

April 3, 2003

Opening Statement by Congressman Paul E. Gillmor
House Financial Services Committee
Subcommittee on Oversight and Investigations and Subcommittee on Financial
Institutions and Consumer Credit
Hearing entitled, "Fighting Fraud: Improving Information Security"

I thank our Subcommittee Chairmen for holding this important hearing. As a result of the horrific terrorist attacks on September 11, 2001, security concerns, especially in our financial markets, have taken on new relevance.

I look forward to our evaluation of the three case studies we have before us this morning and a full review of current industry security practices. Beyond national security concerns related to fraud in the financial services industry, we need to fully discuss personal financial privacy. Throughout my years in Congress, I have been a strong defender of personal privacy, financial and otherwise.

When this issue was considered during negotiations in the 106th Congress on the Gramm-Leach-Bliley Act, the need for further safeguards to protect consumer privacy were recognized and legislative action was taken. However, clearly fraud is still taking place and our debate on this issue continues.

I thank the representatives of Teledata Communications Inc., DPI Merchant Services, and TriWest Healthcare for being with us today. Lessons can be learned from our investigation of these incidents of fraud. I look forward to any insights the law enforcement officials that have also joined us can provide.

Thank you again Chairman Bachus and Chairwoman Kelley for taking the lead on this issue. I look forward to this committee's continued discussions on personal financial privacy.