



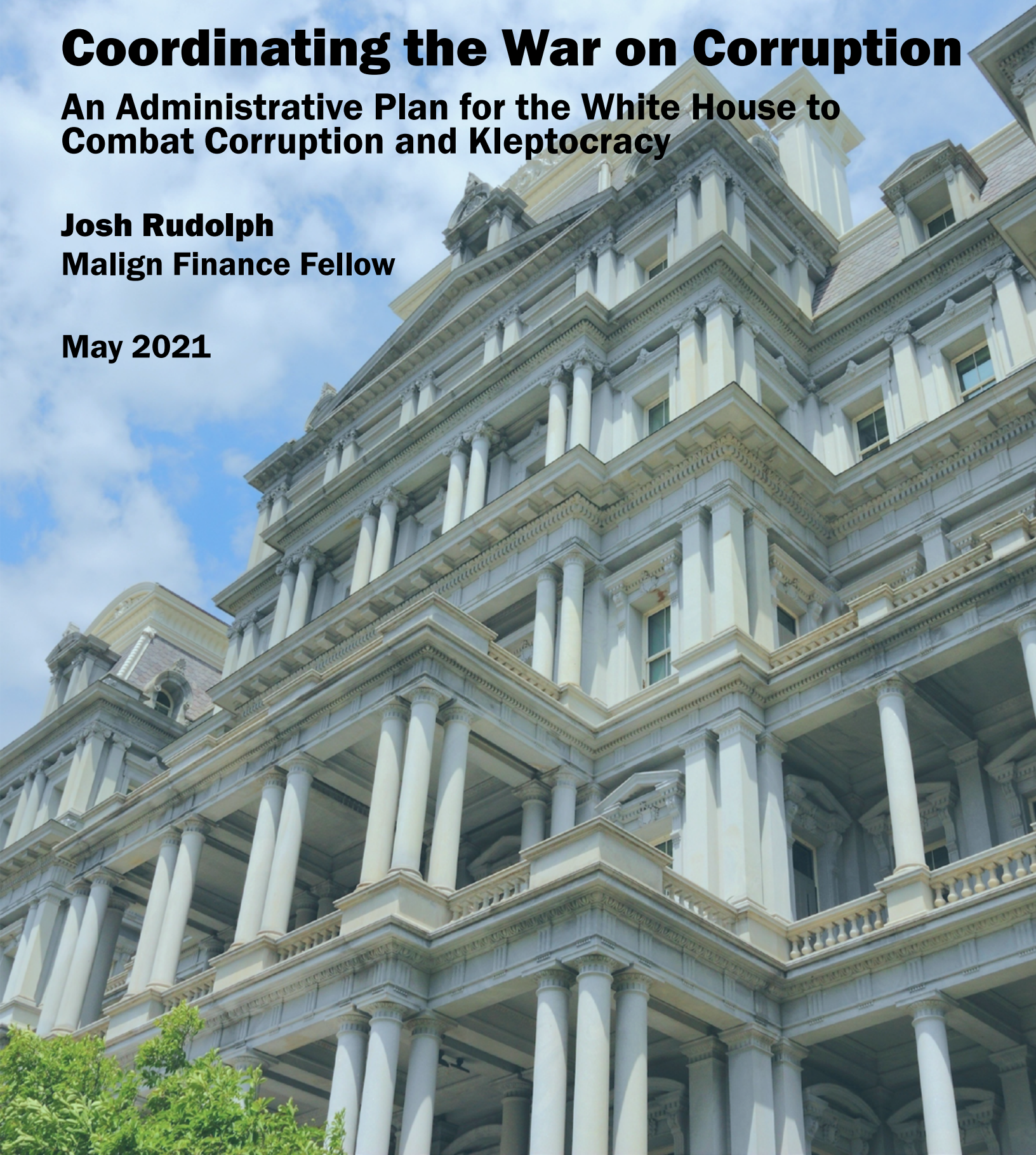
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# **Coordinating the War on Corruption**

**An Administrative Plan for the White House to  
Combat Corruption and Kleptocracy**

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## **Alliance for Securing Democracy**

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## **About the Author**

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# Executive Summary

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The Biden administration has a historic opportunity to unify U.S. domestic and foreign policy through an aggressive mission to combat corruption and kleptocracy. Middle-class Americans are frustrated by perceptions of corruption at home, while authoritarian regimes are organized as oligarchies weaponizing corruption around the world. While these trends have fueled passionate discourse in recent years, the Biden administration should seek a legacy of achieving actual results by institutionalizing anti-corruption reforms throughout U.S. and international financial, diplomatic, and legal systems, including a formidable raft of new policies and commitments to be showcased at the Summit for Democracy, which Biden has pledged to host in his first year in office.

The administration should start with powerful regulatory action to root dirty money out of the U.S. financial system. Within the first 100 days of this anti-corruption reform initiative, Treasury should take ten initial steps, the two strongest being finalizing a 2015 proposal to make private equity and hedge funds identify their customers and publishing the first-ever National Corruption Risk Assessment. After the first 100 days but within the first year of this effort, Treasury should take another seven steps, such as regulating more enablers and writing strong rules for the new beneficial ownership registry. The White House should also work together with Congress to eliminate dark money from politics and work with the Justice Department (DOJ) to deliver and communicate tangible policy and enforcement outcomes that most Americans would see as truly “draining the swamp.”

The White House, in consultation with Treasury and partners at the Organization for Economic Cooperation and Development (OECD) and the Financial Action Task Force (FATF), should push for a landmark international agreement to end offshore financial secrecy, including commitments around public beneficial ownership registries, automatic exchange of tax information, a cross-border payments database, and steps toward a global asset registry, as well as sanctions to motivate cooperation with all the above. The United States Agency for International Development (USAID) should scale up support for anti-corruption activists. The Department of State should integrate an anti-corruption action fund into pre-existing efforts, recommit to international anti-corruption initiatives that languished under Trump, and strengthen internal coordination and capacity-building efforts. Law enforcement should pressure kleptocrats by publicizing confiscated assets and banned individuals while reforming global mechanisms suffering from abuse (e.g., EB-5 golden visas, mutual legal assistance treaties, Interpol, etc.).

The ambitious 100-point anti-corruption agenda described in this report is achievable, but only if the White House supports it as a top policy priority, including the commitment of resources needed to dedicate a small team to coordinate the work, which could take the form of either a standalone directorate at the National Security Council (NSC) or a task force of staffers drawn from several White House components. To energize Treasury, State, USAID, DOJ, and other departments and agencies at a high level, this team should be run by a White House senior director dedicated exclusively to anti-corruption and a designated senior leader such as the Vice President, coordinating efforts across the areas of democracy and human rights (DHR), international economics (Intecon), the Domestic Policy Council (DPC), and other White House offices. This White House anti-corruption team should be staffed with at least three directors, each dedicated to one priority area: building a global coalition, rooting out dirty money, and showing compelling results to the American people.

# Anti-Corruption Matters Like Never Before

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Political and economic changes at home and abroad over the past five to eight years present a historic opportunity to make anti-corruption a key plank of domestic and foreign policies that could be more unified and consistent than any time since the Cold War.

Instead of trying to win over the hearts and minds of the masses with communist ideology, authoritarian regimes such as Russia and China are now organized as kleptocracies, which steal on a grand scale from their own people and maintain power by buying the loyalty of cronies. Unable to compete militarily, they instead weaponize the corruption that is endemic to their own political systems as a coercive tool of foreign policy.<sup>1</sup> Just one particularly malign form of financial aggression—covert foreign money funneled into the political processes of democracies—jumped in frequency by a factor of ten over the last half-decade (compared to the half-decade or so leading up to 2014).<sup>2</sup>

Over a similar period of time—since roughly 2015—American voters on the left and right politically (and stuck in a stagnating middle class economically) have become highly receptive to messages about corruption, ranging from a “rigged economy” and “swamp” to baseless caricatures of opponents as being “crooked” and “corrupt.”<sup>3</sup> Generating results through a foreign policy for the middle class should include building a level playing field where U.S. workers are not disadvantaged by bribery and other forms of graft facilitated by financial secrecy.

Importantly, because most of these developments have occurred relatively recently (compared to the slow pace of bureaucratic evolution) and progress has often been impeded by political resistance at home and abroad, corruption and kleptocracy issues have not yet been adequately addressed by U.S. policies or government institutions. Treasury, State, USAID, and the White House do not have offices or even a single senior official dedicated exclusively to anti-corruption. The U.S. financial system remains a leading facilitator of corruption and destination of its proceeds.<sup>4</sup> Many reforms long proposed by watchdogs, financial enforcers, and multilateral standard-setting bodies (and steadfastly resisted by special interests) have not yet been instituted, despite the compelling national security interest.

Seeing populism rise in the 2015-2016 primary season, the Obama administration started tacking toward stronger anti-corruption reform throughout its final 18 months in office. The NSC directorate for development, democracy and humanitarian affairs led an interagency process of updating the U.S. Open Government National Action Plan.<sup>5</sup> Intecon responded to the April 2016 release of the Panama Papers by rolling out some financial transparency and tax enforcement regulations at an event billed as an anti-corruption day, with a major speech by Obama.<sup>6</sup> However, these public rollouts did not get very much attention and the administration ran out of time to follow through.

Without support at the highest level for fighting corruption and authoritarianism, the Trump administration failed to organize around these issues. In many instances, the Trump administration actively made the U.S. posture toward corruption worse through either standard conservative deregulation or a unique and unprecedented series of corruption scandals. Going into 2021, the perceived level of corruption in the United States was worse than any time in the history of the most widely used indicator.<sup>7</sup>

This process of populist electoral results interrupting anti-corruption momentum just when it is needed most has similarly afflicted the international system and key allies such as the United Kingdom. Then-Prime Minister David Cameron hosted a major anti-corruption summit in May 2016, but lost the chance to follow through due to Brexit.<sup>8</sup> Theresa May briefly threatened to kick Russian oligarchs and their dirty money out of London after the Skripal poisoning, but then her government was similarly swept away by Brexit and followed by Boris Johnson, who maintains cozy relationships with Russian oligarchs and has been neutering pro-transparency legislation.<sup>9</sup> Impatience with corruption also resonates with people living under kleptocracies (as shown by support for Russian anti-corruption activist Alexei Navalny), as well as U.S. allies ranging from closed states (for example,

Egypt and Saudi) to democracies (for example, Brazil, Tanzania, Guatemala, and Malaysia). Public anger is likely to only rise further as corruption scandals come to light around Covid-19 relief funds. The global nature of this challenge makes it a salient opportunity to rebuild American leadership.<sup>10</sup>

These developments—kleptocracies weaponizing corruption while publics hunger for reforms that are achievable but not yet implemented—present a unique window to replace neoliberalism, a grand strategy that naturally suited U.S. strategic interests in the Cold War by showing that the ideological opposite of communism delivers growth and liberty. U.S. grand strategy should now contrast kleptocracy by featuring the other side of the American economic model, with less cowboy and more sheriff: well-regulated clean capitalism under the rule of law. This strategy should begin taking shape with a powerful package of policy enhancements to be unveiled in time for the Summit for Democracy. But to capture this moment, the White House should start laying the groundwork now for the most sweeping U.S. and international anti-corruption campaign in history, coordinated by a small team dedicated exclusively to the anti-corruption mission.

# Dedicate A Small White House Team to Coordinate the Anti-Corruption Mission

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The Biden administration has assigned one mid-level staffer to focus solely on anti-corruption, the first time any White House has dedicated someone to work exclusively on corruption and kleptocracy.<sup>11</sup> This anti-corruption director reports to the NSC senior director for democracy and human rights, whose portfolio will include chairing an interagency policy committee (IPC) for anti-corruption (along with protecting human rights and defending democratic norms).<sup>12</sup> This is more institutional initiative dedicated to coordinating anti-corruption work than the White House structures of any previous administrations, which only ever had staffers and interagency groups cover anti-corruption as just one component among broader job responsibilities.

Unfortunately, the introduction of just one director, one third of a senior director, and an IPC will probably not entail sufficient resources to match the opportunity for a historic domestic and international anti-corruption campaign. The results of the current approach will risk being limited to some minor policy reforms and nice-sounding talking points. Instead of the Obama administration's open government plan and financial transparency rollouts in 2015-2016, Biden's planned initiative is expected to center around the Summit for Democracy. And while this may include some important steps, without more resources it will probably neither convince most Americans that the "swamp" has truly been drained nor show the world that neoliberalism has been replaced by a new grand strategy that emphasizes clean capitalism to serve the interests of more than just the privileged few. That more ambitious set of domestic and international objectives would have to be planned and executed by an entire team.

This report proposes two possible institutional approaches to assigning a team of White House staffers to the anti-corruption mission: a dedicated directorate or a task force drawing from several existing directorates.

The stronger of the two approaches would be to create a new directorate of at least three directors reporting to a senior director focused solely on corruption and kleptocracy. The two most logical places within the White House organizational structure where this team could sit would be democracy and human rights (DHR) or international economics (Intecon). The full attention of a senior director would be needed to mobilize initiative and prioritization at all relevant departments and agencies by engaging intensively at the level of Assistant Secretaries while also participating actively in NSC Deputies Committee meetings and advocating strongly with regional senior directors for the prominence of anti-corruption in bilateral dialogues. Dedicating resources to integrating the anti-corruption mission across all levels of the U.S. government would also be facilitated by having three directors report exclusively to the anti-corruption senior director, rather than just one director or several directors sharing their time with other directorates.

Unfortunately, it seems like no single White House directorate is willing to dedicate more than one director—at the most—to the anti-corruption mission, so the more plausible option is a task force bringing together experts from the functional and regional White House directorates described in the next section. More than just informally suggesting that relevant staffers join meetings of the anti-corruption IPC if they have time, a few directors should be tasked with dedicating at least half of their attention to advancing the anti-corruption work, including taking responsibility for running sub-IPC workstreams. To successfully herd resources across the White House and interagency, clear lines of reporting should be established by assigning directors dotted-line reporting to the senior director dedicated exclusively to anti-corruption, designating a deputy assistant to the president to take high-level responsibility for the task force, and bringing in the office of the Vice President to provide visible leadership at the top.

## Bring in Expertise from Several White House Offices

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The White House anti-corruption team should be responsible for harnessing the expertise and relationships of several offices throughout the Executive Office of the President, each of which should take steps now to ramp up their focus on corruption and kleptocracy.

***Democracy and Human Rights (DHR).*** Because Biden and his top advisors view this issue set as crucial to renewing democracies everywhere, DHR will be the most important office for integrating anti-corruption into the policy agenda of this administration. The anti-corruption IPC will be the logical venue to develop the “presidential policy directive that establishes combating corruption as a core national security interest and democratic responsibility,” as promised by Biden as a U.S. commitment at the Summit for Democracy, an event where anti-corruption will be one of three areas for country commitments. As noted in the previous section, DHR is the only office yet to have dedicated significant resources to anti-corruption, including a director detailed from Treasury. If they could devote one additional staffer to anti-corruption, it should be a director detailed from State or DOJ to own the international engagement portfolio described in the next section, a set of responsibilities that fits best within DHR.

***International Economics (Intecon).*** As the only White House policy component truly split 50/50 across domestic and international issues, Intecon could be one of the most important partners in making anti-corruption a connective tissue between domestic and foreign policy. The convening authority of the National Economic Council Director could help mobilize economic departments and agencies to prioritize difficult reforms, such as overcoming special interests and bureaucratic hurdles to expand anti-money laundering (AML) rules to cover professional enablers of corruption (like how Intecon pushed out some low-hanging policy fruit within just a few weeks after the Panama Papers). The president’s Sherpa, who runs Intecon, is arguably more strongly positioned than anyone in the world to build an international consensus capable of changing the way the global economy functions. That should start by getting U.K. Prime Minister Boris Johnson to put illicit finance and anti-corruption on the agenda of the G7 meeting in Cornwall on June 11-13 (to endorse Biden’s vision of ending offshore financial secrecy, like how the G8 endorsed Obama’s nuclear strategy ahead of the 2010 Nuclear Security Summit).<sup>13</sup> Intecon also leads essential workstreams such as Global Magnitsky corruption sanctions, international tax diplomacy, and U.S. positions at the international financial institutions. Intecon should match the investment in anti-corruption work already made by DHR by dedicating a full-time director to own the financial security portfolio while also establishing a senior director position for clean capitalism to co-lead the anti-corruption IPC together with DHR. Alternatively, the contribution from the National Economic Council could come from its purely domestic side (whereas Intecon has dual reporting to the NSC), although in that case the NSC would have to lean further into fulfilling the international elements of the financial security work.

***Domestic Policy Council (DPC).*** A major domestic-focused workstream will be needed to generate both the reality and the widely shared perception that this administration is actually delivering strong apolitical enforcement and policy results to “drain the swamp” of corruption. This should be more aggressive and intensive than just preparing some domestic deliverables for the Summit for Democracy, signing an executive order around conflicts of interest, resuming publication of White House visitor logs, and listing some reform accomplishments in speeches and fact sheets. The administration will have to spend the next four years rolling out a steady drumbeat of attention-grabbing actions, including a sweeping program of policies to renew government transparency, aggressive investigations and tough prosecutions of corrupt figures, legislative and enforcement actions to eliminate dark money from U.S. politics, and a systematic communications campaign to convincingly show these results to the American people.<sup>14</sup> More than the current approach of assigning this to a couple DPC staffers as one component of their broader portfolios, DPC should dedicate a small team to the full-time job of leading the domestic anti-corruption policy campaign, coordinated with the NSC, other White House offices (such as communications), and key interagency partners (such as the DOJ Public Integrity Section).

**Regional and functional offices.** The regional directorates within NSC hold the expertise on individual countries' corruption vulnerabilities and policy reform priorities. The anti-corruption team would have to work with them closely to identify policy and enforcement commitments that are both important and viable. This may involve pressuring allies that are resistant to either tackling corruption in their own countries or signing onto potential international agreements—pressure that might meet resistance in parts of the interagency such as State officials responsible for bilateral relations. Anti-corruption priorities will also have to be integrated throughout the work of other NSC functional offices like Multilateral Affairs or Defense in ways that may or may not reinforce the equities of those offices. Contributions to anti-corruption work by designated staffers from these offices could take the shape of traditional informal collaboration among NSC offices, rather than necessarily requiring formal reporting to a task force.

**Office of the Vice President.** When Joe Biden was Vice President, his leadership on the fight against corruption in countries such as Ukraine and Guatemala helped inject energy throughout the U.S. government and convey strong U.S. commitment to allies and the public. Vice President Kamala Harris has already taken up the baton with regards to the Northern Triangle, arguing that no troubles in the region will be addressed if corruption persists.<sup>15</sup> Such clear public backing from these highest levels is even more helpful to combat corruption than other issues, because the strong support helps buck up people who need to refuse bribes and otherwise uproot the entrenched influence of oligarchs and their loyalists. And such visible leadership may be even more important for the sweeping anti-corruption policy campaign proposed in this paper, because it extends beyond any single country, involves work that is dispersed throughout many U.S. government offices and must be brought together at the top, and has essential domestic components to convince the American people that this administration is actually doing the work of “draining the swamp” (not in those words, but describing progress on corruption clearly and compellingly). Harris may be well suited to prosecute that case in the court of public opinion, as a former prosecutor who is used to explaining her work “for the people.” Extending her leadership on migration and the Northern Triangle to a broader global anti-corruption policy reform campaign would also focus Harris's experience uniting foreign and domestic policies around a salient issue set that has featured prominently in the past two presidential elections, positioning her strongly to preempt baseless name-calling in future election campaigns with a tangible record of historic anti-corruption achievements.



## Mobilize the Interagency Around Three Policy Areas

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At the same time as the administration ensures anti-corruption work is coordinated throughout the White House, it should lead an interagency process of rolling out the fight against corruption and kleptocracy across the entire U.S. government, demonstrating how each department and agency will implement President Biden's planned presidential policy directive prioritizing anti-corruption. To prepare this whole-of-government effort, the White House should establish points of contact at all levels of relevant components at Treasury, State, USAID, DOJ, and other departments and agencies. This interagency team should set priorities across three broad policy areas, each coordinated by the White House team, which should be staffed with a dedicated director detailed from a relevant department or agency. A list of 100 proposed action items is included in the appendix, broken out by timetables across these three policy areas.

**International engagement.** Work through State, USAID, the G7 Sherpa track, and other avenues to rally the major democracies behind a historic anti-corruption push and support the global community in implementing concrete policy reforms. Secure strong and difficult national commitments to clean up individual countries' financial and governance systems, invest in anti-corruption aid, reinvigorate multilateral and multistakeholder bodies, take related actions jointly, and ramp up compliance and enforcement. Recommit to international initiatives that languished under the Trump administration, from the Open Government Partnership to the Extractives Industries Transparency Initiative. Revamp the amount, flexibility, and coordination of foreign aid dedicated to anti-corruption, and better link it to diplomatic priorities (forcefully reshaping some bilateral policy discussions). Coordinate efforts to further internationalize Global Magnitsky sanctions, promote streamlined international law enforcement cooperation (and prevent authoritarian abuse of these mechanisms), impose visa bans on kleptocrats and their families, support whistleblowers, and ensure the United States stands with the victims of kleptocracy. Staff this portfolio with a director detailed from State or DOJ.

**Financial security.** Work with Treasury and other financial regulators to expand the AML regime, aggressively write beneficial ownership regulations, publish a National Corruption Risk Assessment to feed anti-corruption into national AML priorities, impose transparency on trusts and foundations, expand and make permanent the Geographic Targeting Orders program, tighten rules for politically exposed persons, start building a cross-border payments database, develop and internationalize FATF standards for corruption financing, work with Congress to plan a major investment in FinCEN, and promulgate other important financial transparency regulations.<sup>16</sup> Elevate corruption and kleptocracy in the National Intelligence Priorities Framework, enhancing both collection and analytic capabilities required to map oligarch networks and find dark money pools. Use the moral authority and broader international consensus that comes with getting the U.S. financial secrecy house in order—including a strong beneficial ownership registry—to advance a major global initiative to end offshore financial secrecy and illicit tax havens.<sup>17</sup> Specifically, work with Treasury, the OECD, and others to agree upon, design, and implement a comprehensive international strategy toward offshore financial secrecy, starting with support for public beneficial ownership registries, harmonization of the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS), and movement toward a global registry of financial wealth, as well as sanctions to motivate cooperation with all the above. Staff this portfolio with a director detailed from Treasury.

**Domestic engagement.** Ensure the anti-corruption campaign thoroughly covers domestic challenges and the results are clearly shown to the American people. In carefully circumscribed ways that strictly uphold the apolitical independence of law enforcement, generate tangible policy and enforcement results against public corruption and develop a public communications plan to convey how the administration is producing actual apolitical outcomes akin to “draining the swamp.” Work with the Department of Justice (DOJ), Treasury, State, the Department of Homeland Security (DHS), and the intelligence community (IC) to ramp up anti-corruption enforcement in international sports, publish information about kleptocracy by country, develop policy options to confiscate or expose kleptocracies' dark asset pools, and work with Congress to outlaw the demand side of

cross-border bribery. Work with Congress to eliminate dark money from politics and toughen laws around conflicts of interest. Staff this portfolio with a director detailed from DOJ.

Taken together with deft sequencing and high-level messaging, these three priority areas could become more potent than the sum of their parts. As with other policies that operate through the private sector—such as sanctions and monetary policy—clear and salient signaling will be crucial to an effective anti-corruption campaign. By advancing all these reform areas at once, combining them with aggressive enforcement actions, explaining the robust underlying details to key influencers, and framing the changes powerfully through presidential speeches and summitry, the mission could all come together as the strongest anti-corruption campaign in history, convincing kleptocrats, oligarchs, mobsters, crooks, and their professional enablers in the West that dirty dealings are no longer worth the risk.

# Appendix: List of Recommended Action Items

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## Overall Mission Launch

### First 100 Days

- Appoint an NSC Senior Director for Anti-Corruption with up to three directors, either as a standalone directorate or a task force drawing from other directorates
- Meet Treasury, State, USAID, and DOJ counterparts, socialize plans for a major anti-corruption initiative, ask for help identifying key interagency points of contact
- Prepare a paper (for which this report can provide an initial draft) laying out plans for a historic U.S.-led anti-corruption campaign, to be endorsed by NSC-NEC Deputies, fleshed out by an anti-corruption IPC, and implemented with sub-IPC support
- Work with White House leadership to decide which EOP office and executive department will be responsible for delivering (in collaboration with other offices and agencies) each item within this agenda
- Host a Deputies Committee meeting covering anti-corruption, asking departments and agencies to designate points of contact for anti-corruption work, seeking deputy endorsement in principle of the plan set forth in the read-ahead paper, and tasking a new anti-corruption IPC (to be enshrined in the anti-corruption presidential policy directive) to vet and refine the reform agenda
- Host an anti-corruption IPC to solicit initial feedback on the policy reform agenda endorsed in principle by deputies, ask for any additional feedback in writing afterward, seek consensus to establish three sub-IPCs, and ask for relevant points of contact
- Continue building relationships to develop cohesive interagency teams at all levels
- Underscore to foreign counterparts the importance of the anti-corruption mission
- Draft the anti-corruption presidential policy directive Biden pledged to deliver as the U.S. commitment at the Summit for Democracy, which “establishes combating corruption as a core national security interest and democratic responsibility”<sup>18</sup>

## International Engagement

### First 100 Days

- Designate or appoint an NSC director dedicated to building the global coalition, ideally someone from State who is well-versed in international commitments around anti-corruption
- Establish a sub-IPC for anti-corruption diplomacy, reporting to the IPC for anti-corruption
- Develop strong relationships with interagency partners, especially at State
- Ask key foreign counterparts to coordinate on anti-corruption throughout 2021
- Urge Downing Street to make anti-corruption a standalone priority area at the G7
- Work with State and other departments and agencies (including those with a domestic orientation to show and leverage leadership at home) to develop a sophisticated sequencing strategy and pressure campaign to get strong anti-corruption outcomes at the first-ever UNGA Special Session on corruption in June, the G7, the G20, OGP’s 10th Anniversary Summit, and the Summit for Democracy
- Confer with the IMF about its renewed engagement on corruption
- Rejoin the Extractives Industries Transparency Initiative
- Start to internationalize Global Magnitsky sanctions with the U.K., Canada, EU, and others, including joint designations and authorities in more countries/regions that include corruption as a sanctionable offense in addition to human rights
- Advocate internally to not nominate major campaign donors as ambassadors
- Begin a study on Mutual Legal Assistance Treaties, Interpol, international law enforcement efficacy, and how authoritarians abuse the U.S. judicial system

## First Year

- Have a top administration official make a major speech outlining this anti-corruption campaign, at the G7 or the UNGA anti-corruption session in June
- Maintain strong working relationships with anti-corruption civil society, emphasizing among global partners the importance of operating space for NGOs and independent media, especially investigative journalists
- Continue working with State and the rest of the interagency to deliver major anti-corruption outcomes at UNGA in June, the G7, and the Summit for Democracy
- Work with State to designate an ambassadorial-level special envoy on anti-corruption
- Elevate State's Anti-Corruption Working Group as a central component of the Department's internal coordination efforts
- Create an Anti-Corruption Action Fund financed by a regular stream of proceeds from anti-corruption enforcement with nimble programming protocols capable of surging financial, technical (see next two bullets), and political support toward countries as soon as they enter a window of opportunity for governance reforms
- Work with State to designate anti-corruption officers to support embassies, including trained and dedicated anti-corruption technical specialists in at least 30 embassies and anti-corruption points of contact in all embassies
- Work with regional directors and State to develop anti-corruption strategies (or embed anti-corruption goals in regional strategies) for at least 10 priority countries
- Start more aggressively utilizing Section 7031(c) of the Department of State, Foreign Operations, and Related Programs Act to impose visa bans on the families, college-age children, and business cronies of kleptocrats
- Establish a norm of publicizing names of all individuals banned from the U.S. due to kleptocracy and create a U.S.-led government database of visa denials to prevent visa shopping
- Create a fund to support and reward international whistleblowers
- Get State to fast-track asylum applications for anti-corruption activists and whistleblowers at risk
- Start shifting Global Magnitsky designations toward currently ruling regimes, even if only as contingencies for escalation in response to aggression
- Increase U.S. technical assistance to support anti-corruption work among allies

## First Term

- Work with State and others to follow up on commitments made at UNGA, the G7, the Summit for Democracy, and other bilateral engagements and multilateral fora
- Demonstrate commitment to the Open Government Partnership (OGP) by insulating it from domestic political transitions, including potentially through the establishment of an Open Government Secretariate at GSA or a similar agency. On the international stage, ensure integration of OGP priorities for countries into senior diplomatic engagements
- Work with State to start issuing a regular periodic report with country-by-country tracking of anti-corruption commitments made and fulfilled, as well as key policy vulnerabilities (leveraging IMF, FATE, and OECD reports), covering UNCAC and other international agreements and potentially modeled after the International Narcotics Control Strategy Report
- Work with USAID and State to increase assistance and build multilateral financial support for civil society and independent media (including the Global Anti-Corruption Consortium and Global Media Defense Fund). Expand significantly the share of global health assistance dedicated to improving the governance of health systems
- Drive the development and adoption of a global standard on corruption risk mitigation in disaster assistance, for use by bilateral donors and international financial institutions, based on lessons from the

## Covid-19 response

- Work with USAID to scale up anti-corruption activist aid and focus health programs on anti-corruption (e.g., dedicate 20 to 25 percent of health aid to governance vulnerabilities in areas like procurement and logistics that worsen pandemics)
- Work with DoD and State to build out more robust capacity-building programs on counter-corruption, condition some defense assistance on anti-corruption progress, and ensure corruption mitigation plans are in place when assistance is provided in a high-risk environment
- Enhance donor coordination on anti-corruption, especially for priority countries
- Urge allies to adopt binding foreign investment screening regimes like CFIUS
- Ensure all trade and investment agreements include anti-corruption commitments

## Financial Secrecy

### First 100 Days

- Designate or appoint an NSC director dedicated to rooting out dirty money, ideally someone from FinCEN, Treasury TFI, or Treasury IA
- Establish a sub-IPC for financial secrecy, reporting to the IPC for anti-corruption
- Develop strong relationships with interagency partners, especially at Treasury
- Work with Treasury to rename its TFI and TFFC offices to include the word “threat” instead of “terrorism,” and to start shifting internal priorities from “AML/CFT” to “threat finance,” including corruption
- Ensure Treasury is working to aggressively write the beneficial ownership regs<sup>19</sup>
- Tell the CFIUS interagency to regard corruption as a national security threat
- Work with Treasury TFI to develop closer and more accountable ties with FinCEN, both from Main Treasury and the White House
- Work with Congress, Treasury, and FinCEN to ensure that FinCEN is ready for a busy year of rulemaking with sufficient resources (human, budgetary, tech, etc.)
- Finalize FinCEN rules imposing AML duties on registered investment advisors—including advisors to private equity and hedge funds—starting with the draft rule proposed in 2015 but expanding it to also cover those solely advising family clients, venture capital, and funds with less than \$100 million under management<sup>20</sup>
- Work with Treasury, in consultation with the intelligence community, to publish a National Corruption Risk Assessment on kleptocracies and oligarchs<sup>21</sup>
- Publish FinCEN advisories on Russian laundromats and Chinese BRI corruption
- Work with FinCEN to have the Bank Security Act advisory group establish a working group to evaluate why it has been difficult to track the international financial footprint of kleptocracies
- Freeze pending tax regulations, begin a review of all of the previous administration’s tax regulations, and initiate IRS notice-and-comment periods for past tax shelter designations
- Work with Treasury’s Office of Tax Policy (in consultation with experts at State, outside economists, the OECD, and other international partners) to develop a strategy to end offshore financial secrecy, starting with both commitments around public beneficial ownership registries and harmonization of FATCA with the Common Reporting Standard (CRS), and potentially also including movement toward a global register of financial wealth and sanctions to motivate cooperation<sup>22</sup>
- Work with the United Kingdom and other key partners to build G7 consensus around a commitment to end offshore financial secrecy, potentially in exchange for U.S. agreement to tax digital companies’ profits (advocated by France et al.)
- Work with Treasury to develop a multi-year workplan covering the priorities below

## First Year

- Promulgate FinCEN regulations repealing AML exemptions to the Patriot Act
- Promulgate FinCEN regulations establishing a very strong beneficial ownership registry, while also adding trusts, foundations, and partnerships to the CDD rule<sup>23</sup>
- Mandate beneficial ownership transparency for federal contracts and grants
- Initiate a rulemaking to expand the scope of Geographic Targeting Orders such that they become permanent, nationwide, and applied to commercial real estate
- Emphasize corruption in the National Intelligence Priorities Framework, while getting Treasury to enhance its capability to map key oligarchs' financial networks while State prioritizes diplomatic reporting on global corruption
- Host a FATF special plenary to set global standards around corruption financing
- Work with the SEC to strengthen rules implementing Section 1504 of Dodd-Frank
- Start delisting foreign companies that fail to meet U.S. accounting standards
- Require companies dealing with the U.S. government to adopt Legal Entity Identifiers (LEIs)
- Secure a G7 commitment to the strategy to end offshore financial secrecy (along the lines of the strategy developed in the first 100 days), tasking the OECD with fleshing out additional details before broadening the consensus to the G20
- Start working through the OECD to combine the strongest elements of FATCA and CRS, including both the 30 percent withholding tax penalty for non-compliance under FATCA and broader reciprocal information sharing with allies (more like CRS, except with stronger data governance to protect against abuse by regimes like Russia and China with track records of threatening the human rights of dissidents and others in their diaspora communities living in the West)

## First Term

- Promulgate FinCEN regs to strengthen rules for politically exposed persons
- Mandate beneficial ownership transparency for federal contracts and grants, as well as for entities named in FAA forms authorizing aircraft to land in the U.S.
- Promulgate FinCEN regs to require money service businesses to disclose beneficial owners
- Get FinCEN to start building a cross-border payments database
- Expand disclosure and automatic information exchange of data relevant to trade-based money laundering
- Get DOJ and Treasury to submit a joint report to Congress recommending new money laundering predicate offenses
- Promulgate FinCEN regs (or support passage of legislation) imposing AML obligations on lawyers, accountants, company formation agents, art dealers, and third-party service providers<sup>24</sup>
- Work with Congress to enact major investments in financial enforcement efforts (doubling the budget of FinCEN while also significantly increasing resources for the IRS and DOJ) and make beneficial ownership data publicly accessible<sup>25</sup>
- Join the OECD CRS, provided that it is reformed to include a 30 percent withholding tax penalty for non-compliance
- Reach an international agreement for governments to take over private depositories of financial securities such as DTC, Euroclear, Clearstream, put them under the temporary control of regional public authorities such as the Fed and ECB, and eventually merge them into a global register managed by the IMF, with severe sanctions (proportional to tax losses imposed on other governments) on countries that refuse to cooperate
- Convert information reported under FATCA from IRS forms into FinCEN forms, enabling greater sharing with law enforcement beyond tax authorities
- Create requirements for country-by-country reporting of financial and tax data, using both Treasury authorities and by working with the SEC, FASB, and OECD

- Issue Treasury regulations closing corporate inversion loopholes, revoking the “check-the-box” rule for foreign affiliates, reverse the “high-tax-exclusion” to the GILTI, repeal the foreign-derived intangible income tax break, and reform the arm’s-length standard governing transfer pricing

## Domestic Engagement

### First 100 Days

- Designate or appoint a DPC director dedicated to ensuring the anti-corruption campaign covers domestic challenges and the results are being shown clearly to the American people, ideally detailing someone from DOJ with a mature sensitivity to how the White House should drive policy priorities without infringing upon the apolitical independence of law enforcement
- Establish a sub-IPC for domestic anti-corruption, reporting to the IPC for anti-corruption
- Develop strong relationships with interagency partners, especially at DOJ
- Work with DPC and other relevant interagency partners to reinvigorate FOIA and institutionalize other legal requirements for transparent public records<sup>26</sup>
- Work with the DOJ Public Integrity Section, in coordination with DPC and NSC Legal through carefully circumscribed legal channels limited to general policy matters that do not touch upon any specific cases or individuals, to develop an enforcement to generate tangible policy and enforcement results against public corruption, as well as a communications plan to demonstrate to the American people that this administration actually did “drain the swamp” of corruption
- Urge Treasury and DOJ to strongly implement the Bank Security Act rewards scheme
- Urge DOJ to prioritize enforcement of the Rodchenkov Anti-Doping Act
- Work with DOJ et al. to create a multi-year workplan covering the priorities below

### First Year

- Work with Congress to develop initiatives to eliminate dark money from politics, from a constitutional amendment reversing *Citizens United* to provisions in H.R. 1 around non-profit disclosures, subsidiaries of foreign parent companies, and FEC reform
- Temporarily halt the EB-5 investor immigrant program on national security grounds until its vulnerabilities are addressed, and initiate a Homeland Security review process to improve due diligence on the legitimacy of funding sources and ties to state-sponsored or corrupt actors
- Work with the DOJ Public Integrity Section to unveil at least one major enforcement action against public corruption, supporting the public narrative that this administration is generating actual apolitical results in this area through a more aggressive and politically independent U.S. posture toward investigating and prosecuting public corruption (with less reliance on non- and deferred-prosecution agreements), from pursuing the potential abuse of pandemic relief funds to recovering assets stolen by kleptocrats

### First Term

- Work with the DOJ Public Integrity Section to produce a steady drumbeat of policy and enforcement results against public corruption, always coming back to the message of having truly taken action rather than just talking about it
- Work with Treasury and the IC to identify and develop policy options to confiscate, isolate, or expose kleptocracies’ dark asset pools hidden within Western markets
- Start publishing online how much money by country has been stolen by kleptocrats and recovered by U.S. law enforcement, including through the Kleptocracy Asset Recovery Initiative
- Extend whistleblower protections to all U.S. government employees
- Clarify and simplify the process of holding and returning funds confiscated from foreign corrupt officials
- Engage in multi-pronged approach to restore confidence and integrity at Interpol and ensure it is not abused by authoritarian elements

- Bolster oversight of U.S. free trade zones
- Work with Congress to expand U.S. anti-bribery laws to cover foreign officials who would demand bribes from U.S. companies
- Ensure that DOJ has tools it needs to strengthen FARA enforcement and pursue foreign surveillance of diaspora communities (and other tactics of transnational repression)
- Strengthen mechanisms for the U.S. to accept tips and evidence from foreign activists and media about corruption crimes over which the U.S. may have jurisdiction



# Endnotes

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