Mr. Chairman, Senator Campbell, Members of the Commission:

Thank you for this opportunity to discuss the impact of organized crime and corruption on Southeast Europe and Central Asia. This is a matter in which the initiative of the Commission, under your leadership, as well as that of your parliamentary colleagues from other OSCE nations, has been of decisive significance. We are pleased to work with you on these issues, to share ideas, and to reaffirm our strong support.

Organized crime and corruption are significant threats to the political, economic and social stability and development of the nations in the Southeast European and Central Asian regions. The ability of law enforcement (and related authorities) of the governments of these states to address these problems is impaired by inadequate institutional adherence to the rule of law, inadequate legislation, and poor enforcement. These impediments are complicated by deep-seated public suspicion of police and justice officials that is related to the history of authoritarian rule in the region. Police and courts are often viewed as serving the interests of the state as opposed to those of the people as a whole. They are also seen as tools for repression, particularly of minority groups. Law enforcement institutions suffer from inadequate individual and organizational capabilities, as well as a lack of modern technical expertise and equipment, especially when confronted by the increasing sophistication of organized crime.
Effective responses to challenges of this nature must rest fundamentally on the institutional capabilities of each individual government. A nation's ability to confront and surmount corruption and organized crime turns on the political will in each nation to do so. Policy encouragement and material support offered by other nations can be invaluable. They cannot, however, substitute for the determination and capability of each nation to act within its own borders.

Corruption flourishes behind closed doors and where bureaucratic control is unchecked. Transparency and accountability, by opening up government to the bright light of public view, reduce the opportunity for corrupt acts by public officials. Transparency complements strong law enforcement by using codes of conduct, management and policy reforms, monitoring by the private and public sectors, and public education as ways to replace a culture of corruption with a culture of integrity.

The United States cooperates with other nations to combat all forms of crime and to help our international businesses operate without the baneful effects of corruption. Under the first-ever International Crime Control Strategy in United States history, released by President Clinton in May 1998, we have broadened our efforts to provide systematic and comprehensive support and assistance to enable other nations to act against corruption and organized crime. In global and regional diplomatic processes, we are seeking to define comprehensive, objective statements of practices governments should employ to control and combat corruption and organized crime. We are working to increase the public commitment of governments and political leaders to adopt and implement such practices.

We are providing increasing material and technical assistance and training to enhance the institutional capabilities of other governments to fight crime and corruption. We are doing this at a time when the demand of the voting publics in nations of these regions has never been greater that their leaders and governments must act effectively. We want to arm democratic political forces in these countries with practical agendas to hold their leaders accountable on a continuing basis. This is the central conceptual principle for the growing range of our international policy and assistance efforts against organized crime and corruption.

In Washington in February 1999, implementing one initiative of the International Crime Control Strategy, the United States hosted the First Global Forum on Fighting Corruption. The Bureau for International Narcotics and Law Enforcement Affairs (INL) coordinated the arrangements for this conference for Vice President Gore, who was its host and chairman. Over five hundred participants from ninety nations attended, which included participation by the OSCE and nearly thirty of its member states. Participants extensively discussed a comprehensive set of principles and practices that are effective to promote public integrity and to combat official corruption. In their final Declaration, the participants called for governments to adopt practices appropriate to each nation's particular circumstances and requirements and
to assist each other in fighting corruption. The Second Global Forum will be held May 28-31, 2001 in the Netherlands, and the United States will join the Netherlands as a co-host.

Since the Global Forum, INL has continued to develop and coordinate the Vice President's comprehensive international initiative against corruption. Reflecting the extent and complexity of issues relating to corruption, the efforts of State Department regional and functional bureaus are complemented by activities and contributions from the entire interagency community, including the Departments of Justice, Treasury, Commerce and Defense, the Agency for International Development, the U.S. Office of Government Ethics and others.

While my remarks today will mainly address programs and interagency processes of which INL is a manager or member, I will also touch briefly on a range of activities involving other components of the U.S. interagency community that relate to Southeast Europe and Central Asia. As today's panel has representatives of both USAID and the FBI, I will defer to these colleagues to provide details of activities conducted by their respective agencies. However, INL collaborates closely with both USAID and the FBI in our interagency process, and we have welcomed their input and wisdom in developing initiatives on fighting organized crime and corruption.

Our anticorruption goals are being approached in several ways. I will first address several particular countries in which the Commission may have a specific interest. I will then discuss our activities in regional and global fora, as well as INL's regional training and technical assistance programs.

RUSSIA

Organized crime and corruption are two of the many manifestations of the momentous social, political and economic changes taking place in Russia and the states of Eastern Europe and Eurasia following the breakup of the Soviet Union. Russia's primary law enforcement agency, the Ministry of Internal Affairs (MVD), estimates that there are numerous organized crime groups in the country, with the larger groups involved in all the activities typically undertaken by organized crime, including racketeering, auto theft, narcotics and weapons trafficking, extortion, money laundering, prostitution and murder. Official corruption is a contributing factor to the growth of these types of organized crimes, with many reports of criminal groups paying off officials at all levels of government in exchange for economic privileges and protection from investigation.

We engage the Russians on a wide range of these issues in the U.S.-Russia Law Enforcement Working Group. The Working Group is part of the U.S. Vice President-Russian Prime Minister Joint Commission. The Working Group focuses on anti-money laundering and anticorruption initiatives, legal sector reform and mutual legal assistance. In June 1999, the
United States and Russia signed a Mutual Legal Assistance Treaty (MLAT). The MLAT, when brought into force, will replace the currently used executive agreement and will provide an improved framework for anti-crime cooperation. The MLAT will allow for the provision of evidence and other forms of law enforcement assistance for criminal investigations, prosecutions, and related proceedings. It has been forwarded to the U.S. Senate for advice and consent to ratification and to the Russian Duma for consideration and approval.

With respect to INL programs, our approach is consistent in all the Eastern European and Eurasian states. We consider organized crime and corruption to be related and mutually reinforcing problems. The cornerstone of our policy is to build, through training and technical assistance, strong and democratic institutions to combat these scourges.

Our Anti-Crime Training and Technical Assistance Program (ACTTA) uses Foreign Assistance Act monies to support U.S.-Eastern European and Eurasian law enforcement cooperation in addressing international organized crime, financial crimes, narcotics trafficking, trafficking in aliens, and border security. Fighting corruption is a significant goal of these programs. United States federal agencies receiving funding to implement training and technical assistance include the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), the International Criminal Investigative Training Assistance Program (ICITAP), the Office of Overseas Prosecutorial Development, Assistance and Training (DOJ/OPDAT), the Secret Service, the Internal Revenue Service (IRS), the Customs Service, the Bureau of Alcohol, Tobacco and Firearms (ATF), the Financial Crimes Enforcement Network (FinCEN), the Bureau of Diplomatic Security (DS), the Coast Guard; the Federal Law Enforcement Training Center (FLETC), and the Office of Government Ethics (OGE).

We also use Freedom Support Act (FSA) funding to support the participation of mid-level police officials from Eastern Europe and Eurasia in the core program at the INL-funded International Law Enforcement Academy (ILEA) in Budapest. ILEA focuses on professional development and includes courses on investigation and prosecution of organized crime and corruption.

In Russia, under the International Organized Crime Program, U.S. agencies provide assistance to the MVD through personnel exchanges, investigative cooperation, education, and technical assistance. The goal is to provide the MVD with the tools and skills to discharge their duties according to international standards. Under our Financial Crime Program, we assist counterpart Russian agencies in the prevention, detection and investigation of crimes in the financial and commercial sectors. Our Central Bank Initiative works to upgrade the criminal investigative skills of bank examiners, prosecutors and law enforcement agencies.

The United States will continue to engage with the Russian Federation on ways we can help to further the Russian government's efforts against organized crime and corruption.
UKRAINE

The U.S. has a keen interest in supporting the development of the rule of law in Ukraine. The Secretary of State has identified Ukraine as one of four democracies deserving of particular attention this year. The others are Nigeria, Indonesia and Colombia.

Official corruption is perceived to be widespread in Ukraine. President Kuchma has repeatedly expressed concern about the societal threats posed by organized crime and narcotics in Ukraine and has criticized the control efforts of law enforcement and judicial authorities.

The task of reformers in Ukraine remains daunting. Key pieces of legislation, such as an anti-money laundering law, a criminal procedure code, and civil and ethics codes have yet to be enacted. A transparency program developed two years ago under the auspices of the World Bank remains largely unimplemented, although some progress has been made in the procurement area and on business licensing.

Ukraine has taken some actions to address the threat of organized crime and corruption. Ukraine attended the First Global Forum on Fighting Corruption in February 1999 and will also attend the regional conference later this month in Bucharest. In September 1999, the United States and Ukraine signed diplomatic notes that allow for provisional application of a bilateral Mutual Legal Assistance Treaty (MLAT). The MLAT now serves as a framework for legal assistance and cooperation between our two countries in the areas of the investigation, prosecution and prevention of crime. The MLAT has been approved by the Ukrainian Rada. We await Senate advice and consent to ratification on our side.

We are also working with Ukraine in our bilateral Law Enforcement Working Group (LEWG) to develop an action plan to address issues involving trafficking in women and children, intellectual property rights, organized crime, financial crimes, and corruption. Recently the FBI hosted a delegation of Ukrainian law enforcement officials in San Francisco for the U.S.-Ukrainian Organized Crime Conference. This conference, which was also attended by numerous U.S. law enforcement officials and prosecutors, gave officials on both sides an opportunity to review our progress in ongoing investigations and to plan cooperation in future cases.

INL also directs resources to Ukraine from the entire range of programs described in my discussion of Russia. In addition, under the auspices of the U.S.-Ukrainian Binational Commission, the United States and Ukraine have adopted a joint action plan designed to improve the transparency and predictability of Ukrainian government processes and
procedures affecting foreign investment, including ethics, licensing, procurement and judicial enforcement. Encouraging the establishment of a culture of transparency and good governance in Ukraine is a key objective. Specifically, our anticorruption initiative aims: (1) to develop ethics codes for the government and business sectors; (2) to enhance the transparency and predictability of regulatory and administrative processes and procedures affecting trade and business; (3) to support further development and implementation of procurement regulations and procedures; (4) to strengthen an independent media and NGOs and (5) to encourage civil society participation.

The United States will continue to work with the Ukrainians on the issues of fighting crime and corruption, both bilaterally and in global and regional fora.

BOSNIA-HERZEGOVINA

Bosnia-Herzegovina is prominent among nations where we recognize that fighting crime and corruption are essential to ensuring reform efforts will succeed. For example, just a few weeks ago, on March 2 at the OSCE Permanent Council, the Head of the OSCE Mission in Bosnia-Herzegovina, Ambassador Robert Barry, identified "corruption, discrimination and political patronage" as the significant impediments to necessary economic reforms in that country.

The U.S. Anticorruption Task Force for Bosnia-Herzegovina, established in September 1999, is strongly supporting a wide range of bilateral and international initiatives launched by the Office of the High Representative (OHR) in Sarajevo. The High Representative, Wolfgang Petrisch (who took office in mid-1999) has been stepping up the anticorruption campaign. One of his first acts was to create an Anticorruption and Transparency Group chaired by his deputy, Ambassador Ralph Johnson of the United States.

Specific American initiatives have centered on: getting indigenous Anticorruption Teams up and running in both the Federation and Republika Srpska, establishment of an Inter-Entity Anticorruption Coordinating Group and stimulating the OHR's systematic reforms aimed at effectively shifting power over the economy from nationalistic political parties to democratically shaped institutions.

On another initiative, which I will discuss more fully later in my testimony, the Bosnian Presidency has formally ratified the Stability Pact anticorruption initiative. The difficult task of implementation lies ahead. We are awaiting action on the appointment of a senior Bosnian government representative who will be responsible for implementing the anticorruption initiative.

I would note that Bosnia-Herzegovina is a member of the Southeast European Cooperative
Initiative (SECI), which I will also discuss further below. As such, Bosnia has signed an agreement to share information on cross-border organized crime and will benefit from the expected opening this June in Bucharest of the SECI Center to fight transborder organized crime.

CENTRAL ASIA

In Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan), organized crime and official corruption are serious and growing problems. Criminal groups in this region tend to be factional, competing for shares of the illicit market, which ranges from narcotics to stolen cars to business fraud. As is often the case in states in economic and political transition, high-level corruption abets organized criminal activities.

Law enforcement officials have had limited success in their efforts to combat organized crime and official corruption. The strength of the criminal organizations in terms of numbers, resources, and political support has overwhelmed the mostly underfunded, underequipped, and poorly motivated law enforcement agencies. Authorities in the five Central Asian nations are still working to develop adequate laws to deal with crime.

NGO participants at the October 1999 OSCE Economic Dimension Seminar on Rule of Law in Tashkent, Uzbekistan, highlighted the strong negative impact of corrupt practices on their day-to-day activities. We also have reports that the business community considers corruption involving government procurement and foreign investment projects to be a serious problem.

The Central Asian states have shown some awareness of the threat organized crime and corruption pose to their national development and have taken some steps. Kazakhstan, Kyrgyzstan and Uzbekistan all sent delegations to the First Global Forum on Fighting Corruption in 1999. The United States is encouraging the Central Asians to participate fully in the Global Forum process, in UN discussions on a possible global international instrument on fighting corruption, and in various other fora.

As with our anticorruption programs in the Southeast and East European states, we consider promotion of a culture of transparency as a key objective of our bilateral technical assistance programs in the Central Asian states. INL programs and funding described above for Southeast and Eastern Europe are also available to the Central Asian states. Central Asian law enforcement officials and prosecutors attend the ILEA Academy in Budapest and participate in a range of bilateral training and technical assistance programs funded by the State Department.

We expect to continue this assistance and to work with all the Central Asian nations on
fighting crime and corruption and strengthening the rule of law.

REGIONAL INITIATIVES

OSCE

Having addressed some of the specific countries, I would now like to move on to regional and global initiatives, including INL regional training and technical assistance programs. I will make only brief remarks concerning the OSCE anticorruption efforts, as this is a matter on which we collaborate closely with you. As you know, in September 1999, under the leadership of Senator Campbell, the U.S. proposed to the Review Conference of the Organization for Security and Cooperation in Europe that the OSCE begin to address the issue of corruption, giving special emphasis to promoting integrity and control of corruption among public officials responsible for upholding the rule of law. This followed up on efforts by members of this Commission at the July 1999 St. Petersburg OSCE Parliamentary Assembly to provide important impetus for the OSCE to engage fully on anticorruption matters.

In November 1999, the OSCE Istanbul Summit included this in its new Charter. The Declaration tasked the OSCE Permanent Council "to examine how best to contribute to efforts to combat corruption, taking into account the efforts of other organizations" and to report on this to the OSCE Ministerial in November 2000. The Chairman-in-Office has now created a Working Group to undertake this task. To support and inform this work, the Office of the Vice President led an interagency team (which included staff from my office, the State Department's Office of Inspector General, the Justice Department, the Department of Commerce, the U.S. Office of Government Ethics, and the Commission) to Vienna. On March 3, the team provided an overview of the Guiding Principles developed at the February 1999 Global Forum. They suggested that the OSCE consider using the Guiding Principles as a tool in developing its thinking on how best to contribute to the fight against corruption.

OECD

Through a coordinated interagency effort spearheaded by Undersecretary for Economic, Business and Agricultural Affairs Alan Larson, the U.S. continues to promote ratification by all signatories as soon as possible of the Organization for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials In International Business Transactions. The purpose of the Convention is to oblige parties to make it a crime under their national laws for their citizens or commercial enterprises to bribe foreign public officials in the conduct of international business. As of March 20, 2000, 20 of the 34 signatories had ratified the Convention. Of the nations in Southeastern Europe, Bulgaria, the Czech Republic, Hungary, Greece and Slovakia have ratified the Convention. Poland and Turkey have signed but not yet ratified. No Central Asian nations are signatories or parties to the Convention.
We are also encouraging all parties to enact implementing legislation meeting the standards of the Convention and to enforce the legislation effectively. Scrupulous adherence to the obligations of this important Convention will materially assist the governments of Southeastern Europe. To this end, the parties to the Convention are carrying out a program of systematic monitoring of the implementation of national laws.

SOUTHEAST EUROPEAN COOPERATION INITIATIVE

The U.S. strongly supports meeting the challenge of transborder crime through regional cooperation. A key element of our strategy in this region is the Southeast European Cooperation Initiative (SECI). SECI is an eleven-nation regional organization that includes Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Greece, Hungary, the Former Yugoslav Republic of Macedonia, Moldova, Romania, Slovenia and Turkey. On May 26, 1999, nine of these states signed an Agreement on Cooperation to Prevent and Combat Trans-Border Crime. A tenth nation, Croatia, signed on November 16, 1999, and the eleventh, Slovenia, has announced its intention to sign.

The Agreement contains a Charter for the establishment in Bucharest of a Center to coordinate the anticrime effort. The Center has been constructed, and a reasonable goal for beginning operations is June 1, 2000. It will address in particular crimes involving smuggling of goods and people, and will facilitate apprehension and speedy prosecution of criminals by appropriate national authorities. By coordinating activities and crime fighting strategies, the participating governments can work more effectively on problems affecting all of Europe. Also pursuant to the Agreement, SECI nations have set up working groups on trafficking in people and in drugs, and they have started to discuss the possibility of a task force on customs fraud.

Another ongoing activity is the Trade and Transport Facilitation in Southeast Europe Program (TTFSE). This provides a forum for cooperation and exchange of experience among countries of the region on customs and border trade issues. The World Bank has engaged six states (Albania, Bosnia, Bulgaria, Croatia, Macedonia and Romania) in an agreement to accept World Bank loans to improve their border stations and management information systems in exchange for agreeing to remove institutional obstacles to cross-border trade. U.S Customs programs assist in these border reform efforts and in providing training and technical assistance directly to member states.

COUNCIL OF EUROPE

In November 1998, the Council of Europe's (CoE) Council of Ministers approved a Criminal Law Convention on Corruption, which obliges parties to criminalize a wide range of
corruption offenses. Of nations in Southeast and Eastern Europe, Albania, Bulgaria, Croatia, Greece, Hungary, Moldova, Poland, Romania, Russia, the Slovak Republic, Slovenia and Ukraine have signed this CoE Convention. The U.S. has observer status in the CoE, and is considering signature of the CoE Convention and joining the Group of Nations Against Corruption (GRECO), which is responsible for monitoring implementation of the Convention and evaluating enforcement of its provisions by parties.

STABILITY PACT

INL also assists in developing United States input and assistance to the Anticorruption Initiative of the Stability Pact for Southeastern Europe. The Pact, initiated by the European Union and strongly supported by the United States, was formally adopted in Cologne on June 10, 1999. President Clinton and leaders from Western, Central and Southeastern Europe endorsed the Security Pact purposes and principles when they met in Sarajevo on July 30, 1999.

Pact members agreed to coordinate their activities to bring Southeast European states more fully into the European and transatlantic mainstream if the Southeast European states, in turn, take steps to reform internally, including combating corruption. Thus, from the outset, the U.S. has viewed the Stability Pact as a two-sided bargain: we will do our part to assist the countries of Southeastern Europe, if those countries help themselves by making needed reforms.

At a meeting in Sarajevo on February 15-16, 2000, the members of the Stability Pact adopted an Action Plan designed to combat corruption on all levels in the region. The Action Plan calls for states to become parties to the Council of Europe conventions against corruption and to participate actively in anticorruption work in the United Nations, the Global Forum process, and other fora.

All this week, representatives from the Managing Committee are making site visits to countries in the region to assess their progress in fulfilling their commitments to combat corruption. The teams will assess specific action items listed in the initiative, to include: (1) use of international instruments; (2) promotion of good governance; (3) strengthening of legislation; (4) promoting transparency in business and procurement; and (5) strengthening public involvement.

Pact nations have also agreed to an Investment Compact committing each country to specific steps to create a climate conducive to private enterprise, and they have agreed to control and destroy illicit stocks of small arms and light weapons. For further information on the status and goals of the Stability Pact, I would draw the Commission's attention to the March 8, 2000, testimony of Daniel S. Hamilton, Special Coordinator for Implementation of the Stability Pact
for Southeastern Europe, before the House Committee on International Relations. His statement contains considerable additional detail.

UNITED NATIONS

In April 1999, the UN Crime Commission recommended that the UN Convention against Transnational Organized Crime, to be completed by the fall of 2000, include a provision to criminalize acts of corruption involving domestic public officials in the context of organized crime. On January 21 of this year, pursuant to a General Assembly resolution approving the Crime Commission’s December 1999 recommendations, the Ad Hoc Committee negotiating the crime convention concluded that it would be desirable for the UN to develop a comprehensive global instrument against corruption. The Netherlands has indicated that its principal goal for the Second Global Forum is to build support for such an instrument. A resolution concerning procedures to initiate such a process is expected to be taken up by the UN Crime Commission in April 2000.

GLOBAL FORUMS I AND II

As I have mentioned above, in February 1999, Vice President Gore hosted a Global Forum on Fighting Corruption and Safeguarding Integrity Among Justice and Security Officials in Washington, D.C. Among the 90 nations in attendance were delegations from Russia, Ukraine, Kazakhstan, Kyrgyzstan, Uzbekistan, Bulgaria, the Czech Republic, Hungary, Romania, Slovakia, and Slovenia.

Global Forum II, which will be held at The Hague in May 2001, and which the United States will co-sponsor, will be even larger than the first Global Forum. The Netherlands has indicated its intention to invite all the nations of the world. Major topics of Global Forum II are expected to be a potential UN global anticorruption instrument, ways to build regional cooperation through mutual evaluation mechanisms, and ways to improve inclusion of civil society and business in government efforts to reinforce the rule of law.

BUCHAREST ANTICORRUPTION CONFERENCE

To follow-up and focus the interest of the nations of Southeastern Europe in fighting corruption, INL approached the Romanian government last summer to offer technical and financial assistance to host a regional anticorruption conference. This offer was accepted, and next week delegates from fourteen nations will attend the Conference of Central and Eastern European Countries on Fighting Corruption in Bucharest. Keynote speakers will include representatives of Transparency International, the World Bank, the Council of Europe, and the
Netherlands organizers of the Second Global Forum. The Government of the Netherlands has already invited Romania to be on the organizing committee for Global Forum II.

The United States is sending a strong observer delegation headed by Ambassador Rosapepe which will include staff from this Commission. Ambassador Rosapepe will make a presentation which will include a special message from Vice President Gore. It is hoped this Bucharest conference will lend political impetus to the OSCE and Stability Pact initiatives, to the UN Convention against Transnational Organized Crime, and amplify corruption issues of particular interest to democracies and economies in transition in preparation for the Second Global Forum.

This conference is particularly serendipitous for our work with this Commission, as Romania will be assuming the OSCE Chair in 2001.

TRAINING FOR LAW ENFORCEMENT

Training to fight crime and corruption is made available to all the Southeastern and East European nations (except Yugoslavia) and to the Central Asian nations as well. These regions receive a large share of USG resources for crime and anticorruption training.

Training is offered at the INL-funded International Law Enforcement Academy (ILEA) in Budapest. At the ILEA, a range of courses focus on modern law enforcement investigative practice and management. Such training, conducted both at ILEA and offsite, has multiple objectives. These include strengthening law enforcement efforts to confront transnational organized crime, reforming the civil and criminal codes, and revamping procedures to enable investigators, prosecutors and judges alike to address criminal activity in an environment respectful of civil rights and ethnic minorities. This last point is a particular challenge in a region where tensions between ethnic groups have defined political, economic and social structures for centuries.

INL also funds law enforcement training programs through a wide variety of U.S. agencies, listed earlier in my testimony on Russia and Ukraine, primarily working in Southeastern and Eastern Europe with the Department of Justice OPDAT, the Department of Treasury, and the U.S. Office of Government Ethics (OGE). We make a special effort to consider and fund proposals with a regional focus. For example, this year INL is funding a Justice Department attorney who will assist Hungary, Poland, the Czech Republic and the Slovak Republic with developing their anticorruption laws and programs. This regional advisor project will not only aid efforts in each country, but will encourage them to work together in developing a common vision for reform.

SUMMARY AND CONCLUSION
I would like to thank the members of the Commission for this opportunity to discuss with you the issues of organized crime and corruption in Southeastern Europe and Central Asia.

As I have set forth today, the threats of organized crime and corruption in these regions are serious impediments to social, economic and political development. In particular, transnational crime is on the rise. The United States seeks to address these threats through bilateral and multilateral cooperation and through direct training and technical assistance. Organized crime and corruption are related and mutually reinforcing problems that demand coordinated and comprehensive responses. Lasting reform can only be built on a solid foundation of rule of law. It means enlisting government, civil society, NGOs and the business community in joining together to fight the culture that permits corruption to exist and flourish.

Crime and corruption are as old as mankind. We shall never banish them completely. But we can and should make all effort to reduce them as much as possible, to control the extent to which they harm economic progress, and to turn back the challenge they present to democracy.

We are seeing a new determination among all nations to address crime and corruption. We are seeing a realization of the costs of crime and corruption to progress and to a better future. And we are also seeing a consensus emerge that all the nations of the world are in this boat together and that the best hope for improvement lies in working together.

This Commission's initiative with the OSCE on corruption is a shining example of this new spirit. We are proud to join with you. Thank you again for your invitation to be here today. I would be happy to answer any questions.