

Prepared Opening Statement by Senator Chuck Grassley of Iowa
Ranking Member, Senate Judiciary Committee
Hearing on “KleptoCapture: Aiding Ukraine through Forfeiture of Russian Oligarchs’ Illicit
Assets”
Tuesday, July 19, 2022

Today’s hearing offers this committee an opportunity to discuss a matter of international importance. As we speak, Russia is continuing its lawless and unprovoked invasion of its neighbor, Ukraine. The scourge of this Russian aggression has mercilessly taken the lives of thousands of Ukrainian people.

Russian oligarchs are a critical part of the Russian war machine. What are oligarchs? They’re the massively wealthy criminals and confidants of Vladimir Putin. These oligarchs amassed obscene fortunes through corrupt dealings with the Russian regime – a regime with no respect for the rule of law and shot through with dishonesty, bribery, and greed.

Some reports state there are only about 60 to 70 Russian oligarchs. Though small in number, the illegal wealth of these oligarchs is astounding. Prior to the unprovoked Russian invasion of Ukraine earlier this year, the estimated net worth of these shameful Russians was approximately \$530 billion.

This illegal mountain of money is marked by corruption and stained with blood. In this way, these Russian criminals are no different than ruthlessly violent drug trafficking cartels or other sophisticated, cash-rich criminals. And like drug cartels, these oligarchs like to spend, hide and launder their dirty money. We’ve all read about the multi-million-dollar luxury yachts that these criminals use to sail around the world while leaving death and destruction in their wake.

Now, the unprovoked Russian attack of Ukraine was rightly and swiftly met with sanctions from both our nation and others. The Russian attack also led the Senate to authorize military and humanitarian assistance to Ukraine, which I supported. There are other ways our country can help support Ukraine’s effort to fight back against Russian aggression. We have several powerful legislative tools that we can deploy against those oligarchs who have corruptly profited from the Putin regime. With these statutory tools, we can go after them and their assets.

We should seek the full measure of justice against these high-level criminals. And this means not only taking their assets, but we should also seek to convict and imprison these oligarchs if they come within U.S. jurisdiction. However, unlike Russia, we are a nation that respects the rule of law, and we should do our best to ensure the legislation we craft complies with our Constitution and is going to be upheld by the courts. Otherwise, we run the risk of convictions being reversed and assets being given back to the very criminals we’re seeking to hold accountable.

Strengthening our anti-money laundering laws is one way we can go after criminals’ ill-gotten gains. This is why I reintroduced earlier this year the *Combatting Money Laundering, Terrorist Financing, and Counterfeiting Act of 2022*. I’m glad to say that Senator Whitehouse is my Democratic lead sponsor, and that Senator Cornyn is an original cosponsor. This legislation

would improve law enforcement's ability to investigate and prosecute criminals who launder money through our financial system.

But we can do more. The administration has recommended several proposals to target the oligarchs' wealth and assets. I agree with several of these requests, including expanding our RICO Act to include other offenses that will be useful against cash-rich criminals, including oligarchs.

Beefing up the RICO statute will provide U.S. prosecutors with the tools they need to secure convictions against these high-level criminals and take their assets.

However, unforced errors must be avoided. We could end up handing the oligarchs an unfortunate victory by not carefully crafting our legislation so that it passes constitutional muster. Unfortunately, portions of the administration's proposal are incomplete, poorly drafted and too narrow in their application.

For many years, I've been a watchdog over our criminal and civil systems that deprive criminals of their profit. These systems are powerful but can sometimes be abused and turned into a confiscation system, something that is contrary to our Constitution.

It's clear that we need more tools to fight sophisticated oligarchs, cartels, and other transnational criminal organizations. This is why I support some needed modifications to our existing system, including raising the dollar threshold for some types of administrative forfeiture and making it easier to use classified information in these proceedings.

Whatever legislative changes we do must be calculated carefully to improve the current system overall, without unnecessary litigation risk.

I thank our witnesses for being here today and I look forward to hearing their testimony.