

services) for such year attributable to the implementation of such sections;

(3) the amount (if any) by which the amount of the gross additional expenditures determined under paragraph (1) for the year exceeds the amount of offsetting reductions determined under paragraph (2) for the year;

(4) of the gross additional expenditures determined under paragraph (1) for the year that are attributable to expenditures under sections 1848 and 1833(t) of such Act, the ratio of such expenditures that are attributable to each respective section; and

(5) with respect to section 1848 and section 1833(t) of such Act, a net offset amount for the year equal to the product of—

(A) the amount of the net additional expenditures for the year determined under paragraph (3); and

(B) the ratio determined under paragraph (4) attributable to the respective section.

By Mr. REED (for himself and Mr. GRASSLEY):

S. 1084. A bill to promote transparency by permitting the Public Company Accounting Oversight Board to allow its disciplinary proceedings to be open to the public, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. REED. Mr. President, today I am joined by Senator GRASSLEY in reintroducing the PCAOB Enforcement Transparency Act. This bill permits the Public Company Accounting Oversight Board, PCAOB, to make public the disciplinary proceedings it has brought against auditors and audit firms earlier in the process.

Over 10 years ago, our markets were victimized by a series of massive financial reporting frauds, including those involving Enron and WorldCom. These and other public companies had produced fraudulent and materially misleading financial statements, which artificially drove their stock prices up. Once the fraud was discovered, investor confidence plummeted.

In response to this crisis, the Senate Committee on Banking, Housing, and Urban Affairs conducted a series of hearings, which produced consensus on a number of underlying causes, including weak corporate governance, a lack of accountability, and inadequate oversight of accountants charged with auditing public companies' financial statements.

In order to address the gaps and structural weaknesses revealed by the investigation and hearings, the Senate passed the Sarbanes-Oxley Act of 2002 in a 99 to 0 vote.

The Sarbanes-Oxley Act ensured that corporate officers were directly accountable for their financial reporting and for the quality of their financial statements. This law also created a strong, independent board, the PCAOB, to oversee the conduct of the auditors of public companies.

The PCAOB is responsible for overseeing auditors of public companies in order to protect investors who rely on independent audit reports on the financial statements of public companies and operates under the oversight of the U.S. Securities and Exchange Commissioner, SEC.

To conduct its duties, the PCAOB oversees more than 2,400 registered auditing firms, as well as the thousands of audit partners and staff who contribute to a firm's work on each audit. The Board's ability to commence proceedings to determine whether there have been violations of its auditing standards or rules of professional practice is an important component of its oversight.

However, unlike other oversight bodies, such as the SEC, the U.S. Department of Labor, the Federal Deposit Insurance Corporation, the U.S. Commodity Futures Trading Commission, the Financial Industry Regulatory Authority, and others, the Board's disciplinary proceedings are not allowed to be public without consent from the parties involved. Of course, parties subject to disciplinary proceedings have no incentive to consent to publicizing their alleged wrongdoing and thus these proceedings typically remain cloaked behind a veil of secrecy. In addition, the Board's decisions in disciplinary proceedings are not allowed to be publicized until after the complete exhaustion of an appeals process, which can often take several years.

The nonpublic nature of these PCAOB disciplinary proceedings creates a lack of transparency that invites abuse and undermines the Congressional intent behind the establishment of the PCAOB, which was to shine a bright light on auditing firms and practices, and to bolster the accountability of auditors of public companies to the investing public.

Over the last several years, some bad actors have taken advantage of the lack of transparency by using it to shield themselves from public scrutiny and accountability. PCAOB Chairman James Doty has repeatedly stated in testimony provided to both the Senate and House of Representatives over the past two years that the secrecy of the proceedings "has a variety of unfortunate consequences" and that such secrecy is harmful to investors, the auditing profession, and the public at large.

In one example, an accounting firm that was subject to a disciplinary proceeding continued to issue no fewer than 29 additional audit reports on public companies without any of those companies knowing about the PCAOB disciplinary proceedings. In other words, investors and the public company clients of that audit firm were deprived of relevant and material information about the proceedings against the firm and the substance of any violations.

There are several reasons why the Board's enforcement proceedings should be open and transparent. First, as I have already noted, the closed proceedings run counter to the public proceedings of other government oversight bodies. Indeed, nearly all administrative proceedings brought by the SEC against those it regulates, including public companies, brokers, dealers, in-

vestment advisers, and others, are open, public proceedings. The PCAOB's secret proceedings are not only shielded from the public, but also from Congress, making it difficult, if not impossible, to effectively evaluate the Board's oversight of auditors and audit firms, and its enforcement program.

Second, the incentive to litigate cases in order to continue to shield conduct from public scrutiny as long as possible frustrates the process and requires the expenditure of needless resources by both litigants and the PCAOB.

Third, agencies such as the SEC have found open and transparent disciplinary proceedings to be valuable because they inform peer audit firms of the type of activity that may give rise to enforcement action by the regulator. In effect, transparency of proceedings can serve as a deterrent to misconduct because of a perceived increase in the likelihood of "getting caught." Accordingly, the audit industry as a whole would also benefit from timely, public, and non-secret enforcement proceedings.

Our bill will make hearings by the PCAOB, and all related notices, orders, and motions, transparent and available to the public unless otherwise ordered by the Board. This would more closely align the PCAOB's procedures with those of the SEC for analogous matters.

Increasing the transparency and accountability of audit firms subject to disciplinary proceedings instituted by the PCAOB is a critical component of efforts to bolster and maintain investor confidence in our financial markets, while better protecting companies from problematic auditors.

I hope our colleagues will join Senator GRASSLEY and me in supporting this legislation to enhance transparency in the PCAOB's enforcement process.

#### SUBMITTED RESOLUTIONS

#### SENATE RESOLUTION 148—CON-DEMNING THE GOVERNMENT OF IRAN'S STATE-SPONSORED PERSECUTION OF ITS BAHAI MINORITY AND ITS CONTINUED VIOLATION OF THE INTERNATIONAL COVENANTS ON HUMAN RIGHTS

Mr. KIRK (for himself, Mr. WYDEN, Mr. DURBIN, and Mr. RUBIO) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 148

Whereas, in 1982, 1984, 1988, 1990, 1992, 1993, 1994, 1996, 2000, 2004, 2006, 2008, 2009, 2012, and 2013, Congress declared that it deplored the religious persecution by the Government of Iran of the Baha'i community and would hold the Government of Iran responsible for upholding the rights of all Iranian nationals, including members of the Baha'i Faith;

Whereas the United States Commission on International Religious Freedom 2014 Report stated, "The Baha'i community, the largest

non-Muslim religious minority in Iran, long has been subject to particularly severe religious freedom violations. The government views Baha'is, who number at least 300,000, as 'heretics' and consequently they face repression on the grounds of apostasy.'";

Whereas the United States Commission on International Religious Freedom 2014 Report stated that "[s]ince 1979, authorities have killed or executed more than 200 Baha'i leaders, and more than 10,000 have been dismissed from government and university jobs" and "[m]ore than 700 Baha'is have been arbitrarily arrested since 2005";

Whereas the Department of State 2013 International Religious Freedom Report stated that the Government of Iran "prohibits Baha'is from teaching and practicing their faith and subjects them to many forms of discrimination not faced by members of other religious groups" and "since the 1979 Islamic Revolution, formally denies Baha'i students access to higher education";

Whereas the Department of State 2013 International Religious Freedom Report stated, "The government requires Baha'is to register with the police," and "The government raided Baha'i homes and businesses and confiscated large amounts of private and commercial property, as well as religious materials.";

Whereas the Department of State 2013 International Religious Freedom Report stated, "Baha'is are regularly denied compensation for injury or criminal victimization and the right to inherit property.";

Whereas, on August 27, 2014, the United Nations Special Rapporteur on the situation of human rights in the Islamic Republic of Iran issued a report (A/69/356), which stated, "The human rights situation in the Islamic Republic of Iran remains of concern. Numerous issues flagged by the General Assembly, the United Nations human rights mechanisms and the Secretary-General persist, and in some cases appear to have worsened, some recent overtures made by the Administration and the parliament notwithstanding.";

Whereas, on December 18, 2014, the United Nations General Assembly adopted a resolution (A/RES/69/190), which "[e]xpressed[d] deep concern" over "[c]ontinued discrimination, persecution and human rights violations against persons belonging to unrecognized religious minorities, particularly members of the Baha'i [F]aith. . . and the effective criminalization of membership in the Baha'i [F]aith," and called upon the Government of Iran to "emancipate the Baha'i community. . . and to accord all Baha'is, including those imprisoned because of their beliefs, the due process of law and the rights that they are constitutionally guaranteed";

Whereas, since May of 2008, the Government of Iran has imprisoned the seven members of the former ad hoc leadership group of the Baha'i community in Iran, known as the Yaran-i-Iran, or "friends of Iran"—Mrs. Fariba Kamalabadi, Mr. Jamaloddin Khanjani, Mr. Afif Naeimi, Mr. Saeid Rezaie, Mr. Behrouz Tavakkoli, Mrs. Mahvash Sabet, and Mr. Vahid Tizfahm—and these individuals are serving 20-year prison terms, the longest sentences given to any current prisoner of conscience in Iran, on charges including "spying for Israel, insulting religious sanctities, propaganda against the regime and spreading corruption on earth";

Whereas, beginning in May 2011, officials of the Government of Iran in 4 cities conducted sweeping raids on the homes of dozens of individuals associated with the Baha'i Institute for Higher Education (BIHE) and arrested and detained several educators associated with BIHE, and 12 BIHE educators are now serving 4- or 5-year prison terms;

Whereas scores of Baha'i cemeteries have been attacked, and, in April 2014, Revolu-

tionary Guards began excavating a Baha'i cemetery in Shiraz, which is the site of 950 graves;

Whereas the Baha'i International Community reported that there has been a recent surge in anti-Baha'i hate propaganda in Iranian state-sponsored media outlets, noting that, in 2010 and 2011, approximately 22 anti-Baha'i articles were appearing every month, and, in 2014, the number of anti-Baha'i articles rose to approximately 401 per month—18 times the previous level;

Whereas there are currently 100 Baha'is in prison in Iran;

Whereas the Government of Iran is party to the International Covenants on Human Rights and is in violation of its obligations under the Covenants; and

Whereas the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111-195) authorizes the President and the Secretary of State to impose sanctions on individuals "responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, the commission of serious human rights abuses against citizens of Iran or their family members on or after June 12, 2009": Now, therefore, be it

*Resolved*, That the Senate—

(1) condemns the Government of Iran's state-sponsored persecution of its Baha'i minority and its continued violation of the International Covenants on Human Rights;

(2) calls on the Government of Iran to immediately release the 7 imprisoned Baha'i leaders, the 12 imprisoned Baha'i educators, and all other prisoners held solely on account of their religion;

(3) calls on the President and Secretary of State, in cooperation with responsible nations, to immediately condemn the Government of Iran's continued violation of human rights and demand the immediate release of prisoners held solely on account of their religion; and

(4) urges the President and Secretary of State to utilize available authorities, including the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, to impose sanctions on officials of the Government of Iran and other individuals directly responsible for serious human rights abuses, including abuses against the Baha'i community of Iran.

#### SENATE RESOLUTION 149—RECOGNIZING THE IMPORTANCE AND INSPIRATION OF THE HUBBLE SPACE TELESCOPE

Mr. RUBIO (for himself and Mr. DURBIN) submitted the following resolution; which was considered and agreed to:

S. RES. 149

Whereas the launch of the Hubble Space Telescope on April 24, 1990, from the Kennedy Space Center marked a historic moment in space discovery and observation;

Whereas the National Aeronautics and Space Administration designed, built, and placed the Hubble Space Telescope into orbit;

Whereas the Space Shuttle Discovery transported the Hubble Space Telescope on the STS-31 mission and placed the Telescope into orbit at 380 statute miles;

Whereas the crew on the Space Shuttle Discovery consisted of Commander Loren J. Shriver, Pilot Charles F. Bolden, Jr., Mission Specialist Bruce McCandless II, Mission Specialist Kathryn D. Sullivan, and Mission Specialist Steven A. Hawley;

Whereas the Hubble Space Telescope weighed more than 24,000 pounds at launch,

currently weighs 27,000 pounds following the final servicing mission in 2009, and measures more than 43 feet in length;

Whereas the Hubble Space Telescope orbits the Earth at 17,000 miles per hour and has completed more than 3,000,000,000 miles of orbit around the Earth;

Whereas the Hubble Space Telescope continues to provide more than 10 Terabytes of data annually and has been heralded as one of the most productive scientific instruments known to man;

Whereas the spirit of discovery, innovation, and exploration is enshrined in the productivity of the Hubble Space Telescope; and

Whereas the Hubble Space Telescope has made significant advancements and discoveries in planetary sciences, cosmology, and galactic sciences: Now, therefore, be it

*Resolved*, That the Senate—

(1) congratulates the National Aeronautics and Space Administration on the 25th anniversary of the Hubble Space Telescope launch;

(2) recognizes the scientists, crew, engineers, and staff who contributed to the success of the Hubble Space Telescope;

(3) notes the significance of the discoveries and contributions to science of the Hubble Space Telescope as well as the subsequent innovations that were derived from the data collected from the Hubble Space Telescope; and

(4) acknowledges that the Hubble Space Telescope has captured images from and answered questions about space and has inspired generations of young people to go into the fields of science, technology, engineering, mathematics, and research.

#### SENATE RESOLUTION 150—EXPRESSING THE SENSE OF THE SENATE ABOUT THE IMPORTANCE OF EFFECTIVE CIVIC AND GOVERNMENT EDUCATION PROGRAMS IN SCHOOLS IN THE UNITED STATES

Mr. GRASSLEY (for himself and Mr. CARDIN) submitted the following resolution; which was considered and agreed to:

S. RES. 150

Whereas civic and government education is essential to the preservation and improvement of the constitutional government of the United States;

Whereas civic and government education programs foster understanding of the history and principles of the constitutional government of the United States, including principles that are embodied in certain fundamental documents and speeches, such as the Declaration of Independence, the Constitution of the United States, the Bill of Rights, the Federalist Papers, the Gettysburg Address, and Dr. Martin Luther King, Jr.'s "I Have a Dream" speech;

Whereas research shows that too few people in the United States understand basic principles of the constitutional government of the United States, such as the natural rights set forth in the Declaration of Independence, the existence and functions of the 3 branches of the Federal Government, checks and balances, and other concepts fundamental to informed citizenship;

Whereas, since the founding of the United States, schools in the United States have had a strong civic mission to prepare students to be informed, rational, humane, and involved citizens who are committed to the values and principles of the constitutional government of the United States;

Whereas a free society relies on the knowledge, skills, and virtue of the citizens of the