

Opening Statement of Sen. Tom Coburn
PSI Hearing on “Keeping Foreign Corruption Out of the United States”
February 4, 2010

I would like to thank Sen. Levin for holding this hearing today. For years, he has diligently investigated how foreign officials use American institutions to hide corrupt money in our country. Today’s hearing exposes weaknesses in our current system that allows this to happen.

Americans expect much of their government leaders, and depend on a robust legal system to root out corruption wherever it is found. While their system is not perfect, we know that if federal officials break the law they will be caught and punished.

In other countries, the citizens are not so lucky. Heads of state are not accountable to the people and corruption is the way of doing business.

The report shows what can happen when foreign leaders grab hold of their nation’s wealth and use it for personal gain. Millions—if not hundreds of millions—of dollars were routed directly from the countries’ treasuries into the leaders’ pockets.

People like Omar Bongo used his country’s money to feed a wildly lavish lifestyle, while his citizens suffered. Using the wealth of Gabon, an impoverished nation, he attempted to purchase properties, vehicles and aircraft stashed all over the world. Unfortunately, he and others were aided in this effort by American professionals and institutions.

Our most important task today is deciding how we respond. America should never be the mattress corrupt foreign officials use to hide their money. Now is the time to make sure it never happens again.

Sen. Levin has taken a good first step by introducing legislation aimed at lifting the fog that can surround corporate and bank account ownership. His bill, S. 569, would institute a new set of rules to increase corporate transparency, helping both law enforcement and financial institutions.

I agree with the spirit of the bill, and look forward to working with the chairman to make it legislation I can support.

Any legislation to address foreign corruption needs to be tough, yet not hamper law-abiding companies. I have three main concerns that I believe can be addressed to give us a bill that will gain wide support.

New rules should not be overly burdensome on small businesses. They should be crafted in a way that protects legitimate trade secrets of U.S. businesses. All new rules should also be clear so that corporations know exactly how to comply with the law

In spite of these concerns, there are many areas of agreement. I look forward to developing a legislative solution that would address these concerns in a way that protects U.S. interests, but toughens our laws.

We must never turn a blind eye to foreign corruption. The cases we will look at today highlight the problems that arise when we do not have a sufficiently robust set of rules to keep corrupt money at bay.

I look forward to hearing from our witnesses and thank those who have willingly participated today.