Mr. Chairman, thank you for agreeing to convene this second hearings on documenting the corrosive impact of organized crime and corruption in the OSCE region. At the outset I want to underscore that the impact of such practices is not limited to some far off land. Organized crime and corruption directly bear upon U.S. security, economic and political interests at home and abroad. I understand that scores of FBI investigations currently underway in my home state of Colorado have an international dimension in such areas as terrorism, organized crime, violent crimes, and white collar crimes.

Today, thousands of our men and women in uniform, including many from Colorado, are serving in Bosnia and Kosovo. Rampant corruption and uncontrolled organized criminal activity there are undermining efforts by the international community to create some semblance of the rule of law.

Nearly five years after the Dayton Agreement, the American head of the OSCE mission in Bosnia recently cited corruption as the number one obstacle to implementation of the accord. Having placed thousands of U.S. service personnel in harm's way for peacemaking and nation-building, failure to get a handle on the deteriorating situation in the former Yugoslavia will no doubt lead to a protracted military presence in the region costing the American taxpayer tens of billions of dollars.

Elsewhere in the OSCE region the United States has provided hundreds of millions of dollars in bilateral assistance to newly independent states since the breakup of the former Soviet Union. In many instances the aims of these programs and activities of U.S.-backed international financial institutions have been and continue to be frustrated by pervasive corruption and organized crime.
During the OSCE Parliamentary Assembly meeting last July in St. Petersburg, I introduced a proposal calling upon the OSCE to intensify efforts to resolutely combat corruption and organized crime. This recommendation, overwhelmingly approved by the 54-nation Assembly, has led to a number of concrete initiatives.

When we started raising the corruption issue skeptics advised against raising the "C word" as it might offend some of our European friends. Well, Mr. Chairman, we have moved ahead quite a ways in a fairly short time. Close work between the Helsinki Commission, the Departments of State, Commerce, Justice, Treasury and others, led to inclusion of specific language in the Istanbul OSCE Charter and Declaration on corruption and organized crime. The leaders of the participating States recognized that corruption poses a great threat to OSCE’s shared values, cutting across the security, economic, and human dimensions of the OSCE.

Twenty-five years after the signing of the Helsinki Final Act, there is perhaps no single greater threat to the core OSCE principles of democracy, human rights and the rule of law than organized crime and corruption. The United States and the OSCE have vested interests in effectively combating organized crime and corruption.

Today's hearing will shed new light on this grave challenge as we seek to develop concrete recommendations to advance within the framework of the OSCE. The Permanent Council has been tasked to examine how best to contribute to efforts to combat corruption and will report to the Ministerial Council later this year.

Mr. Chairman, I intend to continue to play an active role in advancing the work begun in St. Petersburg, and I look forward to hearing from out witnesses today.