

**STATEMENT OF THE HONORABLE WM. LACY CLAY before
the FINANCIAL SERVICES COMMITTEE
"TERRORIST FINANCING: A PROGRESS REPORT ON
IMPLEMENTATION OF THE USA PATRIOT ACT"
September 19, 2002**

**Good morning, Mr. Chairman, members of the Committee,
and witnesses.**

**President Bush signed the USA Patriot Act into law on
October 26, 2001. This law provided new tools to combat
terrorist financing and international money laundering.
The country sorely needed new laws in place to protect
itself from the networks of financing terrorism that
existed throughout financial systems. The intent was to
additionally give new authority to share information and
better coordinate efforts within the intelligence
community and the financial services industry. The Act**

required that all financial institutions have anti-money laundering programs in place by April 2002.

The Patriot Act authorizes the Secretary of the Treasury to impose measures on countries, institutions, individuals and transactions with business related to money laundering concerns. It places additional responsibilities on various private entities of commerce as well as financial businesses. This act touches a broad spectrum of the business community of this country and of the world it trades with.

This hearing will examine where we have come in our attempts to combat terrorism through their financial networks. Are we on the right track? Are we moving fast enough? Are we achieving the desired cooperation of our governmental agencies and of our business community? We hope to answer many of these questions today.

Mr. Chairman, I ask unanimous consent to place my statement into the record.