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## **Senator Roberts: The Buck Stops Somewhere**

*Roberts' Opening Statement for Hearing on MF Global Bankruptcy*

**WASHINGTON, D.C.** – U.S. Senator Pat Roberts (R-Kan.), ranking member of the Senate Committee on Agriculture, Nutrition and Forestry today made the following opening statement before an oversight hearing on the MF Global bankruptcy:

“Thank you Madam Chairwoman for calling this hearing on MF Global’s bankruptcy and its effect on our nation’s economy.

“This committee has jurisdiction over the futures markets and its regulator - the Commodities Futures Trading Commission. The futures markets provide businesses and investors – whether they are individuals, companies, farmers, ranchers, cooperatives or others – the opportunity to manage risks.

“In light of recent events, it is imperative that this committee exercise its oversight responsibilities to understand what happened in the days leading up to MF Global’s bankruptcy, who was involved in any actions that resulted in the company’s downfall, and how to move forward.

“First and foremost on my mind is how customer accounts will be made whole. Reports indicate anywhere between \$600 million and \$1.2 billion of customer funds are missing.

“The fundamental rule in the futures markets business is to segregate customer accounts and company accounts. Some believe this rule was broken in this case – was it? That’s what we’re here to find out.

“Among the witnesses today are officials from MF Global who can help answer the many questions I and other members have.

“According to testimony given in previous hearings before this committee and in the House, customer funds were accounted for on Wednesday October 26 and believed to be accounted for on Friday, October 28. Yet by Monday October 31, they were gone.

“CME’s press release of November 2 states ‘It now appears that the firm made subsequent transfers of customer segregated funds in a manner that may have been designed to avoid detection insofar as MF Global did not disclose or report such transfers to the CFTC or CME until early morning on Monday, October 31, 2011.’

“Funds don’t simply disappear. Someone took action, whether legal or illegal, to move that money. And the effect of that decision is being felt across the countryside.

“The buck stops somewhere, and between the three witnesses from MF Global here today, I hope we find out where those hundreds of millions of dollars landed.

“Since MF Global’s bankruptcy on October 31<sup>st</sup>, we have heard from many investors, businesses, farmers, ranchers, and their bankers across the country that are caught up in this event.

“Today we will hear first-hand from those hit hardest by MF Global’s collapse. I appreciate Mr. C.J. Blew from Hutchison, KS appearing today to provide a description of the impacts on his business interests and his farming operation.

“We will also hear from CFTC Senior Commissioner Jill Sommers who is leading the investigation and enforcement actions at the commission since Chairman Gensler has allegedly removed himself from these matters. Thank you Commissioner Sommers for appearing here today.

“I also thank Mr. Giddens, the bankruptcy trustee in this matter, for agreeing to be here. Customers have plenty of questions for you, as do I, about how money can be returned to those owed. I know you’ve worked diligently to return funds to customers and I appreciate your efforts.

“Producers must have faith in the safety and stability afforded by the futures market.

“The need for faith and confidence in the ability to manage one’s own risk is why I and this committee will continue to push to get to the bottom of what happened.”

Senator Roberts was the first to call for former MF Global CEO Jon Corzine’s testimony and has been outspoken on the need to return client funds.