

Senate Committee On Foreign Relations
Chairman Richard G. Lugar
Opening Statement for Hearing On
United Nations Convention Against Corruption
June 21, 2006

The Foreign Relations Committee meets today to review the United Nations Convention Against Corruption, which was signed by the United States in December 2003 and transmitted to the Senate for advice and consent last October. This treaty targets corruption on a global basis. It obliges parties to take measures designed to prevent corruption, to criminalize bribery and other corruption-related offenses, to cooperate in the investigation and prosecution of such offenses, and to adopt procedures to recover assets stolen by corrupt officials. The Convention also improves the tools through which our law enforcement agencies can investigate and prosecute money laundering, which can and has been used to fund terrorism.

By requiring parties to strengthen their anti-corruption efforts, the Convention would help level the playing field for U.S. companies, which are already prohibited by U.S. law from bribing foreign officials. The Convention would also provide mechanisms to assist U.S. law enforcement in obtaining overseas evidence and suspects in domestic corruption-related cases. The Administration has indicated that U.S. law already complies with the obligations of this treaty, with no need for further legislation.

The Convention entered into force on December 15, 2005, and currently has 55 parties. The United States is among 88 countries that have signed, but not yet ratified the Convention. The first conference of the parties is scheduled for December 2006.

The Convention builds on other treaties to which the United States is a party, namely the OECD's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the Inter-American Convention Against Corruption. The Convention is also consistent with the Bush Administration's efforts within the G-8 to promote transparency, accountability, and anti-corruption measures.

Corruption has been a major concern of this Committee. The World Bank has identified corruption as "the single greatest obstacle to economic and social development." We have held five hearings over the past two years to consider how to thwart corruption related to multilateral development bank financing, and we will hold a sixth hearing in the coming weeks. My MDB reform bill, S. 1129, which was passed unanimously by the Senate Foreign Relations Committee, became law in November 2005. This law contains many reforms aimed at achieving more transparency and accountability in the banks' operations.

The United States has a strong national security interest in opposing corruption and bribery worldwide. For example, we want to prevent foreign officials from accepting bribes that might lead to a dangerous container being allowed onto a ship bound for our shores. We want to prevent bribes that might help a criminal or terrorist gain access to our country. And we want to prevent bribes that might provide terrorists with access to nuclear material, chemical and biological weapons, MANPADS, or other dangerous items.

For almost 15 years, I have traveled through the former Soviet Union and beyond in support of the Nunn-Lugar Cooperative Threat Reduction program. On many occasions I have seen WMD storage facilities that were imperfectly secured. At the Shchuchye chemical weapons facility in Russia, for example, 1.9 million chemical weapons shells – many small enough to fit in a briefcase -- were stacked like wine bottles on racks in ordinary wood frame buildings. The facility was lightly guarded by U.S. standards and was surrounded by an unimpressive fence with several holes in it. Through the work of dedicated Russians and Americans, security at this facility and many others has been improved immeasurably. But safeguarding weapons continues to depend on the actions of those who are entrusted to operate and guard such facilities. Bribery is one of the most plausible means through which a terrorist might gain access to a weapon of mass destruction.

Last year I surveyed 85 top non-proliferation experts on proliferation threats and responses. Among many questions, I asked their opinion of the most likely method through which terrorists might acquire nuclear weapons or weapons grade material. By an overwhelming margin, they responded that black market activity was the most likely method. They judged such a corruption-driven transfer to be far more plausible than other scenarios, including the outright theft of a weapon by a terrorist group or the deliberate transfer of a weapon from a nuclear weapons state to a terrorist group.

The ratification of the Corruption Convention might not prevent a specific foreign official from taking a particular bribe. But fundamental U.S. national security interests demand that the United States work hard to establish a global climate of intolerance for corruption and bribery. Ratifying this Convention is an essential element in that campaign. If we fail to ratify, not only will the chances of a national security disaster increase, our advocacy on numerous anti-corruption issues, including those involving U.N. reform, MDB reform, the transparency of international development assistance, and the dispensation of the huge profits flowing into the hands of oil-rich regimes around the world, could be diluted.

Failure to ratify would also be a loss to U.S. businesses and workers. We do not want to give global economic competitors any excuse to fail to adopt the strong anti-corruption laws that already prevail in our country. We want nations that are in direct competition with us to ratify this convention so that their legal framework addresses corruption with the same vigor as ours does. We do not want to lose contracts, markets, and jobs to corrupt activities overseas. If we fail to promptly ratify this Convention, it will keep us from fully influencing the monitoring mechanisms for the Convention, which will be considered at the conference of parties in December 2006.

Today, we are pleased to be joined by two distinguished panels. First, Samuel Witten, Deputy Legal Adviser at the Department of State; and Bruce Swartz, Deputy Assistant Attorney General in the Criminal Division of the Department of Justice, will share the Bush Administration's views with regard to the Convention Against Corruption. On our second panel, we will have the benefit of the expert testimony of Alan Larson, Chairman of Transparency International-USA; and William Reinsch, President of the National Foreign Trade Council.

We welcome our witnesses and look forward to their testimony.

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