

## BRIEFING ROOM

# Fact Sheet: U.S. Strategy on Countering Corruption

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*“Corruption threatens United States national security, economic equity, global anti-poverty and development efforts, and democracy itself. But by 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.”*

*President Joe Biden*

*June 3, 2021*

Corruption is a cancer within the body of societies—a disease that eats at public trust and the ability of governments to deliver for their citizens. The deleterious effects of corruption impact nearly all aspects of society. It exacerbates social, political, and economic inequality and polarization; impedes the ability of states to respond to public health crises or to deliver quality education; degrades the business environment and economic opportunity; drives conflict; and undermines faith in government. Those that abuse positions of power for private gain steal not just material wealth, but human dignity and welfare.

Recognizing corruption’s ability to corrode democracy, on June 3, 2021, President Biden established the fight against corruption as a core U.S. national security interest. Accordingly, he directed his national security team to lead the creation of a comprehensive strategy that, when implemented, would improve the U.S. Government’s ability to prevent corruption, more effectively combat illicit finance, better hold corrupt actors accountable, and strengthen the capacity of activists, investigative journalists, and others on the front lines of exposing corrupt acts.

Today, in line with the President’s direction, the Biden-Harris Administration is releasing the first-ever United States Strategy on Countering Corruption. The Strategy outlines a whole-of-government approach to elevating the fight against corruption. It places particular emphasis on better understanding and responding to the threat’s transnational dimensions, including by taking additional steps to reduce the ability of corrupt actors to use the U.S. and international financial systems to hide assets and launder the proceeds of corrupt acts.

To guide implementation, the Strategy organizes U.S. Government efforts to fight corruption under five mutually-reinforcing pillars:

**Modernizing, coordinating, and resourcing U.S. Government efforts to fight corruption:**

While the United States has long been a leader in the global fight against corruption, addressing the threat as a national security imperative requires an updated approach. This will include:

- Better understanding and responding to the transnational dimensions of corruption, including by prioritizing intelligence collection and analysis on corrupt actors and their networks.
- Elevating anti-corruption work as a cross-cutting priority in key departments and agencies across the federal government, including through coordinating bodies at the Departments of State, Treasury, and Commerce, and the U.S. Agency for International Development (USAID).
- Increasing law enforcement resources and bolstering information sharing between the intelligence community and law enforcement.

**Curbing illicit finance:** Corrupt actors and their facilitators rely on vulnerabilities in the United States and international financial systems to obscure ownership of assets and launder the proceeds of their illicit activities. As the world's largest economy, the United States bears responsibility to address gaps in our own regulatory system and work with our allies and partners to do the same. This means addressing deficiencies, including by:

- Issuing beneficial ownership transparency regulations that help identify bad actors hiding behind opaque corporate structures.
- Enacting first-of-their-kind regulations that target those closest to real estate transactions to reveal when real estate is used to hide ill-gotten cash or to launder criminal proceeds.
- Working with the Congress and within existing regulations to make it harder for certain gatekeepers to the financial system – including lawyers, accountants, and trust and company service providers – to evade scrutiny.
- Working with partner countries through multilateral fora, diplomatic engagement, law enforcement cooperation, and capacity building to strengthen their anti-money laundering regimes to bring greater transparency to the international financial system.

**Holding Corrupt Actors Accountable:** While the U.S. Government shores up regulatory gaps and works with partners and allies to do the same, we will also hold accountable those who choose to engage in corruption, including by:

- Elevating diplomatic and development efforts to support, defend, and protect civil society and media actors, including investigative journalists who expose corruption.
- Launching a new initiative to engage partner countries on detecting and disrupting foreign bribery.
- Establishing a 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 that are held at U.S. financial institutions.
- 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.

**Preserving and strengthening the multilateral anti-corruption architecture:** The U.S. Government is committed to strengthening the international anti-corruption architecture, which includes multilateral initiatives, commitments, and standards that push countries to make real improvements in countering corruption. The United States will continue to preserve and strengthen this vital architecture, including by:

- Working with the G7 and G20 to implement strong transparency and anti-corruption measures across ministerial tracks.
- Building and expanding accountable, effective, and resilient security institutions to target corruption in finance, acquisition, and human resources functions.
- Reinvigorating U.S. participation across a number of initiatives, including the Open Government Partnership and Extractive Industries Transparency Initiative.

**Improving diplomatic engagement and leveraging foreign assistance resources to achieve anti-corruption policy goals:** Diplomatic engagement and foreign assistance, including security assistance, are vital to the United States' efforts to counter corruption. Taken together, these efforts can bolster partner governments' capacity and will to counter corruption, and support civil society and others engaged in advocacy and action. To safeguard assistance dollars from inadvertently supporting corrupt actors, the United States will improve its risk management processes and better understand local political, economic, and social dynamics. The United States will therefore expand and enhance its efforts, including by:

- Elevating anti-corruption work as a priority within its diplomatic efforts.
- Reviewing and re-evaluating criteria for government-to-government assistance, including around transparency and accountability.
- Expanding anti-corruption focused U.S. assistance, and monitoring the efficacy of this assistance.
- Building additional flexibility into anti-corruption initiatives and broader assistance efforts to respond to unexpected situations worldwide.
- Bolstering public sector anti-corruption capacity and support, including to independent audit and oversight institutions.

The United States Strategy on Countering Corruption marks a new chapter in the United States' efforts to curb corruption's harmful effects. As accountability is vital, Federal departments and agencies will report annually to the President on progress made against the Strategy's objectives.

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