**Crapo Statement at Money Laundering Hearing, Administration Perspective**

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Chairman of the United States Senate Committee on Banking, Housing and Urban Affairs, today delivered the following remarks during a full committee hearing entitled “Combating Money Laundering and Other Forms of Illicit Finance: Administration Perspectives on Reforming and Strengthening BSA Enforcement.”

The text of Chairman Crapo’s remarks, as prepared, is below.

“This morning, the Committee will receive testimony from Treasury and Justice Department witnesses on the potential for modernization of the United States anti-money laundering and counter terrorist financing regime.

“We look forward to hearing the government’s views on strengthening enforcement and protecting the integrity of the U.S. financial system in a new technological era.

“The Committee held a hearing with industry stakeholders on this same topic last week.

“A clear bipartisan interest in modernizing the BSA/AML regime emerged from that hearing.

“The hearing highlighted significant interest in several areas: beneficial ownership; information sharing; technology; and BSA reporting requirements.

“The hearing also highlighted the need to work with Bank examiners to ensure that AML compliance is not just a ‘check-the-box’ exercise.

“There seems to be space to improve information and coordination between industry, regulators, and law enforcement.

“The breadth of each of these areas merit further consideration and discussion.

“For example, today’s technology promises new ways to catch criminals and facilitate compliance.

“But, technology also poses challenges for law enforcement, such as the rise of cryptocurrencies and their potential to facilitate sanctions evasion and perhaps, other crimes.

“I appreciate the strong interest in this topic from my Banking Committee colleagues and others in the Senate.

“As this committee looks deeper into the potential for reforms or modernization of the broader U.S. counter threat financing space, all stakeholders’ interests must be critically examined to assure that financial institutions, among a myriad of other stakeholders, can work effectively with the government to efficiently provide information that results in a ‘high degree of usefulness’ to combat crime and terrorism.

“The Committee, in doing its work on this shared policy goal, must also be ever-mindful of the potential for creating any new or different set of unintended consequences that may lead to inefficiencies and undue burdens.

“Clearly, the United States cannot afford to allow criminals and terrorists to move illicit funds in furtherance of their criminal objectives.

“At the same, during last week’s hearing, Mr. Baer shared an example of a community banker with a $100 million bank and three branches. This bank had seven AML compliance officers and only four lending officers. We cannot let AML compliance weigh disproportionately on the costs of community banks.

“I look forward to working with my colleagues to find a bipartisan path forward on a modernized, reformed BSA/AML regime that works for law enforcement, industry, and other stakeholders.

“Under Secretary Mandelker and Mr. Day, I am eager to hear your thoughts. Your testimony will help set the stage for taking BSA/AML compliance and enforcement into the future.”

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