

Statement of Senator Mike Crapo
Committee on Banking, Housing, and Urban Affairs
January 9, 2018

Crapo Statement at Money Laundering Hearing

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Chairman of the United States Senate Committee on Banking, Housing and Urban Affairs, today delivered the following remarks during a full committee hearing entitled “Combating Money Laundering and Other Forms of Illicit Finance: Opportunities to Reform and Strengthen BSA Enforcement.”

The text of Chairman Crapo’s remarks, as prepared, is below.

“Today’s hearing is the first of two currently planned hearings to explore the difficult issues underlying modernizing a decades-old system designed to combat money laundering, terrorist financing, corruption, weapons proliferation, sanctions evasion and a host of other threats.

“Our nation’s financial industry has long worked on the front lines of preserving the integrity of the U.S. and international financial systems and in partnership with our government since at least when the Bank Secrecy Act was first enacted, in 1970, and the phrase ‘anti-money laundering’ was coined a few years later.

“From its tax and narcotics beginning, the BSA, its regulations, and other supporting laws has evolved into a mass of counter-threat-finance regulatory requirements designed to focus the financial industry’s attention on an ever-expanding set of domestic and foreign threats to the nation.

“These threats were brought to the forefront of Americans hearts and minds and has only increased after the terrorist attacks of September 11, 2001 and, in response, enactment of the Patriot Act.

“The threats against our nation, people and financial system are real.

“Everyone sees these threats – one only needs to turn on a TV or read an article about corruption, drugs or any terrorist attack and wonder about the money that had to be involved to make it happen or the profits made as a result.

“Illicit money enables bad people to do the worst of things in this world.

“Where does it come from, where does it go, and who has it now? These questions will always need to be asked and answered.

“In fact, these questions are being answered, whether they always know it or not, by an entire industry of technical and financial professionals dedicated to managing the day-

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to-day BSA and other threat finance compliance requirements of our financial institutions.

“They do the hard work of monitoring hundreds of millions of financial transactions and producing millions of reports so that law enforcement and security professionals can do their jobs of managing an increasingly complex domestic and international threat picture.

“But, a lot has changed in this nearly 50 years that have passed since BSA was enacted.

“Certainly the sophistication, types and numbers of threats have increased.

“The regulations that focus the financial industry’s attention on suspicious activities have also increased.

“So, too, have the resources that are expended by industry and government alike to maintain a constant vigilance over threats to the financial system.

“It is incumbent on this Committee, then, to ensure that all of this work and the resources involved result in a ‘high degree of usefulness,’ in protecting this nation, as intended by the BSA itself.

“I welcome each of our witnesses today, whose individual expertise in financial regulation, law enforcement and financial transparency together will help inform the Committee of potential ways to sharpen the focus, sustainability and enforcement of a modernized, more efficient U.S. counter-threat-finance architecture.

“Getting this right, saves lives. Period.

“This is a bi-partisan issue.

“This is both an American and global issue.

“I look forward to working with Senator Brown and all members of the Committee to see that the needs of the stakeholders in this important work are critically examined and addressed, in order to modernize a system that benefits so many, at home and abroad.”

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