

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

*“Legislative Proposals to Implement the Recommendations of
the 9/11 Commission”*

September 22, 2004

Thank you, Chairman Oxley.

I'd also like to thank our distinguished witnesses for taking time to comment on the anti-terrorist financing initiatives offered by this committee. I believe these proposals are a step in the right direction and provide law enforcement the support and tools needed to combat terrorist financing.

Since the attacks of September 11, 2001, the United States has worked aggressively to obstruct terrorist fundraising and money laundering efforts. As mentioned in the 9/11 Commission report, provisions in the PATRIOT Act have made terrorist financing activities more difficult because of enhanced reporting requirements by banks, and imposition of new due diligence standards upon financial institutions managing large private accounts for foreign individuals. The technical corrections offered in today's legislation simply ensure the continued effectiveness of anti-money laundering provisions within the USA PATRIOT Act.

Another important provision within this bill authorizes the Treasury Secretary to produce currency and other security documents at the request of foreign governments. This is one way to help strengthen currencies and prevent counterfeiting in developing countries lacking the capacity and technology to produce secure notes. This provision, which I introduced as separate legislation and passed earlier this year with broad bipartisan support, has, unfortunately, not been debated in the other body. Consequently, the Treasury Department was unable to participate in the redesign and production of new currency in Iraq which removed the face of their former dictator, Saddam Hussein. While the United States Mint is allowed under law to produce coins for foreign countries, the Bureau of Engraving and Printing has not been offered the same opportunity to utilize their printing expertise and innovative counterfeiting technology. This is wrong, and I applaud Chairman Oxley for including my authorizing language within the underlying legislative proposal.

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. 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 lose sight on the need for international transparency. The September 11 Commission Report and staff monograph highlight the importance of increased information sharing across the U.S. government. This is why I support the creation of a Treasury-led standing committee to ensure that the Secretary of the Treasury has the information needed to craft and negotiate strong standards for fighting terrorist financing at the international level.

Today's legislative package builds upon the recommendations of the 9/11 Commission and enhances the government's ability to fight terrorist financing, both at home and abroad. I applaud the Chairman for his efforts in coordinating the many facets of this bill and urge its adoption.

Thank you, Mr. Chairman.