

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

“Combating International Terrorist Financing”

September 30, 2004

The Subcommittee on Domestic and International Monetary Policy, and Subcommittee on Oversight, Chaired by my colleague from New York, Mrs. Kelly, meet jointly today to receive testimony from the Departments of Treasury and State regarding their efforts in the global fight against terrorist financing.

We are fortunate to have the Honorable Juan Zuarate, Assistant Secretary for Terrorist Financing for the Treasury Department, and the Honorable Tony Wayne, Assistant Secretary for Economic and Business Affairs for the Department of State here with us today.

Since the attacks of 9/11, 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. I look forward to hearing testimony on these efforts and what can be done to build upon them.

Yesterday, as you know, the full Committee passed its section of the 9/11 legislation package put forward by the House leadership to respond to the recommendations of the 9/11 Commission.

Among the numerous tools provide to combat terrorist financing, the legislation requires the Treasury Department to develop a national money laundering strategy, boost the

authority of the Financial Crimes Enforcement Network, and directs the Secretary of the Treasury to establish an international terrorist finance coordinating council.

I believe these are important tools needed to help stem the flow of terrorist financing, and I look forward to your comments on these measures.

We still have a long road ahead us when persuading other countries to adopt and enforce new anti-money laundering regulations, but that should not discourage our efforts or cause us to loose sight on the need for international transparency.

I hope you will continue your vigilant efforts to work with the international community, and help combat efforts to finance terrorism.

With that, I yield to the Chairwoman and colleague from New York, Mrs. Kelly.