

NOTE: The President spoke at 4 p.m. on the South Lawn at the White House. This item was not received in time for publication in the appropriate issue.

Statement on Signing the Small Business Paperwork Relief Act of 2002

June 28, 2002

I am pleased to sign into law H.R. 327, the “Small Business Paperwork Relief Act of 2002.” This legislation will help achieve an important objective of my Administration to reduce the cost and burden on small businesses of government paperwork and increase the resources available to small businesses to create jobs and economic growth.

Section 3 of the bill creates a new section 3520 in title 44 of the United States Code to create an interagency task force on information collection and dissemination to help the heads of departments and agencies reduce the government burden on small businesses. Section 3520 purports to require task force publication of differences in views among executive officers and transmittal of recommendations to congressional committees. The executive branch shall construe section 3520 in a manner consistent with the President’s constitutional authority to supervise the unitary executive branch, to protect the confidentiality of executive deliberations, and to recommend to the consideration of the Congress such measures as he shall judge necessary and expedient.

George W. Bush

The White House,
June 28, 2002.

NOTE: H.R. 327, approved June 28, was assigned Public Law No. 107–198. An original was not available for verification of the content of this statement. This item was not received in time for publication in the appropriate issue.

The President’s Radio Address

June 29, 2002

Good morning. This week, we learned of another deeply troubling accounting scandal at a major American corporation. Reports al-

lege that the company hid nearly \$4 billion in expenses and reported profits when it may have actually lost more than a billion dollars. The Securities and Exchange Commission immediately filed suit against the company to preserve documents so that a complete and thorough investigation can take place and to ensure that the company cannot give massive payments to executives during the investigation.

Despite recent abuses of the public’s trust, our economy remains fundamentally sound and strong, and the vast majority of businesspeople are living by the rules. Yet, confidence is the cornerstone of our economic system, so a few bad actors can tarnish our entire free enterprise system. We must have rules and laws that restore faith in the integrity of American business. The Government will fully investigate reports of corporate fraud and hold the guilty parties accountable for misleading shareholders and employees. Executives who commit fraud will face financial penalties, and when they are guilty of criminal wrongdoing, they will face jail time.

In March, I unveiled a 10-point plan designed to enhance the economic security of Americans by providing better information to investors, making corporate officers more accountable, and delivering a stronger, more independent auditing system. Among other measures, the plan would give the Securities and Exchange Commission two critical tools to hold corporate officers accountable.

First, corporate officers who personally benefit from false accounting statements should lose all the money gained by their fraud. An executive whose salary or bonus is tied to his company’s performance makes more money when the company has done well. That is fair when all of the accounting is done aboveboard. Yet, when bad accounting practices make the company appear to be more successful than it actually is, corporate executives should lose their phony profits gained at the expense of employees and stockholders.

Second, corporate leaders who violate the public’s trust should never be given that trust