

## How Trump's Presidency Will Change the Justice Department and SEC

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Donald Trump's recent upset victory in the presidential election has raised speculation on what changes his administration will make to the leadership and focus areas of the Department of Justice. Equally important questions have surfaced on whether his election will lead to an opportunity for the Republican-controlled Congress to limit the Securities and Exchange Commission's ([SEC](#)) authority.

Change in the Justice Departments' leadership may not have great implications for federal prosecutors, whose daily work will likely not be affected by the transition to a new administration. Apart from his [criticism](#) of the Dodd-Frank financial reforms and his promise to [bring back](#) the Glass-Steagall Act to reinstate the separation between commercial and investment banking, President-elect Trump commented little throughout his campaign on how he plans to police the financial market. This limited discussion on how the financial markets will be regulated under his presidency may indicate that in the short term, not much will change for federal prosecutors dealing with routine violations of the law.

However, a Trump presidency could possibly lead to a [shift](#) in the focus areas of federal prosecutors. With the appointment of a new attorney general, there may be a re-ordering of priorities in the Justice Department. Because of Mr. Trump's promised tax cuts, the Justice Department can likely expect to receive fewer resources from Congress in the upcoming years. One area of cases that is at greater risk of being affected by these budget and spending cuts is white-collar crime, as those investigations and prosecutions require significantly greater resources and time.

Additionally, the SEC, which enforces federal securities laws and regulates the securities industry, will likely undergo budget cuts. With the House and Senate remaining under Republican-control within a now Republican administration, the SEC will likely experience significant restrictions and changes.

The biggest concern for the SEC may be a limit on its ability to try cases in administrative hearings outside of federal court, an authority that was granted to it by the Dodd-Frank Act. Representative Jeb Hensarling, a Texas Republican who is likely to remain as the chairman of the House Financial Services Committee in Congress, has pushed for the [Financial Choice Act](#) in the past. This bill would roll back multiple provisions of the Dodd-Frank Act and would effectively eliminate the SEC's use of administrative hearings. If Mr. Hensarling re-introduces the Financial Choice Act to this new Congress, the chances of it being passed are much higher this time around.