

Statement of
The Honorable Patrick Leahy

United States Senator
Vermont
May 19, 2011

Opening Statement Of Senator Patrick Leahy (D-Vt.),
Chairman, Senate Judiciary Committee
Executive Business Meeting
May 19, 2011

Today, I hope the Committee will favorably consider the bipartisan Fighting Fraud to Protect Taxpayers Act that Senator Grassley and I introduced with Senators Klobuchar and Coons. Combating fraud is a vital issue on which we have a long track record of working together, with great success. This legislation will build on our success over the last couple of years of passing bipartisan legislation to help combat fraud. In these difficult budget and economic times, cracking down on the fraud is more important than ever. I urge all Senators from both parties to support this crucial legislation.

In the last Congress, one of the first major bills this Committee considered, and one of the first bills President Obama signed into law, was the Leahy-Grassley Fraud Enforcement and Recovery Act. That bill gave fraud investigators and prosecutors additional tools and resources to hold accountable those who commit fraud. That law has already resulted in significant success, as we heard at our hearing earlier this year. Over the past two years, we have learned much more about financial fraud, mortgage fraud, government contracting fraud, health care fraud, and oil and gas fraud. The bill we bring to the Committee today reflects the ongoing need to invest in enforcement to better protect against these insidious types of fraud.

In the last fiscal year alone, the Department of Justice recovered well over \$6 billion through fines, penalties, and recoveries from fraud cases. These recoveries demonstrate that focused investment in fraud enforcement pays for itself many times over.

The centerpiece provision of the Fighting Fraud to Protect Taxpayers Act capitalizes on this rate of return by ensuring that a small percentage of money recovered by the Government through fines and penalties is reinvested in the investigation and prosecution of fraud cases. That means more fraud enforcement, more recoveries for the Government, and more savings to taxpayers, all without spending new taxpayer money.

The bill also makes other modest changes to promote accountability and to ensure that prosecutors and investigators, including the Secret Service, have the tools they need to combat fraud. For example, it extends the international money laundering statute to tax evasion crimes and protects Americans from identity theft by strengthening the Federal identity theft statute.

The renewed focus on fraud enforcement we have seen from Congress and this administration have yielded significant results. We should continue to strengthen the tools that law enforcement needs to root out fraud. Everyday, taxpaying Americans deserve to know that their Government is doing all it can prevent fraud and hold those who commit fraud accountable for their crimes. Fighting fraud and protecting taxpayer dollars are issues Democrats and Republicans have long worked together to address. I thank Senator Grassley for his commitment to these issues, and ask the Committee to join us in supporting this important bill.

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