



NASAA

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**NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.**

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March 29, 2007

The Honorable Alan B. Mollohan  
2302 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Mollohan:

The North American Securities Administrators Association (NASAA)<sup>1</sup> appreciates the opportunity to comment on The National White Collar Crime Center (NW3C), an organization that has benefited state securities law enforcement efforts across the country. State securities regulators are grateful for your efforts to assure that the NW3C received funding of \$8 million in FY 2007, and we support the NW3C's request for \$12 million in FY 2008.

The NW3C, with offices in Richmond, Virginia and Fairmont, West Virginia, is a non-profit, federally funded support organization for state and local law enforcement that has been in existence for the past 26 years. NW3C provides enforcement tools such as training for securities regulatory staff, investigative support services, and case research assistance. NW3C offers on-site classroom and computer-based trainings that have been utilized by securities regulators in approximately 45 states. These programs are an important complement to the various trainings NASAA funds for its members, including: attorney-investigator, broker-dealer, corporation finance, investment adviser, and investor education. Every year, the NW3C also hosts economic crime conferences that enable state and local regulators to keep abreast of the latest trends and techniques in fighting economic crime.

White-collar crime cases encompass a broad range of misconduct that profoundly affects your constituents. For instance, it is estimated that securities fraud alone costs investors \$40 billion per year. Regulators' and prosecutors' ability to fight crime relies on our ability to effectively leverage the resources of local, state and federal agencies. Earlier this year, NASAA reported a 23 percent increase in state securities enforcement actions (including administrative, civil and criminal) to 3,635 during the 2004-2005 reporting period,

State securities agencies simply could not afford to maintain all of the proprietary databases made available for use at no charge by NW3C. These valuable information resources provide a critical resource to local and state investigators working on cases involving multistate activity and, in turn, help to facilitate cooperative, rather than duplicative investigations and actions by local law enforcement and regulatory officials.

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<sup>1</sup> The oldest international organization devoted to investor protection, the North American Securities Administrators Association, Inc., was organized in 1919. Its membership consists of the securities administrators in the 50 states, the District of Columbia, U.S. Virgin Islands, Canada, Mexico and Puerto Rico. NASAA is the voice of securities agencies responsible for grass-roots investor protection and efficient capital formation.

The NW3C's investigative support services help state and local law enforcement bring financial crime cases to successful prosecution. This support includes analytical services such as visual and audio aids, public records searches, and selected case funding.

Increasing the current funding level will help to protect public safety by: (1) increasing state and local law enforcement's ability to conduct cyber and economic crime investigations; (2) increasing investigative assistance for state and local case preparation and prosecution, and; (3) increasing research that will define and describe the many unanswered questions regarding the recognition, prevention, and investigation of cyber and economic crime.

NASAA respectfully requests that you support the National White Collar Crime Center's budgetary needs. The assistance the NW3C provides to state securities regulators is invaluable to our law enforcement efforts.

Please do not hesitate to contact me or Deborah Fischione House, NASAA's Director of Policy, if you need additional information regarding this very worthwhile program.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joseph P. Borg', with a stylized flourish at the end.

Joseph P. Borg  
NASAA President  
Director, Alabama Securities Commission