

**Chairman Spencer Bachus**  
**OPENING STATEMENT FOR MARCH 6, 2001**  
**HEARING ON ANTIFRAUD NETWORK PROPOSAL**

Thank you, Madam Chair, for convening this joint hearing of our two Subcommittees to consider the issue of antifraud coordination by Federal and State financial regulators. As this is the first formal hearing in this Congress that involves the Financial Institutions Subcommittee, let me just say how excited I am to be chairing the Subcommittee, and how much I look forward to working with my Ranking Minority Member, Mrs. Waters, and all of the other Members of the Subcommittee over the next two years. Mrs. Waters and I have now served together as the chairman and ranking member of **three** different subcommittees of this Committee, and while we certainly do not see eye-to-eye on every issue, we have always dealt with each other in a spirit of collegiality and candor. I hope that will continue.

I can think of no better topic with which to begin our work in this Congress than the one that brings us here today - protecting consumers by making sure that our financial watchdog agencies have the necessary tools to fight fraud and that they cooperate and coordinate their efforts in fighting fraud.

[As Mrs. Kelly mentioned in her opening statement], today's hearing is particularly timely, given the extradition back to the U.S. over the weekend of Martin Frankel. Mr. Frankel is a high-profile "poster boy" for why coordination between Federal and State financial regulators is so critical.

The concept of linking together already existing databases maintained by various financial regulatory and law enforcement agencies to combat fraud against consumers makes good common sense. If implemented properly, such a network could serve as an effective early warning system when con artists like Mr. Frankel attempt to expand the frontiers of their criminal enterprises to new industries and new locales.

As with any effort to promote cooperation between regulators of different industries across multiple jurisdictional lines, achieving that objective is easier said than done. Anyone who has spent significant time inside the Beltway knows how difficult it can be to get different government bureaucracies to coordinate their activities, even in an area such as this where the benefits of such cooperation are so obvious. Turf battles are one of Washington's favorite pastimes.

In addition, logistical questions relating to access to the anti-fraud database and the kinds of information that will be available there will need to be addressed.

I am confident that today's hearing will help the Committee begin to answer these questions, and I look forward to hearing from all of our distinguished witnesses. Finally, let me commend Chairman Oxley for moving so quickly in this Congress to place this important matter on the Committee's agenda. I look forward to working with him, Mrs.

Kelly, and my other colleagues as we consider legislative proposals to advance the fight against financial fraud.