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Opening Statement Rep. Matt Cartwright, Ranking Member

Subcommittee on Economic Growth, Job Creation and Regulatory Affairs Hearing on "Examining Allegations of Corruption at the Export-Import Bank"

July 29, 2014

Thank you, Mr. Chairman, and welcome to our witnesses on today's panel.

Today's hearing is intended to examine recent allegations of corruption at the Export-Import Bank, an independent, self-sustaining agency with a history of supporting U.S. jobs by financing the export of American goods and services.

I look forward to today's testimony on the Bank's anti-corruption and fraud efforts, the process for responding to employee integrity issues, and how it maintains high ethical standards that Congress and the American public expect from all government agencies.

However, I am concerned that this hearing has been called in a rush to judgment, intended to tarnish the reputation of the Bank and its employees in an attempt to unduly influence a vote on the Bank's reauthorization.

Four Ex-Im Bank employees are currently under investigation. Details of those investigations cannot and should not be discussed at this hearing because Congressional oversight must not jeopardize ongoing personnel actions and criminal investigations. I hope that the Chairman will agree to instruct members not to unintentionally jeopardize the investigations by pressing for certain details of the alleged misconduct.

Nonetheless, both Chairman Jordan and Chairman Issa have stated that these incidents, which we have very limited detail about, suggest a broader culture of corruption at the Bank. However, the facts do not support this conclusion.

Each of these investigations followed a formal referral for investigation that originated in the Ex-Im Bank General Counsel's office. To date, every case of alleged fraud that the Inspector General has referred for prosecution concerns outside entities which were seeking to steal

taxpayer funds, not Bank employees. The fact that outside parties attempted to defraud the Bank does not indicate that there is a culture of corruption inside the Bank. Calling the Bank corrupt for crimes committed against it is what we call blaming the victim.

Now let's talk about what this hearing is really about, and that is the reauthorization of the Export-Import Bank. This issue, for the first time in modern memory, has become controversial, and not because of the issue before us today, but because the Tea Party faction of the Republican Party is holding its reauthorization hostage. This hearing seems to be designed to influence this important upcoming vote with propaganda and political theater.

A large group of Democrats and sensible, moderate Republicans (many of which I'm proud to call friends) realize the contribution that the Export Import Bank makes to our communities, by providing support for jobs and investments in small businesses all across America by allowing our domestic manufacturers to compete with companies who are getting help from their own countries' export banks overseas. We must level the playing field for these companies because other countries are putting their thumbs on the scale in favor of their own manufacturers. We must do the same or our companies and our workers face an unfair disadvantage.

The Bank supports businesses in every state in the US. In my district alone, I'm very happy that the Bank supports 10 companies and 639 jobs--in fact the Bank supports \$5.5 billion in exports state wide. Nationwide, the Bank has supported 1.2 million American jobs, generated billions for the government, and cost US taxpayers nothing--in fact, we make money on the deals.

On average, 87% of Bank transactions benefit small business exporters of U.S.-made goods and services. These are deals that could not--and would not--be done by the private sector alone, and are the perfect example of the kinds of public private partnerships we need to get our economy going again, get our businesses thriving again and get our people back to work.

Speaking of getting back to work, I would note that this is the first hearing in the Economic Growth, Job Creation and Regulatory Affairs that has even tangentially to do with job creation, and therefore I appreciate the Chairman having this hearing at all.

I hope that the Chairman will join me and other Republican and Democratic members who are calling for the reauthorization of a bank that supports U.S. jobs by financing the export of American goods and services.

In fact, an Op-Ed by William E. Brock, Labor Secretary under President Ronald Reagan shows how far away from the tenets of Ronald Reagan the modern Republican Party has drifted:

As a Republican, I would prefer that the private sector carry the entire load of supporting our international competitiveness. But the world market is not a level playing field, and the bank is absolutely vital for companies involved in the global economy. Having worked closely with Mr. Reagan on trade issues, I am confident that he felt the same.

I ask unanimous consent to enter this op-ed into the record.
Thank you Mr. Chairman and I yield back.

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