

Prepared, Not Delivered
Opening Statement
Chairman Michael G. Oxley
Committee on Financial Services

Subcommittee on Financial Institutions and Consumer Credit
“Recovering Dictators’ Plunder”

May 9, 2002

Thank you Mr. Chairman. I know you addressed this issue last Congress, and I appreciate your continuing work.

Developing countries are too often looted and plundered by tin-pot thugs who pretend to lead them. In unstable countries where education, economics, and legal systems are weak, it can be a heavy lift to change the political system from bullets to ballots. In too many countries, rip-off artists masquerade as political leaders, violating the trust of their people, scooping up bribes, and kidnapping well-intentioned international aid.

To steal from those who lack life’s most basic necessities -- food, clean drinking water, education, and housing -- is beneath contempt. The so-called leader absconds with the cash, leaving behind abject poverty, malnutrition, public health and developmental problems.

There’s even a word for this kind of government -- kakistocracy. It means government by the least qualified and most unprincipled citizens. Of course in Ohio, we would just call these people con artists.

What’s even worse is that this kind of looted money tends to flow through the same sewers as drug money and terrorist financing. Just like drug criminals and terrorists, these reprobates use the underground financial systems of false names, abused private banking accounts, and bank-secrecy laws. What they all have in common is a complete disregard for human life.

This Committee has taken a strong stand against money-laundering of all kinds. Chairman Bachus has mentioned our anti-money laundering bill that became a major part of the anti-terrorism USA Patriot Act last fall. We have also taken the lead in reviewing international aid in the developing world.

Our Committee and the United States should also insist that the world community take a strong stand against this kind of corruption. We should begin to talk about developing fast and effective ways to help looted countries recover their funds. After

all, if the thieves know that they will never be able to spend their ill-gotten gains, the incentive of personal gain is removed.

We should think about areas where Congress can take the lead legislatively. We will be reauthorizing some of the development banks -- including the African Development Fund -- over the next few months, and it is a reasonable idea to seek agreement with the banks that future aid packages contain language that enable swift asset-recovery programs.

So, Chairman Bachus, I commend you for convening this hearing, and for the excellent panel you have assembled. I look forward to their testimony, and to continuing the discussion on this issue at future hearings and markups this Congress.

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