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## **Senator Roberts: We Need Answers on MF Global; Futures Still Critical to Risk Management**

**WASHINGTON, D.C.** – Today during a Senate Agriculture hearing on continuing oversight of the Wall Street Reform and Consumer Protection Act, U.S. Senator Pat Roberts (R-Kan.) called for answers from the Commodity Futures Trading Commission (CFTC), on why MF Global collapsed, leaving thousands of investors, farmers, ranchers and small businesses without access to hundreds of millions of dollars.

“Through no fault of their own, folks in Kansas and around the country have been hurt by the actions and subsequent bankruptcy of MF Global,” said Roberts. “They want to know what happened and see that it doesn’t happen again, but more importantly they want to know what is being done to get this money back in the hands of the rightful owners as soon as possible. We must find out what happened with MF Global. And, we must do so in a manner that restores faith in the futures markets and maintains them as a legitimate, trusted risk management option for numerous producers and small businesses.”

During the hearing, Sen. Roberts called on the CFTC and its chairman, Gary Gensler to get to the bottom of what happened with MF Global and to restore faith in the futures markets.

Sen. Roberts is the ranking member of the Senate Agriculture Committee, which has jurisdiction over the CFTC.

The following is the text of Sen. Roberts’ prepared remarks:

Madam Chairwoman, I appreciate you calling this hearing today. CFTC oversight is a critically important function of this committee. Our last hearing on this subject was about six months ago. In light of recent events, I’m looking forward to hearing from our witnesses for an update on how our regulatory authorities are coordinating their efforts regarding Dodd-Frank.

It is time to get back to the core fundamentals over at the CFTC. Congress created the CFTC in 1974 to make sure the use of risk management tools such as the futures market were safe and secure for all participants. Unfortunately, in response to the financial crisis, the CFTC has been off on a series of tangents proposing one regulation after another. Meanwhile, back at the ranch, for the first time ever, we have a MAJOR problem with one of our larger futures commission merchants.

I am referring to the collapse and bankruptcy of MF Global -- the 7<sup>th</sup> or 8<sup>th</sup> largest bankruptcy in United States history. A collapse that occurred under the leadership of one of our former colleagues, Jon Corzine, and under the watch of the Commodity Futures Trading Commission headed up by Chairman Gary Gensler – also a former colleague of Mr. Corzine at Goldman Sachs.

On behalf of many investors, agribusinesses, farmers, ranchers, and their bankers across the country who are caught up in the events surrounding MF Global's bankruptcy, I want to thank the Chairwoman for agreeing to schedule a hearing on December 13<sup>th</sup> for this committee to hear from the key players.

Through no fault of their own, folks in Kansas and around the country have been hurt by the actions and subsequent bankruptcy of MF Global. They want to know what happened and see that it doesn't happen again, but more importantly they want to know what is being done to get this money back in the hands of the rightful owners as soon as possible.

We must find out what happened with MF Global. And, we must do so in a manner that restores faith in the futures markets and maintains them as a legitimate, trusted risk management option for numerous producers and small businesses.

Madame Chairwoman, we cannot look past the critical oversight issues we must address regarding Dodd-Frank, and there are many. However, MF Global is the most pressing issue facing us today as thousands of our constituents are looking at the possible loss of hundreds of millions of dollars and it has nothing to do with Dodd-Frank.

For many decades, the futures market has served as a way for agriculture producers and numerous small businesses to hedge risk. Without this ability, many could not stay in business.

Throughout those decades, they have never once, questioned the stability of the futures market. Until now. We need to get to the bottom of exactly what happened with MF Global. The lead in those efforts should be the CFTC and Chairman Gensler. I know the CFTC is working hard, and I know Chairman Gensler has tried to "step aside" and not let his past ties to Mr. Corzine create questions about the CFTC's role in this process.

Unfortunately, the manner in which Mr. Gensler chose to step aside or recuse himself has raised more questions than it has answered. Why did he not recuse himself from MF Global issues from the beginning of his term if there was a conflict based on his previous relationship?

Why did he wait until November 3 to decide he should "step aside" instead of doing it immediately on October 31 when everything came unraveled and MF Global declared bankruptcy?

Why did it take him another 5 days to provide a recusal letter to his agency ethics officer, and why did it take him an additional two weeks to provide me a copy of that letter after I had requested it...twice?

We must restore faith in the futures markets so that our farmers, ranchers, and small businesses can again know that they can use futures to provide the risk management they so desperately need. This task and understanding what happened with MF Global must be our top priorities.

A key first step on this path will be getting a better understanding today from Mr. Gensler on the answer to these many questions I've outlined.

Madame Chairwoman, I again thank you for holding this hearing and for the additional hearing you have scheduled on MF Global for December 13.