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Hollings' Comments on OMB Director Mitch Daniels' Failure to Certify the Accuracy of Government's Financial Reports

WASHINGTON, D.C. - U.S. Senator Fritz Hollings today released the following statement on the failure of Office of Management and Budget Director Mitch Daniels to personally attest to the accuracy and completeness of the government's financial statements with the Securities and Exchange Commission:

"I'm disappointed Mitch Daniels failed to certify the nation's financial reports and give America the credibility we need right now in the markets. Corporate CEOs were willing to face the truth and tell the public if their books were honest or cooked. Just one day after the Administration's much-hyped 'Economic Forum,' Mr. Daniels failed to provide the honest economic leadership that this country obviously needs right now.

"His unwillingness to swear to the government's numbers means when Congress returns in September it will be business as usual. We will still be using multiple sets of books, the problem that did in Enron and other companies. It's hard to promote sound economic policies when, in OMB's Mid-Session Review, this year's budget deficit is \$165 billion, and on the last page of the same document the deficit is \$412 billion. The way I see it, Mr. Daniels wants the public to believe the deficit is smaller than it really is, or else he would have stood behind his numbers. With this misleading under-reporting of the true deficit, come September, people will call for permanent tax cuts and more spending - just what this economy does not need.

"I think Mr. Daniels' inaction also will make it more difficult for the Securities and Exchange Commission to come down on bad corporations. After all, how can the SEC throw the book at corporations, when the Administration fails to set a good example with its own accounting?

"In the Army I learned you never ask your troops to do something you would not. If this government

took the unprecedented step to ask CEOs to personally certify their books, I think those in the highest leadership positions of government should have done the same for America's books. It's a shame we missed this opportunity to come clean with America's finances."

On August 6, Sen. Hollings asked Mr. Daniels to abide to the same requirements the Administration recently imposed on the CEOs of 947 companies, to certify by August 14th that their financial books were accurate and complete. For more information, connect with Sen. Hollings' website at <http://hollings.senate.gov>.

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