



**OPENING REMARKS OF WILLIAM J. FOX, DIRECTOR
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UNITED STATES DEPARTMENT OF THE TREASURY
AT THE 13TH PLENARY SESSION OF THE
EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS
WASHINGTON, DC
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Distinguished colleagues, members of delegations, ladies and gentlemen, it is an honor and pleasure for me to welcome you to the 13th Plenary Session of the Egmont Group of Financial Intelligence Units. On behalf of my agency, the Financial Crimes Enforcement Network, I wish to express my deep appreciation to each of my colleagues for traveling to the City of Washington for this Plenary Session where we are also celebrating the 10th Anniversary of the Egmont Group. We hope and trust you have found your stay in the United States enjoyable.

In 1995, there were only a handful of operational units around the world that were established pursuant to the Financial Action Task Force Recommendation that nations set up a centralized authority to receive, review and make available to appropriate authorities financial transaction reports required by regulation and filed by financial institutions. Those units met in Brussels at the Palais d'Egmont to "start finding practical ways for information sharing and practicable solutions for eliminating barriers to such exchanges" among these "Financial Intelligence Units." The agreements made at that meeting formed the basis of the Egmont Group. Together these units established an international standard of what an FIU is and, thereby, constructed a foundation upon which bilateral agreements to share information relevant to financial crime could be constructed.

A review of what has happened over the past decade can lead to only one conclusion . . . that the Egmont Group has achieved those original goals in spectacular fashion. Right now that original handful of units has expanded to 101 countries and jurisdictions each of which has made a commitment to put the resources in place to accomplish what the FATF envisioned. The fact that 101 countries and jurisdictions have established units is impressive in its own right, but what is even more important is that each FIU has made a commitment to share the information they collect with other FIUs. We all know it works. We see it in action every day. The Financial Crimes Enforcement Network has been a participant from the beginning. In my admittedly

prejudiced view, when it comes to “breaking down barriers” to information sharing, the Egmont Group sets the standard for how things can and should get done on a global scale. There is an acute understanding among these units that information becomes exponentially more valuable when it moves quickly to those who need it and can use it.

This work is more important today than ever. Yesterday evening, the delegates to this Plenary were shown in a very poignant way that life has changed in the City of Washington. A small corporate plane attempting to avoid bad weather inadvertently wandered into the restricted air space that now surrounds this city. As the Capitol Police chased us from the steps that border the Capitol reflecting pool where we were attempting to take our group photograph, I commented to one of my colleagues that it is hard to comprehend how dramatically life has changed in Washington and, indeed, throughout the world. Five years ago, the evacuation of Capitol Hill would have been a truly extraordinary event. Today we accept such evacuation as almost routine. The *Washington Post* this morning reported that Senators who were disrupted from debate were leaving the building after the alarms sounded as though it were a routine test of the fire alarm system.

As I am sure many of you know, the Commission chartered by the United States Congress to review the events that led to the September 11th terrorist attacks has recently finished its work of reviewing the systemic breakdowns in intelligence gathering and information sharing that prevented detection of both the plan to attack the World Trade Center, as well as the on-the-ground activities of the terrorists in the United States in the months leading up to the event. While much of the Commission’s report necessarily deals with processes and structures unique to American political and governmental contexts, it is not hard to draw from the report and its recommendations that indeed our world has fundamentally changed. I would like to draw your attention to the financial aspects of that report – a topic the Commission gave less attention than almost any other.

The 9/11 Commission’s principal recommendation relating to targeting terrorist money is clear: “[v]igorous efforts to track terrorist financing must remain front and center in U.S. counterterrorism efforts.” The Commission’s recommendation is based upon the simple fact that all of us in this room have known for some time – the fact that financial transactions remain an “Achilles Heel” for criminals and terrorists and their organizations. Money – often in very modest amounts – is necessary to carry out terrorist operations. Likewise, attempts to launder the proceeds of criminal activity leave trails of footprints. These trails connect dots – establishing previously unknown connections, so that organizations and networks can be defined and attacked. And most of the time, the money trails do not lie. Information in financial transactions is, for obvious reasons, generally reliable and, therefore, valuable to law enforcement and intelligence operatives. As we have developed and shared financial information throughout our government and between governments, we have learned that these trails are critically important ways our law enforcement and security services can identify, locate, and arrest or capture criminals and terrorists and their supporters.

The challenge before this group is that it is no longer enough to just routinely share information with each other, or to help build new units. While these issues will always be an important focus of the Egmont Group, we must build upon the foundation we have created these

past ten years and find ways to collaborate in a deeper way – at both a strategic and tactical level – to ensure that criminals and terrorists are disrupted, apprehended or both. Financial crime is truly a global problem that demands a global solution. The Egmont Group itself must change to meet the challenge of becoming a truly global organization. As you will hear, the Heads of Units have made decisions this week to ensure that the Egmont Group can collectively address the challenges set before us. I am confident that the Egmont Group and its individual members are poised to make a real difference in this effort. I have come to know the members of this group and their commitment to these issues; the global community is well served by their work and talent. I am confident that together, we will meet the challenges set before us.

We are rightfully entitled to celebrate Egmont's 10 terrific years. Our work to date has been nothing short of an unqualified success. However, we can't celebrate long. Tomorrow when we break, we must all go back and redouble our efforts to keep making a difference. We must work more closely together – cementing the bonds that have been constructed. Nothing less than the security of our citizens is at stake. I dream of the day when evacuating Capitol Hill in Washington becomes an extraordinary event again. My colleagues and I are committed to doing our part to see if we can make that dream a reality.