

Title:

Sarbanes-Oxley: The Wrong Solution To A Legitimate Problem.

Word Count:

1098

Summary:

Sarbanes-Oxley Act or the accountants full employment act as I like to call it, refers to legislation introduced by Senator Paul Sarbanes (D) MD and Representative Michael Oxley (R) Ohio and passed in July of 2002 in response to the Enron and Worldcom scandals.

Keywords:

15c211, reverse merger, direct public offering, regulation d, pink sheets

Article Body:

Sarbanes-Oxley Act or the accountants full employment act as I like to call it, refers to legislation introduced by Senator Paul Sarbanes (D) MD and Representative Michael Oxley (R) Ohio and passed in July of 2002 in response to the Enron and Worldcom scandals.

Whenever the nation is confronted by a problem or crisis Congress feels that they must pass some sort of legislation in order to give the impression that they are doing something to fix the problem.

The legislation usually only addresses the symptom and not the cause, just like Doctors today who are no longer healthcare providers but pill pushers, they prescribe one medication for the illness and another for the side affects, without regard to the damage cause to vital organs such as kidney and liver.

When there is a problem congress passes legislation, and when there isn't a problem congress passes legislation and then passes more legislation to deal with the problems the legislation causes.

When you put a bunch of crazy people and lock them in a building you have an Asylum, when you have a bunch of lawyers together in a building you also have an asylum.

We as a nation expect and demand too much from the politician in Washington, next we will be asking them to pass a law banning hurricanes and floods, which will have the same affect as Sarbanes-Oxley.

No legislation Congress can pass will stop the criminal mind from circumventing it. When you have people using all their creative powers to come up with ways to circumvent existing laws that are flawed to begin with.

When you have a bunch of Senators and Representatives and their staff, most of whom have never spent a day in business legislate conduct and behaviors for businessmen, you end creating more problems than you set out to fix.

The reputation of a lawyer is just below that of Witch Doctors and Rain Dancers, yet we send them to Washington to set up laws to govern every area of our lives.

Sarbanes-Oxley also known as Sarbox is intended to restore faith in U.S. financial system, but is storing vast amounts of data the answer: This may help prosecutors later to convict the wrongdoers but it does not provide the transparency needed.

Under Sarbox publicly traded companies must have policies and controls in place to secure, documents and process material information dealing with their financial results.

This piece of legislation was intended to be applied to publicly traded companies with revenues over 25 million, but like every other bad medicine it has side effects that must be dealt with.

Some large companies are making small Corporation public and private institute Sarbanes-Oxley internal controls, as a condition for doing business with them. This is very costly venture for small companies that need every penny to grow their business.

If Sarbox was intended to protect the investing public what right do large corporations have to demand that private companies comply?

Over the last ten years the Fortune 500 companies have lost over 15 million jobs while small businesses have created 20 million new jobs. But many of these small companies need to pour their resources into their businesses in order to grow and in some cases to stay in business.

These creators of wealth must be allowed to continue their ingenious work and provide fuel to our economy without impediment from Sarbox,

Venture Capital money is too expensive and SBA loans are a sham so how can small companies comply with these expensive internal controls without cutting back on

hiring and other vital areas.

Why are small companies being held to higher standard when the law requires something less?

I keep hearing that relief is on the way, but I Hope it comes from the Securities and Exchange Commission and not from Congress the last thing we need is another piece of legislation.

What good are internal controls when the people reviewing them are the ones abusing them, Sarbox requires public companies to improve their corporate reporting and oversight and to increase operational transparency, accountability, and truthfulness.

I don't think that any one in their right mind believes for second that had Sarbox been in the law at the time it would have stop the people at Enron and worldcom.

If they want laws to deal effectively with Enron and Worldcom like problems maybe they should get Ken Lay (Enron) and Bernie Ebbers (Worldcom) to write them.

In 1933 When President Roosevelt was asked why selected a person of such questionable character as Joseph P. Kennedy to head the newly created SEC, Roosevelt Replied "It takes a crook to catch a crook"

So lets make Ebbers and Lay Pay their debt to society by drafting legislation to protect the investing public from the likes of them.

Maybe we should enforce the laws already in the book and make sure these people spend a very long time behind bars as an example to anyone thinking of doing the same.

We can also stop letting Hollywood set the moral standard for our children, kids today spend an enormous amount of time behind the tv screen and too many weekends at the theater.

And maybe the real culprit is our educational system, where kids are being taught at every level that everything is relative, and that there are not absolutes.

If everything is relative then this individuals did not commit any crime after all they were just out to make a few bucks and their tactic were well within the

scope of relativity.

Today we live in a society where even judges are offended by the Ten Commandments, it's understandable it is very offensive to be told "Thou shalt not steal" somebody might actually obey and refrain from stealing.

There is a bible verse that says "Do not be deceived God cannot be mocked. A man reaps what he sow" we have been sowing too much into relativity and not enough into absolutes.

And now we are paying the price, you always reap more than you sow, if you sow one tomato seed you will reap a tomato plant with lots of tomatoes.

So lets start by reforming Sarbox and increase transparency and not bureaucracy, lets allow the creative minds that have giving us 20 million new jobs in ten years and great technological advances continue to work without hindrance.

Maybe we don't have the answer but until we can come up with a workable solution we should refrain from passing legislation or maybe we should elect fewer lawyers to public office.

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