THERE HAS BEEN A CONTINUED INCREASE IN THE NUMBER OF STATE BOARDS WHICH INCLUDE AN ETHICS EXAMINATION AS A PART OF THE UNIFORM CPA EXAMINATION AND A CORRESPONDING GROWTH IN THE USE OF THE INSTITUTE'S CONTINUING PROFESSIONAL EDUCATION SELF-STUDY COURSE ON ETHICS, WHICH HAS BEEN AVAILABLE NOW FOR ABOUT TWO YEARS.

AT ITS LAST MEETING, MOREOVER, THE INSTITUTE'S BOARD OF DIRECTORS AUTHORIZED THE EXPOSURE TO OUR MEMBERSHIP OF A PROPOSED REVISION OF THE CODE OF PROFESSIONAL ETHICS TO PROVIDE A UNIFORM STATEMENT OF THE GENERAL ETHICS STANDARDS FOR THE PERFORMANCE OF ALL ENGAGEMENTS BY A CPA. IT ALSO WILL PROVIDE A BASIS FOR THE POSSIBLE SUBSEQUENT ESTABLISHMENT OF TECHNICAL STANDARDS FOR PARTICULAR AREAS OF PRACTICE, SUCH AS TAX AND MANAGEMENT ADVISORY SERVICES. AND IT WILL FACILITATE THE ENFORCEMENT OF THESE STANDARDS.

THE AICPA BOARD OF DIRECTORS FULLY SUPPORTS AND ENCOURAGES THESE DEVELOPMENTS, AND OF PARTICULAR IMPORTANCE TO YOU, THE ADOPTION OF THE JOINT TRIAL BOARD PROGRAM. WE URGE ALL OF YOU TO SUPPORT THESE EFFORTS AND TO HELP US STRENGTHEN AND IMPROVE OUR TOTAL ETHICS PROGRAM. I WOULD HOPE, FOR EXAMPLE, THAT IN THE NOT-TOO-DISTANT FUTURE THE JOINT ENFORCEMENT EFFORT CAN BE ADOPTED BY ALL STATES.

I SPOKE BEFORE, THOUGH, OF STORM WARNINGS ON THE HORIZON, REPRESENTING SOME VERY SIGNIFICANT AND DIFFICULT CHALLENGES TO THE PROFESSION. IN SPITE OF THE POSITIVE DEVELOPMENTS I HAVE CITED, OUR CREDIBILITY AND OUR EFFORTS AT SELF-REGULATION ARE BEING ATTACKED IN THE PRESS, IN THE COURTS, AND IN CONGRESS. FOR EXAMPLE, A NUMBER OF CRITICS ARE ASSAILING THE PRESENT STRUCTURE FOR SETTING ACCOUNTING, AUDITING, AND ETHICAL STANDARDS. SEVERAL CONGRESSIONAL COMMITTEES HAVE BEEN, ARE, OR WILL BE LOOKING INTO THE STANDARDS SETTING PROCESS AND THE STRUCTURE AND PERFORMANCE OF THE ACCOUNTING PROFESSION.

RECENTLY, A HOUSE SUBCOMMITTEE HEADED BY CONGRESSMAN JOHN MOSS OF CALIFORNIA RELEASED A PRELIMINARY DRAFT OF ITS REPORT, RECOMMENDING, AMONG OTHER THINGS, THAT THE SEC PRESCRIBE BY RULE A FRAMEWORK OF UNIFORM ACCOUNTING, AUDITING AND ETHICAL STANDARDS. THE DRAFTERS OF THE REPORT RELIED VERY HEAVILY ON SOME HIGHLY CRITICAL TESTIMONY BY PROFESSOR ABRAHAM BRILOFF. AS MOST OF YOU

KNOW, SENATOR METCALF'S GOVERNMENT OPERATIONS SUBCOMMITTEE ON REPORTS, ACCOUNTING, AND MANAGEMENT IS INVESTIGATING THE ACCOUNTING PROFESSION ON A BROAD FRONT. THEIR PRELIMINARY REPORT WILL BE RELEASED SOON AND HEARINGS PROBABLY WILL BE HELD IN THE SPRING. WE ALSO UNDERSTAND THAT CONGRESSMAN VANIK, THE CHAIRMAN OF THE OVERSIGHT SUBCOMMITTEE OF THE HOUSE WAYS AND MEANS COMMITTEE IS CONSIDERING OPENING A SIMILAR INVESTIGATION. THE ULTIMATE RESULT OF THE METCALF (AND POSSIBLY VANIK) SUBCOMMITTEE DELIBERATIONS CANNOT BE PREDICTED AT THIS TIME, BUT, IF THE MOSS REPORT IS ANY INDICATION, THE CONSEQUENCES TO OUR PROFESSION COULD BE VERY SIGNIFICANT.

IF WE WERE TO ACCEPT THE SCENARIOS ADVANCED BY SOME OF THE PROFESSION'S CRITICS, SUCH AS PROFESSOR BRILLOFF OR REPRESENTATIVE MOSS, WE MIGHT QUESTION THE NEED FOR THIS CONFERENCE, SINCE THE TASK OF ENFORCING THE PROFESSION'S ETHICAL STANDARDS WOULD SOON BE TAKEN OVER BY A GOVERNMENTAL AGENCY OR BY SOME REGULATORY GROUP INDEPENDENT OF THE PROFESSION. HOWEVER, LIKE SIR WINSTON CHURCHILL, WHO STATED THAT HE DID NOT WISH TO PRESIDE OVER THE BREAK-UP OF THE BRITISH EMPIRE, WE DO NOT PROPOSE TO STAND IDLY BY AND ACCEPT THIS EVENTUALITY, CERTAINLY NOT WHILE SOMETHING CAN BE DONE TO PREVENT IT.

IN RECENT YEARS WE HAVE SEEN GROWING CHALLENGES TO SOME OF OUR ETHICAL STANDARDS. WE HAVE FACED THIS PROBLEM IN THE CASE OF OUR RESTRICTION AGAINST COMPETITIVE

BIDDING, WHICH WAS DECLARED UNCONSTITUTIONAL BY THE SUPREME COURT IN 1972. NOW WE ARE WITNESSING SOME EROSION OF THE RESTRICTION AGAINST ADVERTISING. ALTHOUGH RULE 502 OF OUR CODE OF PROFESSIONAL ETHICS HAS NOT AS YET BEEN THE SUBJECT OF AN INVESTIGATION OR PROCEEDING BY ANY FEDERAL AGENCY, THERE HAVE BEEN SOME CHALLENGES OF SIMILAR RULES OF STATE SOCIETIES AND BOARDS OF ACCOUNTANCY. AND THERE HAVE BEEN A NUMBER OF RECENT LEGAL ACTIONS AGAINST THE NO-ADVERTISING RULES OF OTHER PROFESSIONAL GROUPS, SUCH AS THE AMERICAN BAR ASSOCIATION AND THE AMERICAN MEDICAL ASSOCIATION, AMONG OTHERS. ALTHOUGH LITTLE CLEAR GUIDANCE ON THIS SUBJECT HAS BEEN PROVIDED BY THE COURTS TO DATE, ENFORCING RESTRICTIONS AGAINST ADVERTISING IN THIS UNSETTLED ENVIRONMENT BECOMES EXTREMELY DIFFICULT.

MY MAJOR PURPOSE HERE TODAY IS TO ASSURE YOU THAT BOTH THE BOARD OF DIRECTORS AND THE STAFF OF THE INSTITUTE ARE KEENLY AWARE OF THE DIFFICULTIES YOU NOW FACE IN ENFORCING OUR RULES OF CONDUCT, AND THAT WE RECOGNIZE THE GREAT IMPORTANCE OF THIS ACTIVITY. YOU MUST CARRY OUT YOUR RESPONSIBILITIES FOR ENFORCEMENT IN A VERY SENSITIVE AND UNCERTAIN ATMOSPHERE -- ONE WHERE YOU MAY WELL BE CRITICIZED FOR BEING TOO HARSH OR TOO EASY, FOR GOING TOO FAR OR FOR NOT DOING ENOUGH. NONETHELESS, EFFECTIVE ETHICS ENFORCEMENT, DIFFICULT THOUGH IT IS, TOGETHER WITH OUR NEW QUALITY CONTROL REVIEW PROGRAM, FORMS THE BACKBONE OF OUR SYSTEM OF SELF REGULATION.

DESPITE THE NEED FOR EFFECTIVE ENFORCEMENT, THIS IS NOT THE TIME FOR A MASSIVE DISPLAY OF ZEAL IN CARRYING OUT THE ENFORCEMENT EFFORT. OUR PURPOSE SHOULD BE THE ENFORCEMENT OF OUR EXISTING ETHICAL STANDARDS IN A MANNER WHICH WILL BEST SERVE THE INTERESTS OF THE INVESTING PUBLIC, THE PROFESSION, AND THE INDIVIDUAL PRACTITIONERS WHO ARE THE BASIC COMPONENTS OF OUR PROFESSION -- AND THIS IS NOT EASY, EITHER TO DEFINE OR TO CARRY OUT.

THE JOINT ETHICS ENFORCEMENT PLAN, THE MAJOR SUBJECT OF YOUR MEETING HERE, HAS CONTRIBUTED SUBSTANTIALLY TO ENHANCING OUR DISCIPLINARY EFFORTS OVER THE PAST YEAR, AND SHOULD BECOME EVEN MORE EFFECTIVE AS A RESULT OF THIS CONFERENCE. IN ELIMINATING MULTIPLE INVESTIGATIONS AND TRIALS FOR THE SAME VIOLATION IN DIFFERENT JURISDICTIONS, TIME AND EFFORT NOW CAN BE DIVERTED TO ADDITIONAL CASES SO THAT THERE CAN BE A MORE EFFECTIVE AND EXTENSIVE COVERAGE OF ETHICS COMPLAINTS, TOGETHER WITH A BETTER POTENTIAL FOR FINDING AND DISCIPLINING A GREATER NUMBER OF VIOLATIONS. TO THE EXTENT THAT YOU CAN DEVELOP METHODS TO SPEED THE PROCESSING OF INQUIRIES, COMPLAINTS, AND INVESTIGATIONS, YOU CAN CONTRIBUTE SIGNIFICANTLY TO MAKING THE PROCESS EVEN MORE EFFICIENT, AND THUS MORE EFFECTIVE.

ONE OF THE MAJOR AREAS OF CRITICISM THAT WE CONFRONT HAS TO DO WITH THE ENFORCEMENT OF OUR TECHNICAL STANDARDS. WE OFTEN HEAR THE ALLEGATION THAT WE DO NOT PROSECUTE THE LARGE

NATIONAL FIRMS OR THE INDIVIDUALS INVOLVED IN ALLEGED VIOLATIONS WE READ OF SO OFTEN IN THE FINANCIAL PAGES. IN THESE PUBLICIZED CASES, THOUGH, THERE EITHER IS A PRESENT OR POTENTIAL THREAT OF LITIGATION OR OF A GOVERNMENTAL INVESTIGATION, AND SO WE FACE THE UNHAPPY CHOICE OF DELAYING OUR INVESTIGATION OR OF PURSUING IT WITH THE KNOWLEDGE THAT, BY SO DOING, WE COULD SEVERELY DAMAGE A MEMBER'S RIGHTS IN AN ENSUING LEGAL PROCEEDING. LACKING SUBPOENA POWER AND HAVING OUR FILES SUBJECT TO "DISCOVERY" BY THE PLAINTIFFS IN SUCH CASES, MEANS THAT WE USUALLY HAVE NO REAL CHOICE BUT TO DEFER THE INVESTIGATION, SO THAT DISCIPLINARY ACTION, IF NECESSARY, WILL HAVE TO AWAIT THE RESOLUTION OF LITIGATION.

WE ALL KNOW THAT WE CAN AND HAVE EXPELLED, OR OTHERWISE DISCIPLINED, MEMBERS OF THE INSTITUTE IN SUCH CASES. BUT, DESPITE THE TEETH IN OUR PROGRAM, IT IS IMPORTANT TO RECOGNIZE THAT, IN THE LONG RUN, EDUCATION AND OTHER MEANS OF PREVENTION ARE A MORE EFFECTIVE METHOD OF PROTECTING THE PUBLIC FROM SUB-STANDARD PERFORMANCE. FOR THIS REASON, WE HAVE STRONGLY ADVOCATED AND NOW HAVE ADOPTED THE NEW QUALITY CONTROL REVIEW PROGRAM. THIS PROGRAM SHOULD GO A LONG WAY IN HELPING US AVOID SOME OF THE UNFORTUNATE EXPERIENCES OF THE RECENT PAST.

THE INCREASED PRESSURE UPON ALL THE PROFESSIONS TO RELAX EXISTING CONSTRAINTS ON ADVERTISING IS A MATTER OF GREAT CONCERN TO ALL OF US. PAST CHAIRMAN IVAN BULL AND PRESIDENT

WALLY OLSON RESPONDED TO THIS DEVELOPMENT IN RECENT STATEMENTS ON ADVERTISING, AND I BELIEVE THAT WE HAVE A SOLID FOUNDATION FOR DIFFERENTIATING BETWEEN THE PUBLIC ACCOUNTING PROFESSION AND OTHER PROFESSIONS ON THIS ISSUE. IN THE FAMOUS GOLDFARB DECISION IT WAS HELD THAT, ALTHOUGH THE SAME ANTITRUST STANDARDS APPLY TO PROFESSIONS AS APPLY TO OTHER BUSINESSES, "THE PUBLIC SERVICE ASPECT, AND OTHER FEATURES OF THE PROFESSIONS, MAY REQUIRE THAT A PARTICULAR PRACTICE [SUCH AS A RESTRICTION AGAINST ADVERTISING] WHICH COULD PROPERLY BE VIEWED AS A VIOLATION OF THE SHERMAN ACT IN ANOTHER CONTEXT, BE TREATED DIFFERENTLY." CERTAINLY, THE PUBLIC ACCOUNTING PROFESSION, SHOULD BE INCLUDED WITHIN THE SCOPE OF THIS EXEMPTION BECAUSE OF THE GREAT SIGNIFICANCE OF INDEPENDENCE TO THE CPA-CLIENT RELATIONSHIP, AS WELL AS THE RELATIVELY SOPHISTICATED NATURE OF THE CPA'S CLIENTS, MOST OF WHOM HAVE LITTLE INTEREST IN, OR NEED FOR, THE NORMAL CONSUMER USES OF ADVERTISING INFORMATION.

THIS IS A VERY DIFFICULT ISSUE AND, IN RECOGNITION THEREOF, THE BOARD OF DIRECTORS RECENTLY ASKED THE ETHICS EXECUTIVE COMMITTEE TO STUDY AND EVALUATE ALL THE CONSIDERATIONS SURROUNDING THE ADVERTISING QUESTION, AND TO REPORT TO THE BOARD WHATEVER RECOMMENDATIONS IT CONSIDERS NECESSARY. FOR THIS PURPOSE, THE COMMITTEE HAS ESTABLISHED A TASK FORCE WHOSE MEMBERS ARE ALL PRESENT OR FORMER MEMBERS OF THE AICPA'S ETHICS DIVISION AND WHO HAVE BEEN SELECTED SO THAT THERE IS A BALANCED REPRESENTATION OF

LARGE AND SMALL FIRMS. THEIR FIRST MEETING WILL BE HELD ON DECEMBER 15. TIMING IS IMPORTANT IN ESTABLISHING A POSITION ON THIS ISSUE THAT IS BOTH REALISTIC AND ACCEPTABLE, AND WE HOPE TO HAVE A REPORT IN A RELATIVELY SHORT PERIOD OF TIME. IN THE MEANTIME, WE WOULD ASK YOU TO BE JUDICIOUS IN YOUR ENFORCEMENT OF THE CODE IN THIS AREA.

YOU ALSO MAY BE AWARE THAT A RECENT COURT DECISION IN THE EASTERN DISTRICT OF NEW YORK HAS JEOPARDIZED THE ENFORCEABILITY OF PROHIBITIONS AGAINST ACCEPTING CONTINGENT FEES, PARTICULARLY IN THE CASE OF CERTAIN NON-ATTEST RELATED SERVICES. IN THIS CASE, THE COURT DECLARED INVALID AN AMERICAN BAR ASSOCIATION RULE PROSCRIBING THE PAYMENT OF FEES FOR THE PROFESSIONAL SERVICES OF EXPERT WITNESSES WHICH WERE CONTINGENT ON THE OUTCOME OF THE CASE IN WHICH THE EXPERT TESTIMONY WAS PROVIDED. ALTHOUGH THE DECISION IN THIS CASE IS A RELATIVELY NARROW ONE AND LEAVES OPEN THE QUESTION OF WHETHER THE PROHIBITION AGAINST A CONTINGENT FEE IS UNREASONABLE IN ITSELF, WE ARE WATCHING THE DEVELOPMENTS IN THIS AREA CLOSELY. WE DO FEEL, HOWEVER, THAT THE PUBLIC INTEREST IS SO STRONGLY SERVED BY THE EXISTING PROHIBITION AGAINST CONTINGENT FEES PAID FOR ACCOUNTING AND AUDITING SERVICES, PARTICULARLY AS IT HAS TO DO WITH THE ATTEST FUNCTION, THAT WE SEE NO NEED TO MAKE CHANGES IN OUR CODE AT THIS TIME, AND WE WOULD BE EXTREMELY RELUCTANT TO DO SO. BUT, AGAIN, WE CAUTION YOU TO APPROACH CASES INVOLVING CONTINGENT FEES CAREFULLY BECAUSE OF THE UNCERTAINTY SURROUNDING THIS ISSUE.

THERE HAVE BEEN COMPLAINTS EXPRESSED THAT THE INDEPENDENCE STANDARDS OF THE SEC ARE MORE STRINGENT THAN THOSE OF THE INSTITUTE. WE HAVE RESPONDED BY TIGHTENING STANDARDS IN SOME AREAS; FOR EXAMPLE, THE RECENT RESTRICTION AGAINST HOLDING A BANK DIRECTORSHIP IN THE COMMUNITY IN WHICH A MEMBER HAS A GENERAL CPA PRACTICE AND WHERE A CLIENT IS LIKELY TO HAVE SUBSEQUENT TRANSACTIONS WITH THAT BANK. THIS CHANGE MORE CLOSELY CONFORMS OUR ETHICS CODE WITH THE SEC CONCEPT, AND AVOIDS EVEN THE APPEARANCE OF A LOSS OF INDEPENDENCE. AT THE SAME TIME, HOWEVER, WE ARE TRYING TO MAINTAIN A REASONABLE BALANCE. FOR EXAMPLE, A PROPOSED ETHICS RULING JUST RECENTLY EXPOSED FOR COMMENT STATES THAT A MEMBER MAY MAINTAIN AN ACCOUNT WITH A CLIENT STOCKBROKER OR OTHER FINANCIAL INSTITUTION, WITHOUT AN IMPAIRMENT OF HIS INDEPENDENCE, AS LONG AS THE BALANCE IN THE ACCOUNT DOES NOT EXCEED THE AMOUNT WHICH IS GUARANTEED BY THE FEDERAL GOVERNMENT. THIS, WE BELIEVE, IS A MORE REASONABLE APPROACH THAN THE SEC'S LITERAL PROSCRIPTION AGAINST MAINTAINING ANY FUNDS OR SECURITIES ON DEPOSIT WITH A CLIENT BROKER-DEALER. HOWEVER, THE NEED FOR AN INDEPENDENT ATTITUDE, IN APPEARANCE AS WELL AS IN FACT, ALWAYS IS A MATTER OF PUBLIC CONCERN, AND ONE WHICH MAY CALL FOR MORE STRINGENT STANDARDS FROM THE ETHICS DIVISION, PARTICULARLY WITH REGARD TO COMMERCIAL BUSINESS RELATIONSHIPS BETWEEN CPAs AND THEIR CLIENTS.

THE PRIMARY OBJECTIVE OF OUR ETHICS ENFORCEMENT PROGRAM SHOULD BE TO MAINTAIN THE BASIC CHARACTERISTICS OF A PROFESSION, WHILE AT THE SAME TIME RESPONDING TO ALL REASONABLE DEMANDS THAT ARE PLACED UPON US BY THE PUBLIC INTEREST. TO DO THIS, WE NEED A STRONG, EFFECTIVE ETHICS ENFORCEMENT EFFORT, ONE THAT DEALS EVENHANDEDLY WITH THE RIGHTS OF THOSE WHO RELY ON THE INTEGRITY AND COMPETENCE OF CPAs, AND WITH THE RIGHTS OF OUR MEMBERS WHO RELY ON THE ABILITY OF THE PROFESSION TO REGULATE ITSELF AND TO OPERATE EFFECTIVELY IN THE PRIVATE SECTOR.

THE BOARD AND THE INSTITUTE ARE COMMITTED TO MAINTAINING ETHICS ENFORCEMENT AS A SELF-REGULATORY PRIVATE SECTOR ACTIVITY. WE RECOGNIZE THAT THIS WILL NOT BE EASY, PARTICULARLY IN LIGHT OF SOME OF THE GOVERNMENTAL INITIATIVES THAT MAY BE FORTHCOMING. THE SCOPE, AND PARTICULARLY THE QUALITY, OF YOUR WORK IN THE MONTHS AHEAD MAY WELL INFLUENCE IF, AND FOR HOW LONG, THE PROFESSION WILL BE ABLE TO MAINTAIN ITS INDEPENDENT STATUS. AND, MOST OF ALL, WE MUST DEMONSTRATE TO OURSELVES, AS WELL AS TO OTHERS, THAT WE ARE PERFORMING CAPABLY. IN THIS, I ENCOURAGE YOUR COOPERATION IN ACCUMULATING NATIONAL STATISTICS ON CASES OPENED AND CLOSED SO THAT WE CAN PUBLICIZE, AS APPROPRIATE, THE RESULTS OF OUR JOINT PROGRAM. IN AN EFFORT WHERE RESPONSIBILITY IS SHARED, AS IT IS IN THIS ONE, I HOPE YOU ALSO WILL SHARE THE INFORMATION CONCERNING YOUR ACTIVITIES WITH US AT THE INSTITUTE, AS WE WILL SHARE WITH YOU.

I WOULD LEAVE YOU WITH ONE IMPORTANT THOUGHT ON THE EFFECTIVENESS OF OUR JOINT ETHICS ENFORCEMENT PLAN. THE BOARD SUPPORTS AND ENCOURAGES THE PLAN BECAUSE OF THE ADVANTAGES IT OFFERS TO THE STATES, TO THE INSTITUTE, AND TO THE PROFESSION AS A WHOLE. BUT MORE IMPORTANTLY, WE SUPPORT THE PLAN BECAUSE IT SERVES WELL THE PROCESS OF PROTECTING THE PUBLIC INTEREST WHICH WE IN THE PROFESSION SERVE. I THINK WE ALL RECOGNIZE THAT THE PUBLIC INTEREST IS THE PRIMARY PURPOSE OF OUR ETHICS ENFORCEMENT EFFORTS. WE HAVE BEEN IN THE BUSINESS OF PROTECTING AND SERVING THE PUBLIC INTEREST LONG BEFORE THE TERM "CONSUMER ADVOCATE" WAS COINED. WE ALSO SHOULD RECOGNIZE THAT ETHICS ENFORCEMENT IS A DYNAMIC EVOLVING ACTIVITY THAT MUST BE RESPONSIVE TO CHANGING PUBLIC EXPECTATIONS AND TO THE LEGAL ENVIRONMENT. I AM CONFIDENT THAT, UNDER THE PRESENT JOINT ENFORCEMENT EFFORT, WE CAN ALL WORK TOGETHER IN RESPONDING MEANINGFULLY TO THE CHALLENGES WE CONFRONT IN CONTINUING OUR PRESENT INDEPENDENT AND SELF-REGULATING ROLE IN A FREE ENTERPRISE SOCIETY.

THANK YOU FOR YOUR COOPERATION AND ATTENTION. IT HAS BEEN A PLEASURE BEING WITH YOU THIS AFTERNOON AND I WISH THAT I COULD STAY ON AND PARTICIPATE IN YOUR DISCUSSIONS.