

OPENING STATEMENT
CONGRESSMAN PETER T. KING
before the
HOUSE COMMITTEE ON FINANCIAL SERVICES

*“The 9/11 Commission Report: Identifying and Preventing
Terrorist Financing”*

August 23, 2004

Thank you, Chairman Oxley.

I'd also like to thank our distinguished witnesses for taking time out of their busy schedules to testify today. We are fortunate to have experts from the Departments of Treasury, Justice and Homeland Security, along with the Vice Chairman of the 9/11 Commission, to share their thoughts on recommendations offered in the 9/11 Commission report regarding terrorist financing.

Since the attacks of September 11, 2001, the United States has worked aggressively to obstruct terrorist fundraising and money laundering efforts. This hearing builds upon the continued interest exhibited by this Committee overseeing the efficient and shared use of enhanced money laundering tools exerted by various executive agencies. Tools such as enhanced reporting requirements by banks, expanding the scope of forfeiture law, imposing new due diligence standards upon financial institutions managing large private accounts for foreign individuals, and measures for tracking and interrupting the flow of criminal funds through off-shore secrecy havens are examples of new authority granted by the USA PATRIOT Act. In addition, the Bush Administration signed an Executive Order shortly after the 9/11 attacks allowing the freezing of terrorist assets. These efforts led to the freezing or seizing of roughly \$200 million in terrorist-related assets worldwide, and designation of 383 individuals and entities as terrorists or facilitators of terrorism.

Internationally, the U.S. continues to work with the Financial Action Task Force (FATF) to garner foreign support in the fight against terrorist financing. Although a difficult task, the U.S. continues to advocate for regulatory changes in foreign countries allowing for increased transparency of financial transactions to determine the true identity of various bank accounts. In addition, the Administration has worked to enhance information sharing arrangements and stronger anti-terrorist financing initiatives with various countries.

In accordance to its directive, the 9/11 Commission Report describes in detail the lapses and circumstances which led to the September 11, 2001 attack. It also offers numerous recommendations to prevent similar attacks. And although I applaud the work and commitment exhibited by the Commission within the time constraints imposed upon them, the report does not sufficiently address many of the international issues associated with combating terrorist finance. Indeed, the Commission's report does recommend building stronger international partnerships

to fight terrorist finance, but it lacks any guidance or insight on the efforts previously mentioned by the international community and the United States. I look forward to Vice Chairman Hamilton's comments on this matter, and whether he believes actions by the Administration have proven beneficial.

Lastly, the Commission's report stated the planning and execution of the 9/11 attack cost between \$400,000 - \$500,000 – most of which originated from fundraisers. Given the difficulty in spotting this relatively small amount of money, especially in the manner which it is raised (i.e. charities), and freezing it, the Commission suggests better success by following the money instead of immediately freezing the assets. This strategy has proven successful in the past when infiltrating organized crime, and I am curious to hear comments from our second panel of witnesses if they believe this strategy can be used successfully to combat terrorist finance abroad.

Again, I applaud the work accomplished by the 9/11 Commission and the ongoing efforts by the Departments of Treasury, State and Homeland Security in their coordinated battle to stop terrorist finance. I look forward to your testimony.

Thank you, Mr. Chairman.