

Opening Statement
U.S. Representative Judy Biggert (R-IL-13th)
Before the Financial Services
Subcommittee on Capital Markets, Insurance and
Government Sponsored Enterprises
Thursday, September 9, 2004

Thank you, Mr. Chairman, for holding this very important hearing today, for I believe it will send a clear message to our military personnel: we do care about your financial welfare. These men and women serve and sacrifice for America, and for the world, to ensure that all people dwell in freedom, liberty and justice.

One benefit of a free society is a free-market. A free market allows industries of all kinds the opportunity to compete, and consumers can benefit from a competitive marketplace that drives down the cost of products, including financial products. While consumers, including military personnel, can benefit from a free market environment, they are not immune to becoming victims of rogue organizations and bad actors who aim to line their own pockets by scamming consumers.

Today, we address recent reports of how some financial organizations have used abusive practices to sell financial products to military personnel. It is unacceptable if even one member of our armed forces is the victim of a rogue financial organization or a bad actor. It should not take a newspaper report or a congressional hearing to inspire a financial organization to stop illegal or unethical sales practices and policies that involve any person, let alone our military personnel.

As you may know, financial literacy is one of my top priorities, and it has been brought to my attention that financial organizations have voluntarily met with servicemen and women to educate them about financial services. While I encourage bona fide financial education programs that are conducted in a legal and ethical fashion, I am not an advocate for programs that violate Defense Department regulations or that are a sales pitch fronting as a financial education program. I am disturbed to read that young and impressionable members of our armed forces may be fooled into believing that they are being educated about finance but are in fact being influenced by salesmen who pose as instructors.

In our free society, we abide by the law and follow ethical and moral practices, particularly in business. However, our jury cannot and should not make a unanimous judgment about the situations that recently have been brought to our attention until we have heard the arguments of those who are involved. One is innocent until proven guilty. Following suit, I would encourage our witnesses today to fully disclose the accuracy of the report that "several financial services companies or their agents are using questionable tactics on military bases to sell insurance and investments that may not fit the needs of people in uniform."

Our military should know that we in Congress will not deny them access to the financial benefits of a free-market society, but we will take action, if necessary, to protect them from financial scam artists.