

The SEC is Supposed to Prevent Companies from Misleading Investors, but Its 2025 Enforcement Report Misleads the Public

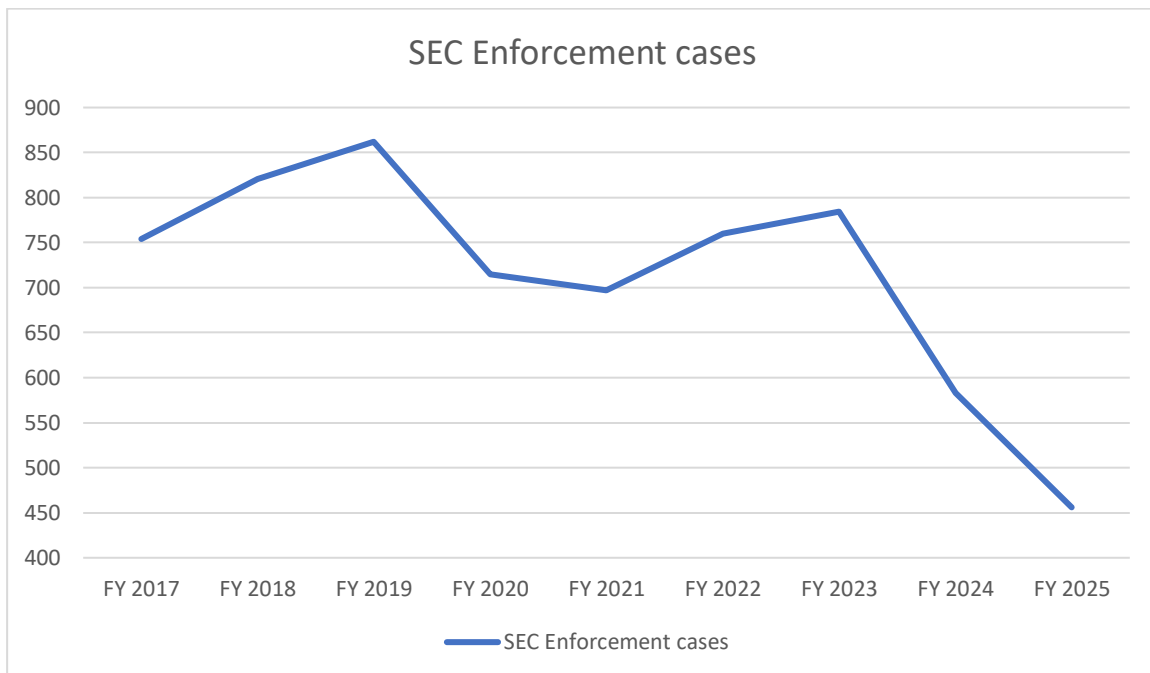
By Benjamin Schiffrin | *Director of Securities Policy*

April 21, 2026

Introduction

The Securities and Exchange Commission (SEC) is supposed to protect investors. That is the reason for its existence. Yet under SEC Chair Atkins, it is now obvious that is no longer the case. Chair Atkins was [sworn in as SEC Chair one year ago today](#). In his first year as SEC Chair, the SEC has taken numerous actions to [demolish investor protection](#). Nowhere is that more evident than in the realm of one of its most important functions: enforcement of the securities laws.

Two weeks ago, the SEC [released](#) its enforcement statistics for fiscal year 2025. Those statistics reveal a [22% decline](#) in enforcement activity from fiscal year 2024 and a 36% decline from fiscal year 2020—the last year of the first Trump administration. Although the SEC’s press release announcing the results downplays the precipitous decline in enforcement activity under Chair Atkins, its attempts to provide ‘context’ cannot obscure the stark picture that emerges:



The SEC’s announcement of its enforcement results also cannot obscure the fact that, despite Chair Atkins’s [congressional testimony on February 12, 2026](#), there is now no question SEC

enforcement activity during his first year in office reached a ten-year low. At that hearing, Senator Elizabeth Warren asked Chair Atkins to [confirm](#) that the SEC had “brought fewer new enforcement actions than at any point in the last decade.” Chair Atkins responded that he wasn’t sure what data Senator Warren was looking at because the SEC had not yet released its enforcement results and that he “disagreed” with the premise of the question. Senator Jack Reed [cited](#) statistics from Cornerstone Research and the law firm Paul Weiss, which showed a [30% drop in SEC enforcement actions against public companies](#), [a 27% drop in new enforcement actions](#), and [the lowest number of new enforcement actions in a decade](#). Chair Atkins said these numbers were “[wrong](#).” Now that the SEC has released its own enforcement report, it is clear that these numbers were not wrong and that under Chair Aktins the SEC did bring the fewest enforcement cases in a decade. Senator Warren has now asked Chair Atkins to [explain his answers](#) in light of the SEC’s own data itself showing the decline in enforcement activity, which she noted occurred in the context of reports of significant turmoil in the Division of Enforcement, including the loss of 20% of its staff and the abrupt resignation of the Director of Enforcement after only seven months on the job.

What the SEC’s press release does obscure is the reasons for the decline. The SEC [characterizes](#) the decline in enforcement activity under Chair Atkins as the product of “misapplied” resources under prior administrations “to pursue media headlines and run up numbers,” which led to “misguided expectations on what constitutes effective enforcement” and a need to “deliberately refocus[]” the priorities of the enforcement program. Nothing could be further from the truth.

Chair Atkins’s SEC is the Outlier, Not Chair Gensler’s SEC

During his first year as SEC Chair, Chair Atkins said repeatedly that it was “[a new day](#)” at the SEC. It is a new day at the SEC, but not in the way Chair Atkins meant. Chair Atkins said it was a new day [over](#) and [over](#) again because it was his view that the SEC had strayed from its core mission under Chair Gary Gensler and he was returning the SEC to its roots. But vigorous enforcement has always been at the core of the SEC’s mission. The problem for Chair Atkins’s “new day” mantra is that the SEC’s approach to enforcement under Chair Atkins, not Chair Genser, is the historical outlier.

A comparison of enforcement activity during the first Trump administration, the Biden administration, and Chair Atkins’s first year as SEC Chair makes this plain. As the above chart shows, enforcement activity under Chair Jay Clayton, SEC Chair during President Trump’s first term, was just as high if not higher than under Chair Gensler during the Biden administration. Indeed, in fiscal years [2017](#), [2018](#), [2019](#), and [2020](#), which roughly coincide with Chair Clayton’s tenure, the SEC never filed fewer than 700 enforcement cases. The SEC averaged 788 enforcement cases a year during Chair Clayton’s term. This is consistent with enforcement activity under Chair Gensler. In fiscal years [2021](#), [2022](#), [2023](#), and [2024](#), which roughly coincide with Chair Gensler’s tenure, the SEC averaged 706 enforcement cases. During fiscal year 2025—Chair Atkins’s first year as Chair—the SEC brought 456 cases. These statistics reflect that it is a new day at the SEC, but it is a day that represents the SEC’s retreat from its traditional mission of investor protection.

Further historical comparisons only underscore the point. Between fiscal years 2009-2016, during the Obama administration, the SEC brought [664](#), [681,735](#), [734](#), [686](#), [755](#), [807](#), and [868](#) cases.

Between fiscal years 2005-2008, which coincided with President George W. Bush’s second term, the SEC brought 630, 574, 656, and 671 cases (see chart 2.14 in this [report](#)). The SEC Chair during President Bush’s second term was [Christopher Cox](#), whose [signature achievement](#) at the time of his nomination was considered to be the Private Securities Litigation Reform Act, [which made it more difficult for corporate executives who lie to investors to be held responsible for their actions](#). Yet as the enforcement statistics during his tenure show, he recognized the importance of SEC enforcement. Indeed, in one SEC report during his tenure, he [said](#): “First and foremost, the SEC is a law enforcement agency.” Twenty years later, that appears to no longer be the case.

So the statistics show that in fiscal year 2025 the SEC brought the fewest number of enforcement cases in at least 20 years, and fewer than 500 cases for the first time in at least 20 years. But the numbers under Chair Atkins are actually even worse than they appear in the SEC’s report for fiscal year 2025. That’s because almost half the cases the SEC brought in fiscal year 2025 were brought during the last three months of Chair Gensler’s tenure, which coincided with the first quarter of fiscal year 2025. In that period, the SEC filed [200 cases](#). That means in the remaining nine months of the fiscal year, under Chair Atkins (and, until his confirmation, acting Chair Uyeda), the SEC only brought about 250 cases—about 28 cases per month. As noted above, the last time the SEC brought so few cases in a fiscal year was 2006, when it brought 574 cases— about 48 cases a month. So under Chair Atkins, the SEC brought 20 fewer cases a month (almost half as many cases a month) when compared to the lowest per month average of cases at any point in the last 20 years.

These statistics belie the current SEC’s assertion that under Chair Gensler the enforcement numbers were “[inflated](#)” by some supposedly inappropriate cases brought since fiscal year 2022. There was nothing inflated about those numbers. But the SEC’s position fails even on its own terms. The cases that the SEC now characterizes as having involved a “misallocation” of the SEC’s resources total 108 cases. Even treating all of these cases as having been brought in fiscal year 2024 (which they weren’t), and even eliminating them from the total number of cases brought in fiscal year 2024 (which was 583), the SEC *still* would have brought fewer cases in fiscal year 2025 than in fiscal year 2024. There is simply no basis for saying that these supposedly objectionable cases reflected “a bias for volume of cases brought versus matters of investor protection.”

All this shows that under Chair Gensler SEC enforcement activity was not geared towards “[running up numbers](#).” SEC enforcement activity during Chair Gensler’s tenure was entirely consistent with enforcement activity at the SEC in the prior 15 years—under both Republican and Democratic administrations. It is enforcement at the SEC under Chair Atkins that represents a break from precedent, and it is a break that betrays the SEC’s longstanding investor protection mission.

The SEC’s “Course Correction” on Crypto Contradicts the Courts

The above analysis shows that the SEC’s characterization of the reason for the decline in its enforcement activity—supposedly excessive enforcement activity under Chair Gensler—is at best misleading. Yet the most misleading characterization is not in the numbers themselves. It is in the characterization of the SEC’s approach to crypto cases. The SEC now [says](#) that it views cases seeking to hold crypto companies liable for registration violations as involving a “misinterpretation

of the federal securities laws”; therefore, in fiscal year 2025, it “made a necessary course correction in its approach to enforcing the federal securities laws in the context of crypto assets.” This “course correction” may have been necessary in the eyes of the crypto industry, whose agenda Chair Atkins prioritizes [above all others](#), but it was not necessary in the eyes of the law.

That is because the SEC won almost [100% of its cases against the crypto industry](#). It is not surprising that the crypto industry took the position that the federal securities laws did not apply to it. It wants to be free from the constraints that the federal securities laws would impose on an industry rife with frauds, scams, and abuses. The registration provisions of the federal securities laws would force crypto companies to provide investors with the disclosures they need to navigate this at-times-lawless industry. It is surprising that the SEC, which exists to protect investors, would take the side of the crypto industry and argue that most crypto assets are not securities but rather commodities or collectibles to which the federal securities laws do not apply. It is especially surprising that the SEC would take this position after courts [explicitly rejected it](#). That it would do so shows it was not a necessary course correction but rather [a capitulation to the crypto industry](#).

It also bears mentioning that the course of crypto enforcement actions that Chair Atkins supposedly needed to correct did not begin under Chair Gensler. It began [under Chair Clayton](#). Neither Chair Clayton’s attempt to enforce the securities laws against crypto companies during the first Trump administration nor Chair Gensler’s attempt to enforce the securities laws against crypto companies during the Biden administration was an effort to “pursue media headlines”; it was an effort to protect investors—one courts overwhelming said was within the SEC’s authority.

So the SEC’s approach to crypto enforcement under Chair Atkins does not reflect a necessary “course correction”; it reflects the SEC’s willingness to give the crypto industry [everything it wants](#). Chair Atkins has even [invoked the crypto industry’s talking point](#) that under Chair Gensler the SEC had engaged in “regulation by enforcement” [over](#) and [over](#) again. The SEC said this yet [again](#) in its press release announcing its enforcement results. As just discussed, this supposed “regulation by enforcement” campaign preceded Chair Gensler’s tenure. And the courts found nothing wrong with the SEC suing crypto companies to force them to comply with the federal securities laws.

The reason is that, despite this SEC and the crypto industry trying to use repetition to convince the public that applying the federal securities laws to crypto is improper “regulation by enforcement,” applying the federal securities laws to an industry that refuses to comply with those laws yet promotes an asset that is clearly nothing more than [a speculative investment](#) is just enforcement. The SEC has been applying the federal securities laws to [new and supposedly innovative products that promise investors profits in return for their money for almost 100 years](#). The fact that crypto [is politically powerful](#) does not mean it deserves special treatment under the law, and characterizing straightforward enforcement cases as “regulation by enforcement” does not justify the SEC’s retreat from cases that it was winning and that would have protected retail investors.

One other aspect of the SEC’s approach to crypto enforcement under Chair Atkins shows the extent to which the SEC’s rhetoric is divorced from reality. The press release announcing the enforcement results [says](#) that the SEC remains committed to “standing up to fraud in its many

forms,” “combating securities fraud wherever it occurs,” and “detecting, deterring, and bringing actions against those seeking to take advantage of investors by misusing new technologies.” This language mirrors the language of the SEC’s Crypto Task Force that the SEC’s efforts “continue unabated to combat fraud involving securities, including crypto assets that are securities or that were offered or sold as part of an investment contract.” The SEC’s actions belie these sentiments.

Just last month, the SEC settled a case against Justin Sun and his company TRON despite having previously [alleged](#) that Sun “had orchestrated hundreds of thousands of fraudulent trades in an attempt to manipulate the price of a cryptocurrency developed on TRON.” The settlement, which Sun praised, amounted to nothing more than a slap on the wrist, and came despite the SEC recognizing [that the case involved a securities offering](#) and despite its leaders “[having repeatedly vowed that it would continue to pursue fraud cases](#).” Since that settlement, the SEC has dismissed other crypto cases in which it had previously alleged that the defendants [had defrauded investors](#) or [manipulated the cryptocurrency markets through wash trading](#). So it appears that the SEC is committed to combating fraud in all its forms and wherever it occurs . . . except in crypto.

The SEC Fails to Explain its Enforcement Director’s Resignation

The SEC’s announcement of its fiscal year 2025 enforcement results tries to explain away the dismal numbers, but one thing the announcement does not explain is the abrupt departure of former Director of Enforcement Margaret Ryan. Although Chair Atkins was sworn in on April 21, 2025, he waited four months, until August 21, 2025, to [appoint](#) Ryan to the role of Director of Enforcement. Then, after less than seven months on the job, Ryan [resigned](#) on March 16, 2026.

The speculation in the press

Ryan’s abrupt resignation fueled intense speculation as to the reasons for her departure. Reuters reported that Ryan [clashed with agency leaders over the direction of its enforcement program](#). According to Reuters, Ryan “wanted to be more aggressive in pursuing charges for fraud and other misconduct.” The Justin Sun case, Reuters reported, was a “source of frustration for Ryan.”

Another possible reason Reuters gave for Ryan’s resignation was that defendants were attempting “to go above career staff’s heads on enforcement matters.” The Financial Times [reported](#) that, in one high-profile matter, defendant’s counsel told a judge that settlement negotiations had been ongoing for some time but that SEC enforcement counsel “were not fully read in on that;” the implication was that the negotiations were being conducted with agency leadership and not the enforcement staff. Ryan resigned less than two weeks later. The Financial Times noted that, one day after Ryan’s resignation, the SEC disclosed the settlement negotiations in a filing. John Reed Stark, former Chief of the SEC’s Office of Internet Enforcement, believes Ryan resigned because she could not defend “[the integrity of an enforcement program that was unraveling in real time](#).”

Other possible concerns about the enforcement program

Of course, there are other possible reasons for Ryan’s resignation. Perhaps Ryan was concerned about the [cuts to SEC enforcement staff](#). The Government Accountability Office (GAO) recently

reported that the SEC [lost 18% of its staff in fiscal year 2025](#), resulting in its lowest employment numbers since 2014. The Division of Enforcement has lost [nearly 20% of its staff](#). GAO conducted surveys with remaining SEC staff in mission-critical divisions, [who said they were concerned about the loss of institutional knowledge](#). Although Chair Atkins has said that these departures allow younger employees [to rise through the ranks](#), GAO reported that the SEC [paused its leadership development program](#) in the summer of 2025 and that it remained on hold as of January 2026.

It is also possible that Ryan wanted the SEC's record to match its rhetoric in the area of individual liability. Cases aimed at individual accountability were supposed to be a [priority](#) under Chair Atkins. Indeed, he trumpeted a supposedly "[renewed emphasis on holding individual wrongdoers accountable](#)" in the press release announcing the fiscal year 2025 enforcement results. Holding individual wrongdoers liable would be [welcome](#). The problem is that the SEC needs to hold individuals liable [in the biggest cases and at the biggest firms](#). For example, the SEC cited its case against Vanguard Advisers in fiscal year 2025 as one that demonstrated its focus "[on protecting the interests of retail investors](#)." The SEC's case against Vanguard involved its failure to adequately disclose conflicts of interest when recommending to prospective and existing clients that they enroll in a fee-based advisory service that provided ongoing portfolio management of their accounts. The conduct [occurred](#) from August 2020 to December 2023, and Vanguard paid a \$20 million civil penalty to settle the charges. Yet the SEC did not hold any individual accountable.

Or maybe Ryan did not want to see the SEC eviscerate the Consolidated Audit Trail (CAT), a [critical enforcement tool](#). The CAT is the [most important weapon](#) the SEC has to fight crime on Wall Street. It should be [a regulator's dream](#). But under Chair Atkins the SEC has taken a [series of actions](#) that will weaken if not kill its effectiveness. And just last week the SEC requested public comment on "[foundational and existential aspects of the CAT](#)"—a potential precursor to its dismantling. Perhaps Ryan thought the SEC should be bolstering, not disassembling, its enforcement tools.

Whatever the reason for Ryan's departure, the fact remains that Chair Atkins has been Chair of the SEC for a year and has lacked a permanent Enforcement Director for more than a third of that time. The SEC took great pains in announcing its enforcement results for fiscal year 2025 to provide what it considered the necessary "context." Yet the absence of a permanent Enforcement Director for so much of Chair Atkins's tenure may be all the context that is necessary, and it may be all that the public needs to know about the priorities of Chair Atkins when it comes to SEC enforcement.

Conclusion

The SEC is an agency whose focus is on preventing companies from misleading investors. Yet the SEC's announcement of its own enforcement results for fiscal year 2025 could not be more misleading. The SEC portrays those results [as a return to the Commission's historical norms](#). But it is the enforcement results under Chair Atkins that represent a historical deviation. Try as the SEC might to justify what it clearly recognizes is a miserable enforcement record, the statistics paint a damning picture. They show just how far the SEC has strayed from its role as a law enforcement agency and its investor protection mission. The SEC's attempt to mislead the public about the meaning of the numbers and the reasons for them show just how far the agency has fallen.




BETTER MARKETS

Better Banks | Better Businesses
Better Jobs | Better Economic Growth
Better Lives | Better Communities

Better Markets is a public interest 501(c)(3) non-profit based in Washington, DC that advocates for greater transparency, accountability, and oversight in the domestic and global capital and commodity markets, to protect the American Dream of homes, jobs, savings, education, a secure retirement, and a rising standard of living.

Better Markets fights for the economic security, opportunity, and prosperity of the American people by working to enact financial reform, to prevent another financial crash and the diversion of trillions of taxpayer dollars to bailing out the financial system.

By being a counterweight to Wall Street's biggest financial firms through the policymaking and rulemaking process, Better Markets is supporting pragmatic rules and a strong banking and financial system that enables stability, growth, and broad-based prosperity. Better Markets also fights to refocus finance on the real economy, empower the buyside and protect investors and consumers.

For press inquiries, please contact us at press@bettermarkets.com or (202) 618-6430.



[SUBSCRIBE](#) to Our Monthly Newsletter

FOLLOW US ON SOCIAL



2000 Pennsylvania Avenue NW | Suite 4008 | Washington, DC 20006 | 202-618-6464 | www.bettermarkets.org
© 2026 Better Markets, Inc. All Rights reserved.