

Re: Section 919D of the Dodd-Frank Wall Street Reform and Consumer Protection Act

I submit these comments on behalf of the International Ombudsman Association (IOA), whose mission is to support and advance the global organizational ombudsman profession and ensure that practitioners work to the highest professional standards. IOA is the largest professional association of organizational ombudsman, representing members from the corporate, nonprofit, and government sectors.

As President of IOA, I encourage the Securities and Exchange Commission to define the proposed ombudsman role as a confidential outlet for concerns to be surfaced, and a trusted method for trends and systemic issues to be conveyed to decision-makers. An ombudsman creates an extra safety net for an organization to deal with potentially high stakes concerns while increasing the efficiency of issue resolution; it provides an important layer of oversight without adding to the bureaucracy of the system.

If the SEC intends to have the ombudsman abide by principles of confidentiality, impartiality, independence and informality, then it would make sense for the role to be modeled according to the Standards of Practice and Code of Ethics set forth by IOA – therein creating an “organizational ombudsman” position. IOA believes that the principle of confidentiality is of utmost importance to provide individuals with a safe place to ask questions or raise concerns about compliance with securities laws and the operation of regulatory authorities.

The proposed ombudsman role is currently structured to serve the public as a resource for the informal resolution of disputes and concerns. In addition to the public, the SEC should consider adding the internal workforce of the SEC to the constituents being served so that concerns within the organization also have an informal channel for being surfaced. To ensure that the neutrality of the position is not compromised, the SEC should structure the reporting relationship of this role to be independent from traditional channels of reporting. According to IOA Best Practice, an ombudsman should report to the highest level possible in the organization, such as the Chairman of the SEC.

Regardless of the ombudsman model used (organizational, classical, advocate, etc.) it is essential that the SEC implement a carefully-defined ombudsman office, as the role provides an ethical foundation to an organization deeply tied to the financial well being of the economy. In fact, because the role of an ombudsman is so valuable to the ethical viability of any institution, the SEC should consider a mandate that all regulated financial firms of over 500 employees employ an ombudsman to encourage ethical behavior and bring greater faith in the system.

Speaking on behalf of the Association, I would like to commend your efforts to enhance the SEC governance structure, and I would like to offer the expertise of IOA as an ongoing resource for the SEC to establish an effective ombudsman office which meets the specific goals of the agency. For example, we can provide information on best practices for establishing an office; contacts within the federal government of people who

have established ombudsman offices; training for ombudsman staff; and any additional consultation that would be helpful in this process.

Lastly, I am appreciative of your solicitation of feedback since an effective ombudsman function is largely based on the planning that goes into establishing the office. Without careful planning, it is unlikely that an ombudsman officer will serve an organization optimally. We applaud your efforts and hope to support you.