

Representative Jeb Hensarling
Opening Statement for Financial Services Hearing
“The 9/11 Commission Report: Identifying and Preventing Terrorist
Financing”
Monday, August 23, 2004

Mr. Chairman, in a few weeks it will have been three years since terrorists attacked our nation.

During this time, we have had to dramatically adapt and change our way of thinking to meet the new threat.

We have been compelled to redefine the concept of national security.

For example, we are here today to discuss something that only became an immediate national security issue post-9/11 – that is tracking down the finances of terrorists and terrorist organizations.

The 9/11 commission estimates that the attacks on our country three years ago cost less than \$500,000 to execute, so we know that it does not take huge sums of money to successfully wage terrorist warfare.

The challenge, therefore, is to track and freeze these funds, hidden in the billions and billions of dollars that circulate around the world every day. This is no easy task.

We are fortunate that the Bush administration has answered the call to do everything possible to protect Americans by choking off the funding sources of terrorists.

Although there is clearly a lot of work for us ahead, I believe this administration should be applauded for its diligent and tireless efforts over the past three years to disrupt the funding of terrorists, and prevent these groups from operating effectively.

Since 9/11 we have frozen approximately \$200 million in terrorist finances – no small feat.

The Department of Treasury has identified more than 380 individuals and entities involved in financing terrorists. Treasury has also used its new authority under the PATRIOT Act to identify individuals and institutions that are facilitating money laundering or other acts of fraud often used to fund terrorists.

Treasury continues to work and coordinate their efforts with the efforts of the Department of Justice and the Department of Homeland Security.

Importantly, these agencies have worked hand in hand with private financial institutions to track down those terrorists who use our financial system.

The private sector's ability to improve their detection of potential terrorist financing is vital to the success of tracing and zeroing out the funds used for terror.

The Bush Administration should also be commended for expanding the use of the Financial Action Task Force (FATF) to improve international information sharing and help other countries develop their own terrorist financing detection infrastructures.

As the 9/11 Commission Report recommends, we must also be as proactive as possible, using our intelligence resources to follow terrorist money as it changes hands. We must be able to anticipate new methods these groups will employ to fund their deadly activities.

No one can doubt that Americans have had to accept many new frightening realities in our daily lives since 9/11. And no one would doubt that we will continue to face new challenges as we fight this War on Terror.

I thank the Chairman for his continued outstanding leadership on this issue, and look forward to hearing more about the Commission's recommendations.

I yield back the balance of my time.