

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

March 18, 2025

The Honorable Mark Uyeda
Acting Chair
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Dear Acting Chair Uyeda,

We are sending this letter in response to reporting that the General Services Administration (GSA) is terminating leases for the Los Angeles, Philadelphia and, perhaps, the Chicago offices of the U.S. Securities and Exchange Commission (SEC) by the end of summer 2025.¹ According to an internal email sent to SEC staff, these lease terminations allegedly are “not directly tied to any staff reorganizations or layoffs within the SEC.”² This news is both alarming and confusing given that it directly contradicts the Trump Administration’s directive that all employees report to a physical office five days a week and comes on the heels of an announcement that the SEC plans to remove the heads of ten regional offices as part of a reorganization plan to be submitted in March.³ These actions contribute to further chaos and confusion within the agency and raise serious questions as to whether these lease terminations are simply an effort to permanently shutter these regional offices and fire the dedicated public servants stationed there, many of whom perform essential examinations and enforcement functions critical to protecting investors in these regions.

While the SEC has stated that “if by the time the GSA-initiated lease terminations take effect, new office locations are not ready, then the affected SEC staff will be placed on full-time telework,” we have grave concerns that the SEC’s stated intent will not be upheld by the current Administration, and these employees may be at risk of being summarily fired by Elon Musk and the so-called “Department of Government Efficiency.”

Important Role that SEC Regional Offices Play in Carrying Out Agency’s Mission

¹ See Reuters, [US SEC says Trump administration to terminate building leases for Los Angeles, Philadelphia regional offices](#) (Mar. 3, 2025); Crains, [GSA moves to close some SEC regional offices, including Chicago’s](#) (Mar. 3, 2025).

² *Id.*

³ Reuters, [Exclusive: US SEC plans to cut regional directors as agency prepares for DOGE scrutiny, sources say](#) (Feb. 24, 2025).

The SEC’s regional offices play a critical role in advancing the agency’s mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation. Closing these offices and interfering with their ability to perform their essential functions, and risks undermining the Commission’s ability to accomplish its mission. Regional offices give the SEC eyes and boots on the ground in key financial centers across the country where financial services firms operate, particularly Los Angeles, Chicago, and Philadelphia. As we are aware, the Chicago office has more than 230 FTE employees, the Los Angeles office has more than 120 employees, and the Philadelphia office has more than 120 employees. This regional presence ensures timely intervention and allows the SEC to address a wide variety of issues across the country, from helping local small-businesses access needed capital to examining SEC registrants, to bringing enforcement actions against bad actors—all of which have the potential to impact national and global markets. Additionally, SEC regional offices have staff members with specialized knowledge of local industries and practices of regulated intermediaries, enabling them to effectively target enforcement and examination efforts, focusing on high-risk practices to maximize efficiency.

Regarding enforcement of our securities laws, SEC regional offices are often the first responders when it comes to investigating misconduct and stopping violations, including fraud, insider trading, market manipulation, and financial reporting violations. They also coordinate with local and federal law enforcement, and self-regulatory organizations like FINRA, PCAOB, MSRB, and FASB, to investigate wrongdoing and coordinate enforcement efforts. They also closely collaborate with states’ securities regulators to stop and deter securities fraud and assist companies large and small to raise needed capital. Additionally, their proximity to regional financial markets gives them valuable insights into local market dynamics and potential risks. Below are a few examples of successful enforcement actions brought by the SEC’s Los Angeles regional office (LARO), Chicago regional office (CHRO), and Philadelphia regional office (PRO):

- In May 2023, the LARO shut down a \$60 million cannabis offering fraud by WeedGenics, which targeted investors with false promises of high returns, protecting numerous investors from significant financial losses.⁴
- In July 2023, the LARO charged a real estate investment fund with a \$20 million offering fraud targeting investors in Chinese-speaking communities, demonstrating a commitment to safeguarding minority investors.⁵
- In June 2024, the PRO charged an investment adviser and his investment management firm, JAG Advisors, in connection with a scheme to defraud investors of at least \$3 million.⁶

⁴ Press Release, [SEC Shuts Down WeedGenics \\$60 Million Cannabis Offering Fraud](#) (May 23, 2023).

⁵ [Securities and Exchange Commission v. Johnny Tseng \(a/k/a Kuanhao J. Tseng, Kuanhao Tseng\), Kevin Zhang \(a/k/a Kevin Huapeng Zhang, Huapeng Zhang\), and Summitcrest Capital, Inc., No. 5:23-cv-01488](#) (C.D. Cal. filed July 28, 2023)

⁶ Press Release, [SEC Charges JAG Capital Advisors and its Founder Joshua Goltry with Defrauding Investors](#) (Jun. 12, 2024).

- In July 2024, the LARO obtained final judgement against an individual in Los Angeles for orchestrating a \$47 million fraud targeting members of the Orthodox Jewish community, highlighting efforts to protect vulnerable investors.⁷
- In July 2024, the PRO charged a Virginia Engineer with defrauding more than 70 investors of over \$70 million.⁸
- In August 2024, the CHRO and PRO working together settled for \$400 million in penalties with multiple broker-dealers and investment advisors for longstanding failures to maintain and preserve electronic communications.⁹

Regional offices also play a critical role in the SEC’s examinations of market participants in their respective areas of the country, such as investment advisers, broker-dealers, mutual funds, and public companies. These examinations—which assess whether these entities are adhering to securities laws and regulations (including rules related to material disclosures, financial reporting, anti-fraud provisions, and fiduciary duties)—help prevent financial fraud, misrepresentation, or other illegal activities before they escalate into larger problems, and also ensure that market participants maintain fair practices and fulfill their obligations to their investors. Overall, regional offices allow the SEC to more easily interview and depose local witnesses, receive sensitive documents and non-public information, as well as the requisite proximity and access needed for examiners to visit market participants on site and ensure they are staying compliant with securities laws. Were it not for these regional offices, the enforcement and examination costs to the Commission—and therefore taxpayers—is likely to significantly increase.

Questions

In light of these concerns, please address the requests below and provide any SEC document—including but not limited to any communication between the SEC and the GSA, any communication between the SEC and DOGE, and any communication to SEC staff—regarding termination of the leases for the Los Angeles, Philadelphia, and Chicago offices (“offices”) of the U.S. Securities and Exchange Commission, the identification and selection of offices to replace those offices whose leases will be terminated, and any impact the termination of the existing leases and the acquisition of new office space will have on the current full and part time employees in those offices, including :

1. Any projection regarding the timing of closure of the current offices and the selection of properties to replace the offices whose leases will be terminated.
2. Any properties currently being considered as replacements and any assurances that the Commission will execute leases in the cities or nearby regions of the offices whose leases are set to be terminated.
3. Any projection of the location, dates of availability, and dates on which new office leases will be signed.

⁷ [Securities and Exchange Commission v. Yossi Engel, No. 2:23-cv-00213-PA](#) (C.D. Ca. Jan. 12, 2023).

⁸ Press Release, [SEC Charges Virginia Engineer with Orchestrating \\$30 Million Offering Fraud](#) (Jul. 25, 2024).

⁹ Press Release, [Twenty-Six Firms to Pay More Than \\$390 Million Combined to Settle SEC’s Charges for Widespread Recordkeeping Failures](#) (Aug. 14, 2024).

4. Any projection of the number of full- and part-time employees who may need to work remotely and any assurances that the SEC has received regarding permission for remote work for these employees.
5. Any estimates or comparisons of the costs associated with leasing new office space, moving expenses, and remaining in the current leased space.
6. Any projection of the number of full- and part-time employees who will be working in the new locations and the accommodations required by the GSA and the SEC.
7. The number of full- and part-time employees currently working in the leased facilities set to be terminated.
8. Any projection or plan regarding workload changes or transfers to accommodate potential reductions in force due to the lease terminations.
9. Did GSA consult with the SEC before deciding to terminate lease agreements, and what justifications did the SEC provide to either continue or terminate these leases?
10. Explanation of how the decision to terminate regional office lease agreements does not constitute part of the Commission's upcoming reorganization.
11. Assurance to Congress that impacted SEC personnel will be allowed to work remotely if suitable new office space is not found.
12. Indication of whether the SEC possesses written documentation from the Trump Administration permitting telework in the absence of timely replacement office leases, and provision of this documentation if available.
13. The plan GSA has communicated to the SEC or that the SEC is pursuing independently to find suitable office space for impacted personnel.
14. Where the Commission anticipates signing new leases and assurances that they will be executed in the cities or nearby regions of the terminated offices, along with biweekly status updates on efforts to find new facilities.
15. The costs, if any, of terminating the leases.
16. Please confirm that the SEC will not terminate any probationary employees on any basis other than an individualized determination that the specific employee's performance or conduct in compliance with legal requirements. Recent rulings by the Office of Special Counsel, the Merit Systems Protections Board and the United States District Court of the Northern District of California indicate that the recent en masse terminations of probationary federal employees were illegal and will likely lead to the reinstatement of these staffers.
17. Confirmation that the SEC will not engage in any Reduction in Force (RIF) of personnel unless directed by Congress through a budget reduction.

Thank you for your attention to these critical matters. We look forward to your written response by March 28, 2025.

Sincerely,



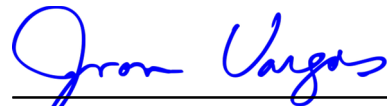
Maxine Waters
Ranking Member, Committee
on Financial Services



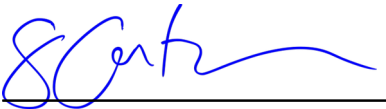
Brad Sherman
Member of Congress
Ranking Member,
Subcommittee on Capital
Markets



Bill Foster
Member of Congress



Juan Vargas
Member of Congress



Sean Casten
Member of Congress

cc:

The Honorable Hester Peirce
Commissioner
U.S. Securities and Exchange Commission

The Honorable Caroline Crenshaw
Commissioner
U.S. Securities and Exchange Commission

Kenneth Johnson
Chief Operating Officer
U.S. Securities and Exchange Commission

Stephen Ehikian
Acting Administrator
U.S. General Services Administration

The Honorable French Hill
Chairman, Committee on Financial Services
U.S. House of Representatives