



UNITED STATES STRATEGY ON COUNTERING CORRUPTION

PURSUANT TO THE NATIONAL SECURITY STUDY
MEMORANDUM ON ESTABLISHING THE FIGHT AGAINST
CORRUPTION AS A CORE UNITED STATES NATIONAL
SECURITY INTEREST

DECEMBER 2021



THE WHITE HOUSE
WASHINGTON



TABLE OF CONTENTS

INTRODUCTION	4
THE IMPACTS OF CORRUPTION.....	6
OUR APPROACH.....	8
STRATEGIC PILLARS	9
PILLAR ONE: Modernizing, Coordinating, and Resourcing U.S. Government Efforts to Better Fight Corruption.....	9
PILLAR TWO: Curbing Illicit Finance.....	10
PILLAR THREE: Holding Corrupt Actors Accountable	11
PILLAR FOUR: Preserving and Strengthening the Multilateral Anti-Corruption Architecture.....	13
PILLAR FIVE: Improving Diplomatic Engagement and Leveraging Foreign Assistance Resources to Advance Policy Objectives.....	13
THE WAY FORWARD	16
APPENDIX: Lines of Effort to Effectively Counter Corruption.....	17
PILLAR ONE: Modernizing, Coordinating, and Resourcing U.S. Government Efforts to Fight Corruption.....	17
Strategic Objective 1.1: Enhance corruption related research, data collection, and analysis.....	17
Strategic Objective 1.2: Improve information sharing within the U.S. Government, with non-U.S.-Governmental entities, and internationally.....	18
STRATEGIC OBJECTIVE 1.3: Increase focus on the transnational dimensions of corruption.....	18
STRATEGIC OBJECTIVE 1.4: Organize and resource the fight against corruption, at home and abroad.....	18
STRATEGIC OBJECTIVE 1.5: Integrate an anti-corruption focus into regional, thematic, and sectoral priorities.....	19
PILLAR TWO: Curbing Illicit Finance	20
STRATEGIC OBJECTIVE 2.1: Address deficiencies in the anti-money laundering regime	20
STRATEGIC OBJECTIVE 2.2: Work with partners and allies to address deficiencies.....	24
PILLAR THREE: Holding Corrupt Actors Accountable	25
STRATEGIC OBJECTIVE 3.1: Enhance enforcement efforts	25
STRATEGIC OBJECTIVE 3.2: Update tools available to hold corrupt actors accountable at home and abroad.....	26

STRATEGIC OBJECTIVE 3.3: Work with partner countries to bolster anti-corruption enforcement to amplify the use of tools	27
STRATEGIC OBJECTIVE 3.4: Strengthen the ability of foreign partner governments to pursue accountability in a just and equitable manner.....	29
STRATEGIC OBJECTIVE 3.5: Bolster the ability of civil society, media, and private sector actors to safely detect and expose corruption, increase public awareness, and pursue accountability.....	30
PILLAR 4: Preserving and Strengthening the Multilateral Anti-Corruption Architecture.....	32
STRATEGIC OBJECTIVE 4.1: Bolster existing anti-corruption frameworks and institutions	32
Strategic Objective 4.2: Redoubling efforts at multilateral fora	33
PILLAR 5: Improving Diplomatic Engagement and Leveraging Foreign Assistance Resources to Advance Policy Goals.....	34
Strategic Objective 5.1: Elevate and expand the scale of diplomatic engagement and foreign assistance that address corruption	34
STRATEGIC OBJECTIVE 5.2: Protect anti-corruption actors.....	34
STRATEGIC OBJECTIVE 5.3: Leveraging innovation in the fight against corruption.....	35
Strategic Objective 5.4: Improve coordination and risk analysis across foreign assistance	37
Strategic Objective 5.5: Improve security assistance and integrate corruption considerations into military planning, analysis, and operations.....	37



UNITED STATES STRATEGY ON COUNTERING CORRUPTION

Pursuant to the National Security Study Memorandum on Establishing the Fight Against Corruption as a Core United States National Security Interest

INTRODUCTION

When government officials abuse public power for private gain, they do more than simply appropriate illicit wealth. Corruption robs citizens of equal access to vital services, denying the right to quality healthcare, public safety, and education. It degrades the business environment, subverts economic opportunity, and exacerbates inequality. It often contributes to human rights violations and abuses, and can drive migration. As a fundamental threat to the rule of law, corruption hollows out institutions, corrodes public trust, and fuels popular cynicism toward effective, accountable governance.

Moreover, the impacts of corruption frequently reverberate far beyond the immediate environment in which the acts take place. In today's globalized world, corrupt actors bribe across borders, harness the international financial system to stash illicit wealth abroad, and abuse democratic institutions to advance anti-democratic aims. Emerging research and major journalistic exposés have documented the extent to which legal and regulatory deficiencies in the developed world offer corrupt actors the means to offshore and launder illicit wealth. This dynamic in turn strengthens the hand of those autocratic leaders whose rule is predicated on the ability to co-opt and reward elites.

On June 3, 2021, President Biden established the fight against corruption as a core national security interest of the United States. As he wrote in National Security Study Memorandum-1 (NSSM-1), “corruption threatens United States national security, economic equity, global anti-poverty and development efforts, and democracy itself....[B]y effectively preventing and countering corruption and demonstrating the advantages of transparent and accountable governance, we can secure a critical advantage for the United States and other democracies.”

Pursuant to NSSM-1, Federal departments and agencies have conducted an interagency review to take stock of existing U.S. Government anti-corruption efforts and to identify and seek to rectify persistent gaps in the fight against corruption. In parallel with this review, departments and agencies have begun to accelerate and amplify their efforts to prevent and combat corruption at home and abroad; bring transparency to the United States' and international financial systems; and make it increasingly difficult for corrupt actors to shield their activities.

This first United States Strategy on Countering Corruption builds on the findings of the review and lays out a comprehensive approach for how the United States will work domestically and internationally, with governmental and non-governmental partners, to prevent, limit, and respond to corruption and related crimes. The Strategy places special emphasis on the transnational dimensions of the challenges posed by corruption, including by recognizing the ways in which corrupt actors have used the U.S. financial system and other rule-of-law based systems to launder their ill-gotten gains.



To curb corruption and its deleterious effects, the U.S. Government will organize its efforts around five mutually reinforcing pillars of work:

- Modernizing, coordinating, and resourcing U.S. Government efforts to fight corruption;
- Curbing illicit finance;
- Holding corrupt actors accountable;
- Preserving and strengthening the multilateral anti-corruption architecture; and,
- Improving diplomatic engagement and leveraging foreign assistance resources to advance policy goals.

By pursuing concrete lines of effort that advance strategic objectives under each of these pillars, and integrating anti-corruption efforts into relevant policy-making processes, the United States intends to lead in promoting prosperity and security for the American people and people around the world.



THE IMPACTS OF CORRUPTION

From the small-town hospital administrator who demands bribes in exchange for life-saving services, to the globe-trotting kleptocrat who offshores an embezzled fortune, corruption harms both individuals and societies. The effects of corrupt acts are frequently both direct and indirect. When government officials steal from public coffers or fix a contract to reward a political crony, these actors directly transfer funding from essential services to private interests. Corruption also indirectly contributes to reduced public trust in state institutions, which in turn can add to the appeal of illiberal actors who exploit popular grievances for political advantage.

Illustrative Types of Corruption

Corruption takes on many forms and is used to further various illicit behaviors. Illustrative types of corruption include, but are not limited to:

Grand corruption: when political elites steal large sums of public funds or otherwise abuse power for personal or political advantage.

Administrative corruption: the abuse of entrusted power for private gain—usually by low to mid-level government officials—in interactions with citizens and the private sector, including to skirt official regulations and extort citizens in exchange for their basic services.

Kleptocracy: a government controlled by officials who use political power to appropriate the wealth of their nation. Can include state capture.

State capture: when private entities improperly and corruptly influence a country's decision-making process for their own benefit.

Strategic corruption: when a government weaponizes corrupt practices as a tenet of its foreign policy.

Whether grand corruption perpetrated by powerful elites, or administrative corruption carried out by lower-level officials interacting directly with the public, corrupt acts harm the public interest, hamper countries' development, and diminish state capacity. Corruption has been shown to significantly curtail the ability of states to respond effectively to public health crises and to address climate change, migration, and inequities of all forms, while contributing to state fragility. Countries with high levels of corruption are more likely to have populations that suffer from human rights abuses, and are less likely to address those abuses. And states with endemic corruption are more vulnerable to terrorist networks, transnational organized and gang-related criminals, and human traffickers.

Corruption's increasingly globalized nature—fueled in part by transnational illicit finance and criminal networks, as well as exploitation of the licit financial system—imposes steep costs on ordinary citizens and good governance alike. In particular, transnational corruption driven by political and economic elites with the aid of complicit financial and legal service providers undermines lower income countries' ability to advance the welfare of their citizens and perpetuates aid dependency. According to the United Nations Conference on Trade and Development's Economic Development in Africa Report 2020, for example, every year an estimated \$88.6 billion—equivalent to 3.7 percent of Africa's GDP—leaves the continent in the form of illicit capital flight.

Corrupt actors exploit deficiencies in anti-money laundering and countering the financing of terrorism (AML/CFT) systems and processes—as well as in other critical transparency,



reporting, business, real estate, and tax regimes—to use public contracting, concessions, and procurement processes for personal enrichment. Corrupt elites and non-state armed groups enrich themselves through illicit proceeds and trade of high-value commodities, including gold, wildlife, timber, petroleum, and other natural resources. Across an ever-more connected and digital world, corrupt actors exploit oversight and regulatory weaknesses in jurisdictions around the world to divert and hide the proceeds of their acts. And by leaving their financial systems vulnerable to illicit assets—through anonymous shell companies, opaque transactions, and under-regulated professional service providers—rule-of-law-based societies continue to provide entry points for corrupt actors to launder their funds and their reputations. Such activity negatively impacts average citizens in the United States, tilting the economic playing field against working Americans, enabling criminals to flourish and foreign adversaries to subversively peddle their influence, perpetuating growth-dampening inequality, and contributing to pricing out families from home ownership through real estate purchases.

In parallel, authoritarian regimes and their proxies have been shown to engage in bribery and other corrupt acts as a means to advance their strategic goals, while exploiting the international financial system to offshore illicit gains, and influence elections and policies in democratic states. Corruption in the form of state-directed cross-border investments from authoritarian states, for example, has had a corrosive effect on institutions in developing countries. Such practices harm the competitive landscape of financial markets, and often have long-term corrosive impacts on governance and human rights standards. The U.S. Government will continue to study the weaponization of corruption to understand its use and impacts on the United States, other democracies, and countries around the world, as well as how to thwart and build resilience against this evolving threat.



OUR APPROACH

While the U.S. Government has long recognized countering corruption as an important foreign policy goal, a growing understanding of corruption's strategic impact and the increasing interconnectedness of the global economy underscores the need for a new approach. For the U.S. Government to effectively counter contemporary corruption, we must recognize the transnational dimensions of the challenge, and respond in a manner that is both systemic and tailored to local conditions. Doing so will require addressing vulnerabilities in the U.S. and international financial systems; bolstering international best practices, regulations, and enforcement efforts; supporting the role of non-governmental actors; building political will and recognizing when it is absent; and consistently pursuing accountability through a combination of diplomatic engagement, foreign assistance, and enforcement actions.

The United States will continue to evaluate and implement measures as needed to further safeguard our financial system, and will work with likeminded partners and relevant multilateral institutions to do the same. We will make it harder to hide the proceeds of ill-gotten wealth in opaque corporate structures, reduce the ability of individuals involved in corrupt acts to launder funds through anonymous purchases of U.S. real estate, and bolster asset recovery and seizure activities. We will innovate, adapt, partner, and learn, so as to maximize the potential for diplomatic tools, including foreign assistance and targeted sanctions, to stem corruption and to hold corrupt actors accountable, while expanding efforts to ensure that foreign assistance and engagement do not inadvertently contribute to corrupt practices. And we will continue to vigorously enforce the Foreign Corrupt Practices Act (FCPA) and other statutory and regulatory regimes via criminal and civil enforcement actions.

Countering corruption is not a simple task. Changing embedded cultures of corruption requires significant political will, and achieving sustained progress can take decades. Positive change requires consistent leadership, public accountability, an empowered and impartial judiciary, and a diverse and independent media. Mindful of these realities, the United States will increase support to state and non-state partners committed to reform, boost the capacity of other governments to tackle corruption, and empower those, including activists, investigative journalists, and law enforcement on the front lines of exposing corrupt acts. We will bolster and promote public-private partnerships to more consistently bring in the private sector as critical actors in the fight against corruption, help level the playing field and improve the international business climate, and lead in international fora as we work to curb the ability of actors to hide ill-gotten wealth behind anonymity. Our closest engagement will be with our most committed allies and partners, including with respect to the influence of strategic corruption deliberately employed by authoritarian governments.



STRATEGIC PILLARS

The United States Strategy to Counter Corruption rests on five distinct, mutually-reinforcing strategic pillars. Supporting each pillar are enumerated strategic objectives and specific lines of effort (LOEs), which are detailed in the attached appendix. As part of the implementation of this strategy, the Biden-Harris Administration will develop metrics to measure progress against each strategic objective, which will inform an annual report to the President.

Across all five strategic pillars, the United States will:

- ***Consult and Coordinate.*** To effectively counter corruption, the U.S. Government will consult and coordinate with representatives of civil society, the private sector, international and multilateral organizations, government partners, researchers, and the Congress.
- ***Elevate and Engage.*** Consistent with NSSM-1, the U.S. Government will prioritize efforts to reduce corruption as a national security concern within all relevant policy-making processes; elevate anti-corruption efforts through bilateral and multilateral diplomatic engagements; and encourage U.S. states and local jurisdictions, and state-regulated professionals, to redouble their efforts in parallel with federal action.
- ***Continuously Assess and Refine Our Approach.*** The U.S. Government will foster a culture of innovation that takes managed risks, assesses impact, and learns from setbacks, adjusting our approach to respond to new challenges and opportunities—especially as corrupt and illicit actors may change tactics in response to our actions.

PILLAR ONE:

Modernizing, Coordinating, and Resourcing U.S. Government Efforts to Better Fight Corruption

Although the United States has historically been a leader in the global fight against corruption, further prioritizing and amplifying anti-corruption efforts will require changes to the way the U.S. Government does business. We will therefore adapt our approaches to address the many ways that corruption manifests in the globalized economy. Departments and agencies will devote additional human resources to synchronize anti-corruption work as a core domestic and foreign policy priority, including by ensuring coordination with global partners to magnify our efforts. We will seek to foster and learn from governmental and non-governmental partners pioneering innovative solutions. And we will dedicate and steward financial resources by matching appropriate means to critical ends.

To do so, we will **enhance corruption related research, data collection, and analysis** (Strategic Objective 1.1), seeking to use information more effectively to understand and map corruption networks and related proceeds, and dynamics, and tailor prevention and enforcement-related actions, as well as build the evidence base around effective assistance approaches. We



will **improve information sharing domestically and internationally** (Strategic Objective 1.2), coordinating efforts across federal, state, tribal, and local governments, as well as with international allies and partners. We will **increase focus on the transnational dimensions of corruption** (Strategic Objective 1.3) throughout our foreign assistance programming, diplomatic engagement, and partnerships. We will **organize and resource the fight against corruption** (Strategic Objective 1.4) more effectively in order to institutionalize this work as a long-term priority. And we will **integrate anti-corruption considerations into regional, thematic, and sectoral priorities** (Strategic Objective 1.5), including through new guidance, engagement in planning and budgetary processes, assistance reviews, strategic communications, and integration across other sectors.

Example LOEs that will advance these strategic objectives include:

- Increasing intelligence prioritization, collection and analysis on corruption, corrupt actors, and their networks;
- Creating a new anti-corruption task force at the Department of Commerce, alongside the recently-established task force at the United States Agency for International Development (USAID), the recently established anti-corruption coordinating body at the Department of the Treasury, and in the Department of State, adopting new measures to enhance coordination and elevate diplomatic outreach, multilateral engagement, and alignment of policy, diplomacy, and foreign assistance;
- Increasing law enforcement resources, and bolstering information sharing between the Intelligence Community and law enforcement;
- Engaging with the Congress to encourage adequate resourcing of the anti-corruption agenda through assistance and operational budgets;
- Developing anti-corruption action plans for the U.S. Government to use in priority countries as part of existing or new country and regional strategies;
- Enhancing interagency capacities to respond to windows of opportunity to address corruption, as well as emerging corruption threats; and,
- Integrating anti-corruption programming and safeguards into key Administration priorities, including domestic economic recovery, Build Back Better World, COVID-19 recovery, and climate adaptation efforts.

PILLAR TWO: Curbing Illicit Finance

For too long, corrupt actors and their financial facilitators have taken advantage of vulnerabilities in the U.S. and international financial systems to launder their assets and obscure the proceeds of crime.¹ Similarly, corrupt actors amass ill-gotten wealth through illicit gains of other resources,

¹ See Department of the Treasury, National Money Laundering Risk Assessment, December 20, 2018, available at https://home.treasury.gov/system/files/136/2018NMLRA_12-18.pdf.



including minerals and wildlife. To counter corruption effectively around the globe, the U.S. Government must, at home and abroad, combat money laundering, illicit trafficking, and other forms of criminal activity that fuel corruption and allow criminal actors to launder and shelter the proceeds of their illicit activities.

As the largest economy in the international financial system, the United States bears particular responsibility to address our own regulatory deficiencies, including in our AML/CFT regime, in order to strengthen global efforts to limit the proceeds of corruption and other illicit financial activity. We will therefore **address deficiencies in the U.S. anti-money laundering regime** (Strategic Objective 2.1), including by effectively collecting beneficial ownership information on those who control anonymous shell companies, and by increasing transparency in real estate transactions. Recognizing how quickly money and other commodities move across borders, we will also **work with allies and partners to address governance weaknesses and other deficiencies** (Strategic Objective 2.2), tighten global regimes, increase information sharing and law enforcement cooperation, and prevent the establishment of new safe havens as we work to close old ones.

Example LOEs that will advance these strategic objectives include:

- Finalizing effective beneficial ownership regulations, and building a database of the beneficial owners of certain companies, in order to help domestic and international partners identify bad actors;
- Promulgating regulations targeting those closest to real estate transactions to reveal when real estate is used to hide ill-gotten cash or to launder criminal proceeds;
- Prescribing minimum reporting standards for investment advisors and other types of equity funds;
- Using existing authorities, and working with the Congress to expand authorities where necessary, to make sure that key gatekeepers to the financial system—including lawyers, accountants, and trust and company service providers—cannot evade scrutiny;
- Bringing aggressive enforcement action, including relevant tax enforcement, against money launderers and those who enable launderers as appropriate, considering new legislation expanding criminal substantive law as needed, and expanding investigative tools as well as new information generated by whistleblower programs and enhanced beneficial owner information disclosure obligations; and,
- Working with partner countries, through diplomatic engagement, law enforcement cooperation, and capacity building, to strengthen their regimes.

PILLAR THREE: **Holding Corrupt Actors Accountable**

As the U.S. Government works to address deficiencies and decrease the ability of corrupt actors to launder the proceeds of their activities through global markets, we will also hold accountable



those who choose to engage in corruption. As part of this effort, the U.S. Government will enforce existing rules using proven tools, while also working with the Congress on new authorities to take on the corruption challenge as it stands today.

To do so, we will **continue and enhance our strong enforcement efforts** (Strategic Objective 3.1), applying existing laws with vigor and expanding our cooperation with additional jurisdictions. We will **update the tools available to hold corrupt actors accountable at home and abroad** (Strategic Objective 3.2), including by working with the Congress to criminalize the demand side of bribery by foreign public officials. We will **work with partners to create complementary regimes and amplify our efforts** (Strategic Objective 3.3), coordinating and cooperating on tax enforcement, sanctions, visa restrictions, and other effective authorities and tools. We will **strengthen the ability of foreign partner governments to pursue accountability in a just and equitable manner** (Strategic Objective 3.4), enhancing support to international partnerships and transnational initiatives, and working with partners to incentivize and enhance their capacities to pursue reform. And we will **bolster the ability of civil society, media, and private sector actors to prevent corruption and push for accountability** (Strategic Objective 3.5), growing collaboration and communication with a wide range of partners.

Example LOEs that will advance these strategic objectives include:

- Continuing to vigorously pursue the enforcement of foreign bribery cases through the FCPA, money laundering charges, and forfeitures for promoting corrupt schemes and laundering corruption proceeds as appropriate;
- Establishing, through the Treasury, a pilot Kleptocracy Asset Recovery Rewards Program that will enhance the U.S. Government's ability to identify and recover stolen assets linked to foreign government corruption held at U.S. financial institutions;
- Launching an interagency Democracies Against Safe Havens Initiative, led by State, that will engage partner countries to coordinate actions on law enforcement, sanctions, and visa restriction implementation, and on detecting and disrupting kleptocracy and foreign bribery;
- Enhancing the capacity to identify, track, and disrupt illicit finance and other illicit activity, kleptocracy, and strategic corruption in priority countries through USAID's Global Accountability Program and other programs;
- Working with the private sector to improve the international business climate by encouraging the adoption and enforcement of anti-corruption compliance programs by U.S. and international companies, and promoting relevant anti-corruption provisions in trade agreements; and,
- Elevating diplomatic and development efforts to support, defend, and protect civil society and media actors, including investigative journalists.



PILLAR FOUR: Preserving and Strengthening the Multilateral Anti-Corruption Architecture

The United States remains committed to strengthening the international architecture in which multilateral initiatives, agreements, and standards magnify and give legitimacy to anti-corruption efforts around the world. Only by doing so will we decrease the prevalence of corruption and lower rewards for engaging in corrupt behavior. By leading within existing institutions and, in consultation with partners, building new fit-for-purpose platforms, the United States will further strengthen the multilateral system's approach to corruption as a global problem, using all available fora to tackle shared priorities and eliminate safe havens for corrupt actors and their criminal proceeds.

To do so, we will **bolster anti-corruption institutions and implementation of existing frameworks** (Strategic Objective 4.1), including by implementing existing agreements, pushing partners to live up to their obligations, and holding accountable those who fail to do so. We will also **redouble our efforts in multilateral fora** (Strategic Objective 4.2) to push for anti-corruption measures, advocate for strong corruption controls in any multilateral assistance, and expand and enhance our engagement in key venues.

Example LOEs that will advance these strategic objectives include:

- Preserving and strengthening the international anti-corruption architecture in organizations such as the Organization for Economic Cooperation and Development (OECD), the Organization of American States (OAS), and the United Nations, including through enhanced implementation of the United Nations Convention Against Corruption (UNCAC);
- Expanding NATO's Building Integrity Program to target corruption in finance, acquisition, and human resources functions;
- Pushing the G20 and G7 to implement strong transparency and anti-corruption measures across all ministerial tracks; and,
- Reinvigorating U.S. participation in the Open Government Partnership and Extractive Industries Transparency Initiative.

PILLAR FIVE: Improving Diplomatic Engagement and Leveraging Foreign Assistance Resources to Advance Policy Objectives

Diplomatic engagement, foreign assistance, including security sector assistance, and multilateral lending are central to the United States' approach to countering corruption. Collectively, these activities can bolster partner government will and capacity to foster ethical behavior, strengthen legal regimes and ensure enforcement of anti-corruption measures, and organize effective mitigation of, and responses to, the use of strategic corruption, among other actions. They can



also support civil society in spotlighting corruption, engaging in advocacy and action, and building support for anti-corruption reform.

However, in the absence of nuanced analysis of local political, economic, and social dynamics, adequate risk management measures, and alignment with other U.S. Government priorities, foreign assistance can be diverted or inadvertently reinforce corrupt power structures. To safeguard its assistance dollars, the U.S. Government must therefore assess the absorptive capacity of prospective partners, rationalize investments across the interagency, operate its programming with the utmost transparency, and ensure that its assistance efforts fully align with broader policy goals.

To address the global reach of corruption and its pernicious effects, we will **elevate and expand the scale of diplomatic engagement and foreign assistance** (Strategic Objective 5.1), including by enhancing partner governments' capacities to fight corruption in cooperation with U.S. law enforcement authorities. We will **protect anti-corruption actors** (Strategic Objective 5.2) and defend the freedom of expression of anti-corruption activists, whistleblowers, and investigative journalists. We will **bolster the prevention and oversight capacities of willing governments**, ensuring appropriate independence, checks and balances, and accountability (Strategic Objective 5.3). We will **leverage innovation in the fight against corruption** (Strategic Objective 5.4), applying new approaches and technological tools to promote transparency and detect fraud and illicit finance. We will **improve consistency and risk analysis across foreign assistance** (Strategic Objective 5.5), ensuring joint analysis to better understand corrupt networks, the likely impact of U.S. assistance on corruption dynamics, and best practices for mitigating risk in particular contexts. And we will **improve security assistance and integrate anti-corruption considerations into military planning, analysis, and operations** (Strategic Objective 5.6) and develop new protocols for assessing corruption risk.²

Example LOEs that will advance these strategic objectives include:

- Elevating corruption as a diplomatic priority in a manner tailored to local conditions;
- Developing U.S. embassy-specific strategies for bilateral and public diplomacy to support local and U.S. Government-funded anti-corruption initiatives, and to protect reformers;
- Substantially expanding anti-corruption focused U.S. assistance, and monitoring the efficacy of this assistance;
- Building additional flexibility into anti-corruption initiatives and assistance efforts to respond to unexpected openings or backsliding;
- Surging support to civil society and investigative journalism coalitions to ensure safety and greater collective action;

² Any new initiatives and expansions of existing efforts requiring additional financial resources included as part of this Strategy and associated Appendix are dependent on available funding.



- Bolstering public sector anti-corruption capacity, including through transparency and open government approaches, enhanced governance, and support for independent audit and oversight institutions;
- Developing anti-corruption integration tools and resources for practitioners in technical sectors;
- Re-evaluating the criteria for government-to-government assistance, including around transparency, accountability, opportunities for successful outcomes, and building successful relationships with U.S. law enforcement partners in anti-corruption efforts; and,
- Strengthening analysis of corruption risks in security cooperation and military operations.



THE WAY FORWARD

Corruption carries enormous costs, whether one measures in dollars, livelihoods, or faith in accountable governance. The scale of the problem is formidable. But so too is the global commitment to preventing and otherwise combatting it, which brings together governments, frontline activists, researchers, investigative journalists, members of the business community, and everyday citizens. Together with these partners, the U.S. Government will lead in advancing the fight against corruption, including through the power of our example at home.

The U.S. Government has already begun to implement actions under each of this Strategy's Strategic Objectives. To hold ourselves accountable, Federal departments and agencies, coordinated by the National Security Council, and in consultation with the National Economic Council and Domestic Policy Council, will report annually to the President on progress made against the Strategy's goals. By elevating our efforts, coordinating with partners, and learning as we move forward, together we will counter a crime that robs individuals and rots societies. Together, we will create a safer, more equitable, and more prosperous world.



APPENDIX: Lines of Efforts to Effectively Counter Corruption

The first United States Strategy on Countering Corruption provides a comprehensive roadmap for how the United States will amplify its efforts domestically and internationally, with governmental and non-governmental partners, to prevent, limit, and respond to corruption and related crimes. The U.S. Government will organize its anti-corruption work under the following five, mutually-reinforcing pillars:

- Modernizing, coordinating, and resourcing U.S. Government efforts to fight corruption;
- Curbing illicit finance;
- Holding corrupt actors accountable;
- Preserving and strengthening the multilateral anti-corruption architecture; and,
- Improving diplomatic engagement and leveraging foreign assistance resources to advance policy goals.

This Appendix outlines the key lines of effort falling under each of the five pillars' strategic objectives.

PILLAR ONE: Modernizing, Coordinating, and Resourcing U.S. Government Efforts to Fight Corruption

Strategic Objective 1.1: Enhance corruption related research, data collection, and analysis

- The Intelligence Community (IC) will work to increase intelligence prioritization, collection and analysis on corrupt actors and their networks.
- The U.S. Government will augment and improve analysis and understanding of how corruption threatens the United States, its partners, and allies across the political, social, and economic spheres. Departments and agencies will work toward a more comprehensive understanding of this threat picture, including by sharing information and data with the appropriate parts of the Federal Government, as well as with state, local, tribal, and territorial partners.
- Departments and agencies will work to support and better make use of analysis conducted by external partners, including academia, the private sector, civil society, and media.



Strategic Objective 1.2: Improve information sharing within the U.S. Government, with non-U.S.-Governmental entities, and internationally

- Departments and agencies will improve their communication efforts, information exchange, and public awareness campaigns related to the fight against corruption, including by increasing focus on corruption’s lesser-understood dimensions. These include the ways that corruption impacts vulnerable groups at a disproportionate rate, the impact of corruption as a transnational phenomenon, and the role of illicit finance in enabling corrupt acts. Departments and agencies will communicate the hazards posed by corruption and the need to address this threat comprehensively.
- Departments and agencies will promote information sharing internally as appropriate, as well as with governmental and non-governmental partners, in order to curb illicit finance, hold corrupt actors accountable, and bolster international partnerships.

STRATEGIC OBJECTIVE 1.3: Increase focus on the transnational dimensions of corruption

- The United States will increase its focus on the transnational aspects of corruption, including kleptocracy and the use of corruption by state actors and their proxies to advance national policy aims, through human and financial resourcing, information and intelligence collection and analysis, and through foreign assistance, information sharing, and robust partnerships with the private sector, multilateral institutions, civil society, and media actors.
- The United States will continue to link its anti-corruption efforts with those designed to tackle transnational organized crime, including understanding and disrupting networks, tracking flows of money and other assets, and improving information and intelligence sharing across U.S. departments and agencies, and, as appropriate, with international and non-governmental partners.

STRATEGIC OBJECTIVE 1.4: Organize and resource the fight against corruption, at home and abroad

- Law enforcement will be provided with the independence and resources necessary to investigate and prosecute domestic crimes involving abuses of the public trust. The Administration will advocate for greater transparency in the U.S. campaign finance system, and to strengthen prohibitions on foreign nationals attempting to influence federal, state, or local elections.
- Departments and agencies will support cross-cutting teams designed to combat corruption, and will launch new initiatives for the same:
 - The Department of the Treasury has established an Anti-Corruption team to develop and support the implementation of current and new initiatives to address corruption and corrupting influence on the U.S. economy. This team works across all elements of the Treasury, including financial crimes and financial intelligence, economic sanctions, financial transparency policy, criminal tax investigations, tax policy, and international finance.



- The Department of State will adopt new measures to enhance coordination, multilateral engagement, and alignment of policy, diplomacy, and assistance, and will further integrate anti-corruption efforts on a priority basis into a wide range of foreign policy issues.
- In June 2021, the U.S. Agency for International Development (USAID) created an agency-wide Anti-Corruption Task Force (ACTF), led by an Executive Director who reports directly to the Administrator. The ACTF works across all of the Agency’s Bureaus and Independent Offices, and in partnership with Missions, to: (1) develop ambitious and innovative anti-corruption programs and partnerships; (2) update relevant strategies, enhance communications, and forge new policy directions; (3) promote the integration of anti-corruption across all foreign assistance sectors, including health, education, climate change, infrastructure, and humanitarian response—and develop tailored safeguards against corruption risk in U.S. assistance; and (4) build additional long-term anti-corruption capacity, tools, and resources at USAID.
- The Department of Commerce has established an Anti-Corruption Working Group of internal experts to exchange information about ongoing departmental anti-corruption efforts and mutually reinforce this work across different offices within Commerce.
- The FY 2022 President’s Budget Request included a significant increase in resources in support of Financial Crimes Enforcement Network (FinCEN) authorities to build a new beneficial ownership data system for use by qualified law enforcement, consistent with efforts the United States has supported globally at the Financial Action Task Force (FATF). The Administration will continue to work with the Congress to adequately resource FinCEN and those departments and agencies who identify, investigate, and take enforcement actions against fraud, money laundering, terrorist financing, and proliferation financing.
- The United States will focus on law enforcement, including by aiming to deploy resources to, among other actions, investigate entities that appear to facilitate the most egregious activities, including those individuals facilitating money laundering for drug trafficking organizations, kleptocrats, and terrorist financing.

STRATEGIC OBJECTIVE 1.5: Integrate an anti-corruption focus into regional, thematic, and sectoral priorities

The U.S. Government will integrate anti-corruption considerations into the full range of its foreign policy-making, including, but not limited to:

- **Regional:** Departments and agencies will incorporate anti-corruption objectives into country-level and regional strategies, as well as through anti-corruption action plans for priority countries.
- **Strategic communications:** Departments and agencies will use existing and new platforms to convey both how and why the United States is expanding its anti-corruption efforts. Messaging around anti-corruption will be incorporated into public engagements, both in the United States and abroad, as U.S. officials seize opportunities to advance anti-corruption priorities.



- **Integration of anti-corruption considerations across foreign assistance:** The United States will support the integration of anti-corruption goals into the strategies, implementation, and learning of non-democracy sectors (e.g., health, education, economic growth) to improve sectoral outcomes and tackle corruption from multiple angles. As part of this commitment, we will consider establishing targets for the proportion of assistance that advances anti-corruption integration, and track progress meeting those targets over time.

Spotlight: Curbing Corruption Related to COVID-19 Response

In Peru, USAID leveraged citizen engagement to improve public integrity and reduce government corruption in disaster response efforts, including for COVID-19. Building off a platform established to observe flood relief funds, USAID trained civil society leaders to use virtual platforms to oversee public works and budget execution as “citizen watchdogs” for COVID relief. USAID supported 95 citizen monitors in observing the use of the \$27.5 million “Getting Going, Peru!” COVID economic recovery initiative, which is investing in housing, jobs, agriculture, and roads. Citizen monitors also supervised and reported on irregularities in the distribution of COVID food aid in 139 municipalities in Peru.

- **Infrastructure:** As part of the Build Back Better World (B3W) agenda, the United States will work with allies and partners to provide billions of dollars in transparent, high-quality infrastructure investment. B3W infrastructure projects will be developed in consultation with relevant stakeholders, spanning governments, civil society, non-governmental organizations, and the private sector. Additionally, the United States will provide government-to-government technical assistance to ensure partners are able to complete B3W infrastructure projects efficiently and accountably.
- **Climate:** The United States will work to integrate anti-corruption considerations into its activities to provide \$11 billion in climate finance to support climate action in developing nations, to ensure that those funds achieve their intended purpose.

PILLAR TWO: Curbing Illicit Finance

STRATEGIC OBJECTIVE 2.1: Address Deficiencies in the Anti-Money Laundering Regime

- **Beneficial ownership transparency:** The United States will publish regulations and build a beneficial ownership database to implement the Corporate Transparency Act (CTA). Corrupt actors frequently use opaque legal structures—such as shell companies—to hide and launder the proceeds of their crimes. In the U.S. anti-money laundering (AML) regime, the lack of timely access to adequate, accurate, and current beneficial ownership information has been identified as a gap. The 2018 U.S. National Money Laundering Risk Assessment³ found that misuse of legal entities to hide a criminal

³ See Department of the Treasury, National Money Laundering Risk Assessment, December 2018, available at https://home.treasury.gov/system/files/136/2018NMLRA_12-18.pdf.



beneficial owner or illicit source of funds had been reported by law enforcement as a common feature of money laundering and corruption schemes, that criminals consistently use shell companies to disguise criminal proceeds, and U.S. law enforcement agencies have had no systematic way to obtain information on the beneficial owners of legal entities.⁴ The CTA requires the Treasury to create a beneficial ownership registry that collects information of the true owners of certain companies—and to make that information accessible to Federal agencies engaged in national security, intelligence, and law enforcement activity; state, local, and tribal law enforcement; Federal functional regulators; appropriate foreign authorities; and financial institutions, with the consent of the company, to facilitate compliance with their due diligence obligations.

Spotlight: Procurement Collusion Strike Force

Initiated in November 2019, the Procurement Collusion Strike Force (PCSF) leads a coordinated national response to combat antitrust crimes and related schemes in government procurement, grant, and program funding at all levels of government—Federal, state, and local. The PCSF is comprised of the Antitrust Division of DOJ, multiple U.S. Attorneys’ Offices around the country, the Federal Bureau of Investigation (FBI), and the Inspectors General for multiple Federal agencies. Since its inception, the PCSF has expanded international collaboration and is engaging foreign partners in bid rigging, collusion, and market manipulation schemes negatively impacting government spending.

• Transparency in government

procurement: Section 885 of the FY21 National Defense Authorization Act (NDAA) requires prospective Federal contractors and grantees to disclose beneficial ownership, i.e., the true owners of the contracts, as information for inclusion in the Federal Awardee Performance and Integrity Information System database. The United States will publish effective regulations implementing the legislation. It is imperative that the U.S. Government, and our partners and allies, are open and transparent regarding the people and entities with which they are contracting.

Departments and agencies will also work with interested domestic and international stakeholders to leverage increased global interest in environmental, social, and governance investing as part of broader discussions on gatekeeping and encouraging clean corporate governance. This includes, among other things, improving organizational

transparency in corporate decision making, board makeup, and executive compensation.

⁴ See also FATF mutual evaluation of the United States, *December 2016*, available at <https://www.fatf-gafi.org/media/fatf/documents/reports/mer4/MER-United-States-2016.pdf>.



- **Real estate:** The Treasury will issue regulations that will include reporting requirements for those with valuable information regarding real estate transactions. The U.S. real estate market has become a significant destination for the laundered proceeds of illicit activity, including corruption. According to analysis conducted by Global Financial Integrity, more than \$2.3 billion was laundered through U.S. real estate between 2015 and 2020.⁵ Further, an assessment by the Treasury of Federal cases involving real estate forfeited during a three-year period found that complicit professionals and the use of legal entities and nominees were often involved in aiding all manner of illicit actors, to include corrupt officials, in purchasing U.S. real estate with criminal proceeds.⁶ In addition to providing corrupt actors a means to launder ill-gotten gains, a lack of transparency in real estate purchases imposes tangible costs on average Americans in the form of artificially inflated real estate prices. Such regulatory action will greatly diminish the ability of corrupt and other illicit actors to launder their proceeds through real estate purchases in the United States.

- **Investment advisers and other private equity funds:** The Treasury will re-examine the 2015 Notice of Proposed Rule Making (NPRM) that would prescribe minimum standards for anti-money laundering programs and suspicious activity reporting requirements for certain investment advisers. Certain types of investment professions and entities do not have comprehensive anti-money laundering obligations. This may allow corrupt actors to invest their ill-gotten gains in the U.S. financial system through hedge funds, trusts, private equity funds, and other advisory services or vehicles offered by investment advisers that focus on high-value customers. The lack of regulatory oversight of these industries means that, as the Treasury stated in its 2015 NPRM, “it [is] possible for money launderers to evade scrutiny more effectively by operating through investment advisers rather than through broker-dealers or banks

Spotlight: Geographic Targeting Orders

Certain types of real estate transactions are vulnerable to abuse by illicit actors seeking to launder criminal proceeds, including the proceeds of corruption. For example, many real estate transactions involve the use of shell companies, all-cash purchases, purchases by international wire from countries with strict banking secrecy regimes, processes that limit transparency, and the use of intermediaries without AML/CFT obligations. These vulnerabilities are exacerbated by a perception that real estate can be a safe way to park value and obfuscate the source of illicit funds.

Since 2016, FinCEN has issued geographic targeting orders (GTO) to title insurance companies, most recently requiring them to identify the natural persons behind legal entities used in all-cash purchases of residential real estate exceeding \$300,000 in 12 U.S. metropolitan areas. The GTOs have provided greater insight into illicit finance risks in the residential real estate market, but are only a temporary solution.

⁵ See Acres of Money Laundering: Why U.S. Real Estate is a Kleptocrat’s Dream by Lakshmi Kumar & Kaisa de Bel, August 2021, *available at* <https://gfintegrity.org/report/acres-of-money-laundering-why-u-s-real-estate-is-a-kleptocrats-dream/>.

⁶ See Department of the Treasury, National Strategy for Combatting Terrorist and Other Illicit Financing, January 2020, *available at* <https://home.treasury.gov/system/files/136/National-Strategy-to-Counter-Illicit-Financev2.pdf> at Page 17.



directly.”⁷ In addition to re-examining the 2015 NPRM, the Treasury will further consider whether to cover private placement funds, including investments offered by hedge funds and private equity firms.

- **Key gatekeepers/facilitators:** Deficiencies in the U.S. regulatory framework mean various professionals and service providers—including lawyers, accountants, trust and company service providers, incorporators, and others willing to be hired as registered agents or who act as nominees to open and move funds through bank accounts—are not required to understand the nature or source of income of their clients or prospective clients. Yet, they help raise funds, provide advice on investments, structure transactions, and can serve as an access point to the U.S. and international financial systems, including by facilitating the creation of opaque corporate vehicles. Additionally, complicit professionals are often sought by criminal organizations to facilitate their illicit activities. While U.S. law enforcement has increased its focus on such facilitators, it is both difficult to prove “intent and knowledge” that a facilitator was dealing with illicit funds or bad actors, or that they should have known the same.

Cognizant of such constraints, the Administration will consider additional authorities to cover key gatekeepers, working with the Congress as necessary to secure additional authorities. Departments and agencies will also consider ways to increase penalties on gatekeepers who facilitate corruption and money laundering, including by working with states to levy professional sanctions. The United States will consider expanded engagement with key gatekeepers including, as appropriate, information and other data sharing.

- **Tax/offshore financial centers:** The Treasury will advance its efforts to tackle tax evasion and help American families by making the U.S. and global system of taxation more equitable. While tax crimes are thought to be different than corruption, the two are often interconnected. For example, a World Bank study of 25,000 firms in 57 countries found that firms that pay more bribes also evade more taxes.⁸
- **Digital assets:** The United States will continue to review the risk posed by digital assets, including the ways in which corruption contributes to those risks, and will continue to refine policies and regulations as needed. As appropriate, the United States will engage countries to help with the analysis and development of central bank digital currencies in a manner consistent with stability, consumer and investor protection, and countering illicit finance. Advances in digital technology have dramatically improved the efficiency, convenience, and reach of digital alternatives to cash, and accelerated the usage of and commercial trading in digital assets across the world. At the same time, digital assets have been used in support of a variety of illicit activities, including proliferation financing, ransomware attacks, human and narcotics trafficking, fraud, corruption, and sanctions evasion.

⁷ See Anti-Money Laundering Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers, Notice of Proposed Rulemaking, 80 Fed. Reg. 52,680 (Sept. 1, 2015).

⁸ See <https://www.oecd.org/tax/crime/improving-co-operation-between-tax-authorities-and-anti-corruption-authorities-in-combating-tax-crime-and-corruption.pdf> (page 14)



- **Art and antiquities markets:** The AML Act mandates that the Treasury conduct a study of the facilitation of money laundering, terrorism finance, and other illicit financial dealings through the trade in works of art, which will be sent to the Congress by the end of 2021. The markets for art and antiquities—and the market participants who facilitate transactions—are especially vulnerable to a range of financial crimes. Built-in opacity, lack of stable and predictable pricing, and inherent cross-border transportability of goods sold, make the market optimal for illicit value transfer, sanctions evasion, and corruption. In September 2021, FinCEN issued an Advance Notice of Proposed Rulemaking (ANPRM) to solicit public comment on questions related to Section 6110 of the AML Act, which amends the Bank Secrecy Act by including as a type of financial institution a person engaged in the trade of antiquities. The comment period for the ANPRM ended on October 25, 2021, and FinCEN will adjudicate the comments with a view to issuing an NPRM in 2022.
- **Assessing additional potential deficiencies:** In addition to those actions discussed above, the United States will continue to assess and seek to remedy identified vulnerabilities in its AML regime and, as appropriate, cover additional sectors. This includes considering further action based on the findings of studies mandated by the AML Act.

STRATEGIC OBJECTIVE 2.2: Work with Partners and Allies to Address Deficiencies

- **Law enforcement coordination:** The United States will expand its involvement in formal and informal networks like the Europe-based Camden Asset Recovery Interagency Network and its regional bodies, and the International Anti-Corruption Coordination Center, which has multi-country membership and observers. It will also engage directly to increase cooperation with other countries' law enforcement, particularly on investigations leading to asset recovery, and asset returns consistent with Global Forum on Asset Recovery principles. This includes work with countries where the corruption occurred and jurisdictions where the assets have been transferred. This also includes working with State and USAID to ensure that assistance in capacity building is consistent with U.S. law enforcement efforts and priorities to better ensure successful outcomes.
- **Proactive disruption:** The United States will increase cooperation with like-minded countries to prevent the establishment of new safe havens for corrupt actors and their ill-gotten gains. Further, the United States will redouble efforts to assist developed countries in providing financial information critical to asset recovery, and in providing preventative measures, enforcement of forfeiture or confiscation orders, and asset returns, consistent with our obligations under multilateral conventions and international standards.
- **Facilitators:** The United States will work with allies and partners to push key gatekeepers and facilitators to tighten ways in which corrupt actors move money. In addition to the facilitators mentioned under Strategic Objective 2.1 above, internationally key facilitators for illicit finance and commodity (e.g., gold and other natural resources) flows also include the transportation, logistics, and construction industries.



PILLAR THREE: Holding Corrupt Actors Accountable

STRATEGIC OBJECTIVE 3.1: Enhance enforcement efforts

- **Enforcement of anti-money laundering criminal and civil laws:** The United States will implement newly established tools for investigating and prosecuting money laundering offenses. For example, the Department of Justice (DOJ) and its investigative partners now have expanded subpoena power for certain financial records maintained abroad, and new disclosure requirements for beneficial ownership information, as well as financial rewards to incentivize reporting on Bank Secrecy Act violations in financial institutions and for information leading to the identification and seizure of illicit proceeds.

Case Spotlight: Yahya Jammeh

The U.S. Government most effectively counters corruption through a whole-of-government approach and collaboration with allies and partners. Actions taken against former Gambian president Yahya Jammeh exemplify the merits of this approach.

Jammeh obtained millions of dollars through embezzlement and bribes, and conspired with family members to use shell companies and overseas trusts to launder these illicit proceeds, including through the purchase of a multimillion-dollar mansion in Potomac, Maryland. In 2017, the Treasury and State used Executive Order 13818, which implements the Global Magnitsky Act, and Section 7031 (c) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, to designate Jammeh, thereby freezing his assets and blocking visas for him and his immediate family. Then, in 2020, drawing from the results of the ensuing investigation conducted by Gambian officials, DOJ filed a civil complaint seeking the forfeiture of Jammeh's Maryland property.

returned funds from 2018 to 2021, to supplementing major projects to build roads and bridges in Nigeria, with \$311.7 million in returned funds in 2020, to providing infrastructure for clean water access in rural areas and greater public access to court proceedings in Kyrgyzstan in 2019.

- **Cryptocurrency and corruption:** DOJ will utilize a newly established task force, the National Cryptocurrency Enforcement Team, to focus specifically on complex investigations and prosecutions of criminal misuses of cryptocurrency, particularly crimes committed by virtual currency exchanges, mixing and tumbling services, and money laundering infrastructure actors.

- **Foreign bribery:** The United States will continue to aggressively pursue foreign bribery cases, and will work with other governments to enact similar laws and regulations regarding enforcement.

- **Kleptocracy Asset Recovery Initiative:** The United States will continue to prioritize countering foreign bribery through key offices in DOJ, including U.S. Attorneys' Offices around the country. For example, since 2010, DOJ's Kleptocracy Asset Recovery Initiative—in implementing laws related to money laundering—has facilitated the recovery and return of more than \$1.7 billion in corruption proceeds to the benefit of people harmed by corrupt acts. Those returned funds have been put to use for numerous purposes, from repaying debts resulting from fraudulent bond financing deals in Malaysia, with over \$1.2 billion in



- **Kleptocracy Asset Recovery Rewards program:** In addition to strengthening the United States' existing asset recovery program, the Treasury is establishing a pilot Kleptocracy Assets Recovery Rewards program pursuant to the FY 21 NDAA. The program will provide payments to individuals for information leading to the identification and recovery of stolen assets linked to foreign government corruption held at U.S. financial institutions. Designed to complement the U.S. Government's other anti-kleptocracy efforts, the pilot program is intended to provide law enforcement an additional and effective avenue to obtain valuable information and evidence that could assist in their investigations and, where possible, assist in repatriating assets to the countries from which they were stolen. This pilot program will instruct future initiatives and complement State's Transnational Organized Crime (TOC) Narcotics Rewards Programs.
- **Suspension and debarment:** U.S. departments and agencies will continue to utilize their regulatory authorities to remove corrupt individuals, companies, and other entities from the Federal marketplace and the Federal supply chain by excluding (suspending or debarring) such actors from U.S. Government contracts, subcontracts, grants and related business opportunities. The United States will protect U.S. taxpayer dollars from flowing to corrupt actors via such transactions by prioritizing the sharing of information across anti-corruption strategic goal activities with Suspension and Debarment Offices, in coordination with the Interagency Suspension and Debarment Committee. For example, the Department of the Air Force leads an Interagency Suspension and Debarment Subcommittee to focus on acquisition security, supply chain integrity, and information sharing.

STRATEGIC OBJECTIVE 3.2: Update tools available to hold corrupt actors accountable at home and abroad

- **Demand side of bribery:** Using a range of diplomatic and foreign assistance programming, the U.S. Government is committed to working with allies and partners on enacting legislation criminalizing the demand side of bribery, and enforcing new and existing laws, including in the countries where the bribery occurs. At the same time, U.S. law enforcement agencies will assist in capacity building for enforcement of such laws and in recovery of proceeds affecting the U.S. financial system.
- **Citizenship by Investment (CBI):** Departments and agencies will engage with foreign jurisdictions to address vulnerabilities created by Citizenship by Investment (CBI) programs. CBI programs attract investment by granting foreign investors citizenship rights in the country concerned—without requiring prior residency by the applicant. This additional nationality can undercut a cornerstone of AML/CFT regimes, as corrupt actors use CBI benefits to achieve enhanced access to the international financial system and visa-free mobility. Ineffective legal and regulatory oversight has led to the abuse of CBI programs by criminal actors, sanctions evaders, and corrupt officials. While we do not have a CBI program, the Administration is also committed to working with the Congress to enhance the process for vetting and granting visas under the U.S. EB-5 program.



STRATEGIC OBJECTIVE 3.3: Work with partner countries to bolster anti-corruption enforcement to amplify the use of tools

- **Sanctions and visa restrictions:** The United States will continue to engage relevant stakeholders in foreign governments, parliament, and civil society to advance efforts to multilateralize economic sanctions and visa restriction tools designed to curtail corruption. Advocating for stronger implementation of international commitments around the denial of safe havens is one of the most promising mechanisms to multilateralize visa restrictions measures. International coordination and cooperation can deny corrupt actors' physical access to key countries with sophisticated financial systems, as well as to globally-connected and lucrative markets. For example, the United States' strong coordination with the United Kingdom on their Global Anti-Corruption Sanctions (GACS) regime has successfully aligned our efforts against many of the same corrupt actors. Almost every designee under GACS is also designated under Section 7031(c) of the annual Department of State, Foreign Operations, and Related Programs Appropriations Act; the Global Magnitsky Act; or a country-specific sanctions program, denying these corrupt individuals access to both the U.S. and U.K. financial systems. Alongside this government-to-government engagement, the United States will also continue to expand partnerships with and leverage the contributions of non-governmental actors, such as civil society, investigative media, and the private sector in the fight against corruption and impunity, especially in countries where governmental cooperation is impractical.

Spotlight: Global Magnitsky and 7031(c)

Section 7031(c) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, and the Global Magnitsky Act sanctions program, as implemented by Executive Order 13818, have set the international standard for visa restrictions and economic sanctions regimes specifically focused on corruption. Taken together, these mechanisms have exposed corruption and blocked corrupt officials at all levels of government, including heads of state, members of parliament, governors, and mayors, from visiting and spending their ill-gotten gains in the United States.

On June 2, 2021, the United States executed the single largest anti-corruption action to date in the sanctioning of three Bulgarian individuals for their extensive roles in corruption in Bulgaria, as well as their networks encompassing 64 entities. The Treasury sanctions were complemented by actions taken by State to publicly designate two of the individuals, and three other Bulgarian public officials, under Section 7031(c), due to their involvement in significant corruption. This coordinated interagency action demonstrates the United States' commitment to hold accountable those involved in corruption and to impose tangible and significant consequences on those who engage in corruption as we work to protect the global financial system from abuse.

- **Launching the Democracies Against Safe Havens Initiative:** Via a new Democracies Against Safe Havens (DASH) Initiative, the U.S. Government, led by State, will work with foreign partners to prevent the establishment of financial safe havens for corrupt actors and increase the use of related enforcement tools. DASH will enhance the impact of the United



Spotlight: FBI International Corruption Unit

The FBI's International Corruption Unit, in conjunction with DOJ, has established squads in extraterritorial offices to investigate FCPA and kleptocracy cases. Since FY 2016, these squads have contributed to securing 172 convictions, 20 deferred prosecution agreements, and 13 non-prosecution agreements, and have collected over \$18 billion in criminal and civil monetary penalties.

States' anti-corruption visa restrictions and sanctions work by increasing pressure on corrupt actors through coordinated action spanning multiple countries. For governments that have such authorities, State, in partnership with the Treasury, will coordinate actions to amplify the impact of U.S. sanctions and visa restrictions. State will also engage in targeted outreach to specific countries with globally-connected financial systems that currently lack anti-corruption accountability measures, such as sanctions and visa restrictions, in order to encourage them to enact authorities similar to

Global Magnitsky and Section 7031(c).

Additionally, State, the Treasury, and DOJ will engage governments to detect and disrupt kleptocracy and foreign bribery, and to deny corrupt actors the ability to hide ill-gotten gains through the adoption of real estate transparency, beneficial ownership transparency, and other anti-money laundering measures. In line with U.S. interest and priorities, departments and agencies will work with partners in multilateral fora to push for ending offshore financial secrecy. Finally, the interagency will enhance efforts to build the capacity of foreign justice systems to issue and respond to formal evidence requests related to corruption under existing treaties and conventions, and to restrain and recover stolen assets, complementing the Treasury's implementation of the new Kleptocracy Assets Recovery Reward Program and State's ongoing implementation of the TOC Rewards Program.

- **Enforcing foreign bribery laws:** The United States will continue to assist partner governments seeking to enact and implement foreign bribery laws. Through the Organization for Economic Cooperation and Development (OECD) Working Group on Bribery, the United States will advocate for the full implementation of the Anti-Bribery Convention, ramped up enforcement, and improved and expanded international cooperation. With U.S. support, the Working Group on Bribery has concluded negotiations on a new Revised Recommendation for Further Combating Bribery in International Business Transactions, which will help to fulfil the goals of enhanced enforcement of foreign bribery laws and international cooperation in foreign bribery investigations and enforcement actions.

Spotlight: Billions in Public Funds Saved

In Ukraine, USAID has helped the government develop an electronic procurement system (PROZORRO, or "transparency" in Ukrainian), while also creating a community of civic actors and public buyers (DOZORRO, or "watchdog" in Ukrainian) to analyze state data, flag high-risk tenders and irregularities, and submit grievances to public authorities. Since October 2017, PROZORRO has helped save Ukraine nearly \$6 billion in public funds, including by cancelling illegal tenders.



STRATEGIC OBJECTIVE 3.4: Strengthen the ability of foreign partner governments to pursue accountability in a just and equitable manner

Spotlight: Asia-Pacific Economic Cooperation Forum (APEC) Small and Medium Enterprises Working Group (SMEWG)

Since 2010, Commerce’s International Trade Administration has led the Business Ethics for APEC SMEWG, the world’s largest public-private partnership focused on strengthening ethical business conduct and enabling a level playing field in target sectors of major export interest to the United States. Funded by APEC, industry, and other member economies, this well-established initiative identifies and endorses best practices, undertakes in-person and virtual capacity-building programs, and monitors and evaluates changes in the business environment through substantial data generation. Its work has resulted in the near universal adoption of the industry association code of ethics and its implementation among business groups in the pharmaceutical and medical device industries, promoting high-standard business practices to over 18,000 companies. The SMEWG has also supported the launch of eight national ethical consensus framework agreements that include nearly 150 stakeholder organizations spanning Australia, Canada, Chile, China, Japan, Peru, Philippines, and Vietnam. While this work operates within APEC, it also serves as a global model of public-private collective action, having facilitated advances in India, the United Arab Emirates, Europe, Latin America, and elsewhere. The SMEWG has also published a guide to government strategies to encourage ethical business practices. Commerce will continue leading this effort and conducting outreach to U.S. industry on this work.

- **Strengthening investigatory and prosecutorial capacity:** Through DOJ, State, and USAID, the United States will deepen cooperation with and assistance to countries with the political will for meaningful anti-corruption efforts, including through the establishment of legal and regulatory frameworks, strengthening detection and capacity oversight, improving accountability institutions and processes, and strengthening justice and law enforcement, including, where appropriate, partnering with countries in joint investigations and prosecutions. For example, the United States is expanding the number of Resident Legal Advisors to provide capacity-building, training, and case-based mentoring to the Guatemalan Public Ministry, and making it easier to deploy U.S. prosecutors and law enforcement experts to help develop corruption cases, including cases that touch the United States.

- **Expand support for international partnerships:** The United States will link governmental actors with counterparts and willing partners at the regional and global levels in order to foster greater cooperation in detecting, tracking, and referring corruption cases. This can include facilitating the exchange of law enforcement information among like-minded countries, including the International Anti-Corruption Coordination Centre.

Through its Global Accountability Program, for example, USAID will undertake new programming aimed at linking government actors across countries and regions to strengthen the ecosystem needed to prevent, detect, and mitigate corruption in the long-term. DOJ will also focus on building partnerships with counterparts to address and counter transnational corruption.



- **Continued and deepened support to international partnerships and transnational initiatives:** The United States, through State, will continue to deepen support to initiatives and networks that facilitate the exchange of information and enhance foreign partners' capacity to pursue accountability at the transnational level, including to the OECD Working Group on Bribery Law Enforcement Officials, Asset Recovery Inter-Agency Networks, the Egmont Group, INTERPOL, and others.

STRATEGIC OBJECTIVE 3.5: Bolster the ability of civil society, media, and private sector actors to safely detect and expose corruption, increase public awareness, and pursue accountability

- **Civil society support:** The United States will boost its ongoing efforts to support, defend, and protect investigative journalists and other civil society and media actors on the front lines of the fight against corruption. In recognition of the critical role that private sector actors play in combating corruption, as well as of the economic leverage that the private sector brings to bear, the United States will seek to enlist the private sector as a full-fledged partner in the fight against corruption, stimulating business self-regulation, promoting anti-corruption compliance measures, and unleashing private sector advocacy for anti-corruption reform. State, USAID, and other foreign assistance providers will expand and leverage partnerships with the private sector to root out corruption and enhance information sharing, including on corruption-related best practices and typologies.

These efforts will benefit from several new and expanded programs, including USAID's Combating Transnational Corruption Grand Challenge and Empowering Anti-Corruption Change Agents Program; the Global Anti-Corruption Consortium; and the Global Initiative to Galvanize the Private Sector as Partners in Combating Corruption. Departments and agencies will coordinate the design and implementation of these programs. Additionally, State's launch of the new global Anti-Corruption Champions Award will reinforce diplomatic and foreign assistance efforts in these areas and illustrate high-level U.S. commitment to reform-minded individuals both within and outside of government.

Spotlight: Putting the Brakes on an Illegal Mine

The health and livelihoods of a farming community outside of Ciudad Juarez, Mexico, were under threat by companies seeking to exploit an illegally acquired mining concession within a protected wilderness area. After an extensive investigation, which uncovered a web of corrupt deals, USAID partner Mexicanos Contra la Corrupción y la Impunidad (MCCI) intervened with legal action. The citizens who inhabit the area near the protected Samalayuca biosphere raised concerns of the irreparable environmental and socio-economic harm the open pit mine would introduce, backed by expert assessments. In collaboration with other USAID-supported civil society and media organizations, MCCI helped elevate these voices by exposing the corrupt means by which the mining company acquired their permit, resulting in a temporary injunction on the mine construction to allow for further investigation, more robust impact studies, and a closer look at the underlying contracts. This key win for the local community demonstrates the power of citizen oversight and strategic legal interventions to curb corruption.



- **Regulatory action:** The United States will continue to expand and use existing regulatory authorities more effectively, including using Section 314 of the USA PATRIOT Act more robustly. Section 314(a) provides a mechanism for law enforcement to engage with points of contact at more than 14,000 financial institutions to locate accounts and transactions of persons who might be involved in money laundering and terrorist financing.⁹ Section 314(b) provides financial institutions with the ability to share information with one another, under a safe harbor that offers protections from liability, in order to better identify and report suspicious activities. Participation in information sharing pursuant to Section 314(b) is voluntary, and FinCEN strongly encourages financial institutions to participate to enhance compliance with their AML/CFT requirements.¹⁰ Together, these information-sharing mechanisms provide a robust framework for public-private information sharing in the fight against illicit finance.
- **Priority setting:** Mirroring the Treasury’s 2018 National Money Laundering Risk Assessment,¹¹ which identified corruption as one of the highest money-laundering risks in the United States, on June 30, 2021, FinCEN, following consultation with other relevant Treasury offices, as well as Federal and state regulators, law enforcement, and national security agencies, issued priorities for AML/CFT policy (Priorities) as required by the AML Act¹². The Priorities identify corruption as one of the most significant AML/CFT threats currently facing the United States. The establishment of these Priorities is intended to assist all covered institutions in their efforts to meet their obligations under laws and regulations designed to combat money laundering and counter terrorist financing. FinCEN will issue regulations at a later date that will specify how financial institutions should incorporate these Priorities into their risk-based AML programs.
- **Facilitate the sharing of information by non-governmental actors:** The United States will engage with non-governmental actors seeking to share actionable information with U.S. law enforcement and sanctions experts. The Administration is currently increasing support for civil society-led efforts to document and report on corruption in accordance with evidentiary support requirements for visa restrictions and sanctions mechanisms in the United States and internationally. The United States will provide a safe and enabling environment to those exposing, reporting on, and fighting corruption and, as appropriate, for their relatives and other close persons, and will support and protect any U.S. person who identifies, detects, or reports corruption and related offenses against any unjustified treatment. The United States will also continue to urge other countries to fulfill their own obligations and commitments to provide such protections.

⁹ See <https://www.fincen.gov/sites/default/files/shared/314afactsheet.pdf>

¹⁰ See <https://www.fincen.gov/sites/default/files/shared/314bfactsheet.pdf>

¹¹ See Department of the Treasury, National Money Laundering Risk Assessment, December 20, 2018, available at https://home.treasury.gov/system/files/136/2018NMLRA_12-18.pdf.

¹² See Anti-Money Laundering and Countering the Financing of Terrorism National Priorities, June 30, 2021, available at: [https://www.fincen.gov/sites/default/files/shared/AML_CFT%20Priorities%20\(June%2030%2C%202021\).pdf](https://www.fincen.gov/sites/default/files/shared/AML_CFT%20Priorities%20(June%2030%2C%202021).pdf).



PILLAR 4: Preserving and Strengthening the Multilateral Anti-Corruption Architecture

STRATEGIC OBJECTIVE 4.1: Bolster existing anti-corruption frameworks and institutions

- **Effective implementation of international frameworks:** The United States will continue to provide financial support and expertise to the operation of international anti-corruption frameworks and their review mechanisms. Departments and agencies will place particular emphasis on pressing foreign partners to fulfill their obligations to criminalize and prosecute foreign bribery, given its effect on the ability of U.S. businesses to compete fairly overseas. The United States will also defend against attempts to weaken global anti-corruption norms regarding the provision of safe havens for corrupt actors or corrupt proceeds as well as attempts to exclude civil society from international fora. The United States is committed to implementing existing obligations and commitments under the UN Convention Against Corruption (UNCAC), the OECD Anti-Bribery Convention, the FATF, and regional treaties and frameworks. The United States is further committed to working with countries to accede to and abide by the relevant conventions.
- **Strengthening implementation of UNCAC:** The United States will work with partners to discuss ways to strengthen UNCAC implementation. An international framework is only as strong as its implementation, including at the country level, where operational, law enforcement, and legal components of an anti-corruption system must work together effectively to deliver results.
- **Building accountable, effective, and resilient security institutions:** The United States, led by the Department of Defense (DOD), will work towards elevating, prioritizing, and surging funds to institutional capacity building (ICB) activities to leverage DOD's significant history of, and expertise in, improving resiliency through support of democracy and anti-corruption efforts with our global partners. DOD's ICB efforts, which also align with NATO's Building Integrity program, are particularly well-placed to simultaneously integrate key principles of advancing democratic civil-military relations, building transparent and resilient security sectors, and strengthening civilian leadership across multiple institutional functional areas. In addition to continued support to NATO's Building Integrity program, DOD will coordinate with State and USAID and can adapt the approaches presently used in DOD ICB to apply them more comprehensively toward democratization and anti-corruption outcomes. This effort will nest with DOD's assessment, monitoring, and evaluation framework, as required by the FY17 NDAA. It will also advance DOD's use of learning agendas to create positive feedback loops and better identify new ways of establishing responsible defense governance and internal controls in order to help build more accountable, effective, and transparent defense institutions with partners.



Strategic Objective 4.2: Redoubling efforts at multilateral fora

The United States will continue to pursue its anti-corruption objectives in a range of international fora, including:

- **G7 and G20:** The G7 and G20 provide critical international leadership on anti-corruption. Working closely with allies and partners, the United States will continue to push G7 and G20 members to effectively implement strong transparency and anti-corruption measures, such as those put forth in the FATF standards, and to strengthen G7 and G20 engagement with non-governmental stakeholders to include the private sector, civil society, and other relevant actors have a voice in shaping these efforts. The United States will prioritize a focus on promoting transparency and good governance across all G7 and G20 tracks. The United States will pursue similar tracks, as appropriate, in other high-level political groupings, such as the FATF, with a focus on the role of new safe havens for corruption and other illicit proceeds.
- **Development finance and international financial institutions:** Although the international financial institutions (IFIs) and multilateral trust funds include safeguards on their own financial assistance, the United States, along with other donor countries, will continue to work and engage with these entities to align and strengthen anti-corruption guardrails and to enhance, when needed, oversight over procurement and overall use of funds. The United States will also advocate for greater attention on anti-corruption efforts in IFI programing, including stronger focus on anti-corruption reforms and capacity-building in IFI operations and allocation systems that reward good governance. This advocacy will be based on the United States' existing efforts to promote transparency and tackle corruption through its own official financing instruments, such as the Export-Import Bank of the United States and the United States International Development Finance Corporation.

Additionally, the United States will work with other donors to these multilateral institutions to increase assistance transparency, promote enhanced information sharing within countries, and to foster dialogues regarding heightened corruption risk or diminished will to combat corruption.

- **Global partnerships and platforms:** The United States will expand and enhance its engagement with and support for key global partnerships and platforms that aim to enhance transparency and combat corruption. As part of this effort, the United States will renew its commitment to the Open Government Partnership (OGP), which brings together civil society and governments to co-create and implement National Action Plans comprised of policy reform commitments. The United States, a founding member of OGP, will further institutionalize OGP implementation domestically, solidify channels of collaboration with civil society, and expand existing support both directly to OGP and to international partners working to advance OGP processes. The United States will also explore deepening its support for other key global platforms, such as the Extractive Industries Transparency Initiative—a critical tool for advancing accountability, countering strategic corruption, and promoting a fair playing field for U.S. businesses and other businesses around the world.



PILLAR 5: Improving Diplomatic Engagement and Leveraging Foreign Assistance Resources to Advance Policy Goals

Strategic Objective 5.1: Elevate and expand the scale of diplomatic engagement and foreign assistance that address corruption¹³

Spotlight: Anti-corruption Champions Award

The U.S. Government recognizes that we will only be successful in combating corruption by working in concert with committed partners, including courageous individuals who champion anti-corruption efforts and lead their countries in working to fulfill their commitments to international anti-corruption standards. For that reason, in 2021, Secretary of State Antony Blinken announced the creation of a new Anti-Corruption Champions Award, which will be conferred annually by the Secretary of State to honor courageous individuals in government and civil society working to prevent, expose, and combat corruption around the world.

- **Diplomatic engagement:** The United States will elevate anti-corruption as a priority within its diplomatic and public diplomacy efforts in a manner tailored to local conditions, and will support governmental and non-governmental actors combatting corruption through bilateral and multilateral contexts.

- **Expand assistance:** The United States will pursue a substantial expansion in anti-corruption focused U.S. assistance, and will monitor the efficacy of this assistance, including through external evaluations.

- **Anti-corruption considerations:** The United States will integrate anti-corruption considerations across other spheres of development assistance, including global health, anti-crime and rule of law, conflict and fragility, and humanitarian assistance.

- **Rule of law:** The United States will establish new and expanded foreign assistance programs to enhance the capacity and independence of oversight and accountability institutions, including legislatures, supreme audit institutions, comptrollers, and inspector generals. Additional programs will bolster investigation and detection tools and processes, and strengthen the capacity of countries to “follow the money.” These will supplement long-standing foreign assistance initiatives that strengthen public financial management, build justice sector institutions, and support e-governance and digitization, which can reduce opportunities for corruption.

STRATEGIC OBJECTIVE 5.2: Protect anti-corruption actors

When anti-corruption activists, whistleblowers, and investigative journalists challenge corrupt power structures, the corrupt often fight back with physical threats and legal harassment. The United States stands in solidarity with these reformers, and will take the following measures to protect their freedom of expression:

¹³ Any new initiatives and expansions of existing efforts requiring additional financial resources included as part of this Strategy and associated Appendix are dependent on available funding.



- **Support for journalists and other change agents:** The United States will deploy new and existing programming to respond to rapidly evolving threats to, and harassment of, reformers, journalists, and other anti-corruption change agents. For example, USAID is working on the creation of “defense-only” liability coverage to investigative reporters and their organizations in the event of defamation claims.
- **Increased education:** The United States will increase education in the anti-corruption community about existing global emergency assistance mechanisms, such as the Lifeline: Embattled CSOs Assistance Fund, which can provide short-term financial assistance to members of civil society who have been threatened or attacked for their work, including those engaging in anti-corruption or transparency efforts.
- **Countering Strategic Lawsuits Against Public Participation (SLAPP):** Departments and agencies will work to counter nuisance suits against journalists and activists, and will seek additional authorities, working with the Congress if needed, to advance anti-SLAPP programs and policies. When possible, the United States will coordinate actions with partner countries taking similar steps.

Spotlight: Safeguarding Journalists

USAID’s PROSAFE activity, implemented by the International Center for Journalists (ICFJ)/Connectas, supports investigative journalism in environments where they are under threat from criminal organizations and/or facing pressure and censorship. The target countries for the PROSAFE activity are Mexico, Nicaragua, Ecuador, Peru, El Salvador, Guatemala, Honduras, and Paraguay. PROSAFE trains journalists on the use of the digital platform tools, data analysis and data journalism, cross-border investigations, physical and internet security, and multi-media reporting, and supports regional exchanges. Beyond strengthening the investigative capacity of journalists, this activity has helped create a regional clearinghouse for investigative journalism that publishes on their behalf, providing an outlet for stories too dangerous to be published with an individual by-line, and providing an umbrella organization for security, mentoring, and collaboration among journalists.

STRATEGIC OBJECTIVE 5.3: Leveraging Innovation in the Fight Against Corruption

- **Use of innovation to prevent and combat corruption:** The United States will mobilize a diverse array of non-traditional partners and technologies, devote additional resources to pre-existing initiatives, and launch new initiatives intended to reduce transnational corruption. These include the Anti-Corruption Solutions through Emerging Technology program, which will engage diverse stakeholders—spanning government, civil society, and the private sector—to collaborate on tracking, developing, improving, and applying new and existing technological solutions to systemic challenges in preventing and detecting corruption.



Spotlight: Role of Technology-Focused Assistance and Programming in Combatting Corruption

The United States has increasingly incorporated technology into its criminal justice reform and anti-corruption programming. A case in point is State's project to build a platform for countries to use distributed ledger technology to provide transparency and oversight in the return of stolen assets. The application of this existing technology in a new sphere leverages transparency and traceability to help governments where money is being returned by preventing returned stolen assets from being re-corrupted. Through State's programming, anti-money laundering foreign assistance in priority jurisdictions leverages big data analytics and increases investigator capacity to use open-source intelligence data to detect and identify money laundering trends, check for anomalies to quickly identify suspicious transactions, bolster investigations and prosecutions, and identify sanctioned entities to more accurately freeze and confiscate assets.

State and its partners will help foreign governments implement and use existing technology to combat corruption while hosting "TechSprints" or "hackathons" to develop new and useful applied technologies. USAID will launch a new initiative to partner with diverse problem-solvers from across the globe, leveraging their strengths and networks to source tools and approaches that detect and disrupt the illicit finance and other resource flows that fuel corruption and crime. Additional new mechanisms and partnerships will include private sector actors from key industries, technologists, civil society and media, researchers and academics, philanthropists, and other donors to undertake collective actions, develop innovative tools and technologies, and launch groundbreaking programs.

- **Expanded agility and rapid response:** The United States will expand existing, and develop new, rapid response tools for emerging areas of

increased risk for corruption. Allowing for more agile response capabilities among partners will provide increased critical assistance, particularly to new democratic and reform-minded regimes and global civil society partners, as they more effectively investigate, prosecute, and adjudicate corruption and kleptocracy; and better address the role corruption plays in facilitating transnational organized crime and malign influence from state actors. In order to meet these needs, the United States will implement two new response funds. First, USAID's Anti-Corruption Response Fund will support, test, and pilot evidence-based, responsive, and transformative anti-corruption programming. Additionally, the Fund will respond to the increasingly globalized nature of corruption and its linkages to transnational organized crime, kleptocracy, and strategic corruption. The second fund, the Global Anti-Corruption Rapid Response Fund, will be jointly managed and implemented by State and DOJ, and will enable expert advisors to consult with, mentor, and assist foreign anti-corruption counterparts around the world.

- **New domains of action:** Departments and agencies will consider how to further incorporate a transnational lens into its anti-corruption foreign assistance, including by expanding support for international networks of investigative journalists, civil society advocates, and criminal justice practitioners. In addition, the United States will seek to deepen its work at the sub-national level, given the importance of grassroots actors in driving lasting change, by expanding opportunities for small organizations to compete for U.S. funds and cooperating with social movements for positive change.



Strategic Objective 5.4: Improve coordination and risk analysis across foreign assistance

- **Establishing a common understanding:** The U.S. Government will prioritize the development of a common understanding of corruption risks through joint analyses that outline corruption dynamics, networks, and nodes; consider enablers and drivers of corrupt behavior; examine the potential impact of providing foreign assistance (including security sector assistance); and identify possible entry points or levers to shift the dynamics of corruption in order to incentivize reform. This common understanding will serve as a basis for consultations between Washington, U.S. embassies overseas, and the interagency to inform decision-makers as they weigh trade-offs associated with U.S. assistance and mitigate risks. As part of this work, foreign assistance agencies will strive to better “know their partner” and map the vectors of corruption in the benefiting country, including through consultation with intelligence, law enforcement, journalists, and civil society organizations. Relevant departments and agencies, including the Intelligence Community, USAID, State, the Treasury, DOJ, DOD, Commerce, and the Millennium Challenge Corporation will establish periodic information-sharing mechanisms to ensure a common understanding of the operating environment, and to facilitate interagency coordination on program design and implementation.
- **Improved risk mitigation measures:** Relevant departments and agencies, led by USAID, will review existing approaches to assessing and addressing corruption risk in development and humanitarian assistance, evaluating whether gaps exist in current frameworks; and whether those frameworks need to be more robustly implemented.
- **Pilot programs to effectuate change:** In order to help shape the above analyses, the U.S. Government will continue to pursue pilot programs in the Dominican Republic and the Democratic Republic of the Congo as a “proof of concept” to determine best practices for future interagency collaboration in using foreign assistance to combat corruption, and to pursue innovation, experimentation, adaption, and reflection on existing approaches. USAID has made funds available to missions in these two countries to explore joint analysis, design, and programming models in collaboration with on-the-ground interagency colleagues at State, the Treasury, DOJ, DOD, and Commerce, among others.
- **Criteria for government-to-government assistance:** The United States will consistently apply criteria across countries specifically related to transparency, accountability, and anti-corruption, including around the protection of journalists and whistleblowers.

Strategic Objective 5.5: Improve security assistance and integrate corruption considerations into military planning, analysis, and operations

Corruption poses inherent challenges to the success of U.S. and partner military missions. Unattended, corruption increases the risk that assistance will be diverted—wasting taxpayer dollars, empowering malign actors, undermining the mission writ large, and threatening the safety of U.S. service members. To better address these risks, the United States will:

- **Develop protocols for assessment of corruption risk:** The United States will strive to develop protocols for assessing corruption risk before new or large security assistance



activities are initiated, including via the interagency analyses described above. When a substantial corruption risk is identified, mitigation measures will be ascertained and senior leaders will weigh whether the benefits of proceeding outweigh the costs of doing so.

- **Assessment of political will:** The Administration will assess the extent, form, and causes of corruption in the security sector and the political will for anti-corruption reforms by the government, and leverage security assistance to help establish internal accountability mechanisms within the security sector.
- **Train-and-equip support:** The United States will consider how to incorporate standards for security governance into its review of security assistance programs and arms transfer decision-making, including greater transparency in military budgets, whistleblower protections, and oversight of the security sector.
- **DOD training:** DOD will strengthen defense training to incorporate considerations of how corruption can undermine U.S. objectives and will work to build partner capacity to address corruption.
- **Strengthen process planning:** The United States, led by DOD, will strengthen planning processes to include more deliberate considerations of security sector governance prior to the provision of assistance.
- **Security cooperation evaluations:** The United States will conduct more frequent security cooperation evaluations of the highest-cost efforts in countries with significant risks of corruption to determine the effectiveness of DOD security cooperation initiatives.
- **Continue security cooperation reforms:** DOD will continue implementation of the security cooperation reforms in the FY17 NDAA, particularly with regard to personnel, and training and assessment, and monitoring and evaluation, with a view towards incorporating anti-corruption efforts in DOD security cooperation initiatives.