

THE WHITE HOUSE
WASHINGTON
October 30, 1989

APPOINTMENT MEMORANDUM

CANDIDATE: Mary L. Schapiro
POSITION: Member, Securities and Exchange Commission
INTERVIEW DATE: October 27, 1989
INTERVIEWER: Benjamin P. Dean 

Comments

Ms. Schapiro was appointed in November 1988 to serve a five-year term as a member of the Securities and Exchange Commission. Ms. Schapiro previously was General Counsel and Senior Vice President of the Futures Industry Association, a private organization of brokerage firms, banks, and futures exchanges. She had arrived at the Future Industry Association in 1984 from the Commodity Futures Trading Commission, where she had worked as a trial attorney and later as Counsel and Executive Assistant to the Chairman.

Ms. Schapiro holds a 1980 juris doctorate from George Washington University. She also graduated from Franklin & Marshall College in Lancaster, Pennsylvania in 1977 with a bachelor of arts degree.

Authority

Under the provisions of 15 U.S.C. 78d(a), the President has the authority to appoint five persons to serve as a member of the Securities and Exchange Commission, subject to the advice and consent of the Senate. Ms. Schapiro would be retained to continue serving in this position for the remainder of her term of five years, which expires June 5, 1994.

The statute states that not more than three commissioners shall be members of the same political party. Ms. Schapiro is registered as an independent. The statute further provides that no commissioner shall engage in any other business, vocation, or employment than that of serving as a commissioner, nor shall any commissioner participate, directly or indirectly, in any stock market operations or transactions of a character subject to regulation by the Commission.

Financial Disclosure Review

Based on a review of the SF 278, SF 86, and Personal Data Statement, Ms. Schapiro was interviewed to determine whether any

financial interests exist that might conflict with the duties of the position for which Ms. Schapiro is pending nomination. Ms. Schapiro previously has received agency counseling through the Securities and Exchange Commission, including counseling on the special standards of conduct applicable to members of the Commission.

Ms. Schapiro on Schedule A of her SF 278 has reported the compensation she received during the reporting period while employed by the Futures Industry Association, as well as the compensation received by her husband in his employment. Their assets consist mainly of various cash accounts and bond funds. She lists no transactions or reimbursements as being reportable on Schedule B. She also reports no liabilities or agreements on Schedule C. The one outside position she was required to report on Schedule D, Part I, is her former position with the Futures Industry Association from which she resigned last year. Since she already has served a part of her appointment to this position that is in excess of 60 days, she is not required to list compensation in excess of \$5,000 paid by one source. Based on this information in the SF 278 and in the PDS, I concur that none of the financial interests Ms. Schapiro holds would likely conflict with the duties of a member of the Securities and Exchange Commission.

Other Information

Ms. Schapiro also was asked the standard interview questions. Ms. Schapiro stated that he had never been arrested or had any difficulty with law enforcement officials. All tax returns for the last three years have been filed in a timely manner with ordinary extensions, she said, and she has had no difficulties with any tax authorities. Ms. Schapiro stated that she is not aware of any investigation pending on her, other than the current FBI background investigation. She stated that she has never been a registered foreign agent and that she knows of nothing that would be embarrassing to her or to the President if revealed in conjunction with her retention in the Administration.

Conclusion

No matters of a controversial or embarrassing nature were revealed during the review nor in the personal interview. Assuming successful completion of all background checks, I recommend that the nomination of Ms. Schapiro be allowed to proceed.

cc: Jane Dannenhauer