

February 18, 2021

The Honorable Ben Cardin
U.S. Senate Committee on Foreign Relations

The Honorable Roger Wicker
U.S. Senate Committee on Foreign Relations

RE: Support for the CROOK Act

Dear Senators Cardin and Wicker,

As organizations and individuals who work to promote transparency and accountability in government, and to combat the abuse of power in the public and private sectors, we write in support of the Countering Russian and Other Overseas Kleptocracy Act (the “CROOK Act”). From our collective research and experience living and working around the world, we see your bill as providing important and timely funds to help counter kleptocracy and bolster democratic institutions when they are at their most vulnerable.

On New Year’s Day, Congress approved several new anticorruption measures included in the National Defense Authorization Act for Fiscal Year 2021 (“NDAA”). From preventing anonymous companies from serving as conduits for corruption¹ to providing awards to those who report on stolen assets linked to foreign government corruption in U.S. financial institutions,² the NDAA provided strong evidence that combatting foreign corruption through substantive, impactful legislation is a truly bipartisan, national priority.

The 117th Congress can continue this work by passing the CROOK Act. The legislation offers a uniquely compelling approach to combatting corruption. The bill explicitly recognizes the relationship that exists between corruption, democracy, and sustainable economies. The U.S. State Department’s Bureau of International Narcotics and Law Enforcement Affairs recently explained that fighting corruption “promotes stability, the rule of law, human rights, and democracy,” and “enhances economic growth in foreign markets, and levels the playing field for American businesses”;³ Freedom House recently concluded that “stable, transparent governments built on respect for human rights and the rule of law tend to foster environments that are conducive to the establishment and unfettered operation of private enterprises;”⁴ and a

¹ The Independent, “US passes ‘historic’ anti-corruption law that effectively bans anonymous shell companies,” Jan. 1, 2021, <https://www.independent.co.uk/news/world/americas/us-passes-historic-anti-corruption-legislation-that-effectively-bans-anonymous-shell-companies-b1781380.html>.

² JD Supra, “New Treasury Department Whistleblower Reward Program Targets Foreign Corruption,” Jan. 18, 2021, <https://www.jdsupra.com/legalnews/new-treasury-department-whistleblower-9673345/>.

³ U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs “Anticorruption Fact Sheet,” Mar. 22, 2019, <https://www.state.gov/anticorruption/>.

⁴ Freedom House, “Democracy is Good for Business,” Aug. 3, 2015, <https://freedomhouse.org/blog/democracy-good-business> (“[D]emocratic governments seeking to bolster the global economy and develop new markets should press their counterparts not just for lower barriers to trade and less red tape, but also for strong and accountable democratic institutions”).

review by Transparency International's Anti-Corruption Helpdesk identified how corruption negatively impacts investment, taxation, public expenditures, and human development.⁵

The CROOK Act reflects and responds to these relationships by investing the proceeds of a new sanction on some of the most egregious violators of U.S. anticorruption law into programs that can disrupt the emergence of corruption around the world.

For governments, these payments can provide stability to fledgling democratic institutions, and much-needed capacity for new anticorruption reforms. These payments can also incentivize investment, lower costs, and promote economic growth. As professionals working at the intersections of these and other durable U.S. foreign policy goals, we see the CROOK Act as a true win-win for American interests, and as a rare opportunity for the U.S. to supplement its short- and long-term anticorruption investments; investments that, over time, will inure to generations of Americans at home and abroad.

We applaud you for your leadership on the CROOK Act and look forward to working with you to make this bill a reality. For any questions or additional information, please contact Scott Greytak, Director of Advocacy for Transparency International's U.S. office, at sgreytak@transparency.org.

Sincerely,

Organizations

Academics Stand Against Poverty
Accountability Lab
Centre for Study of Corruption, University of Sussex (UK)
Coalition for Integrity
EG Justice
The FACT Coalition
The Free Russia Foundation
Freedom House
Global Financial Integrity
Government Accountability Project
Human Rights First
The Integrity Sanctuary
Joint Baltic American National Committee
Luna Global Networks & Convergence Strategies LLC
Never Again Coalition
The ONE Campaign
Oxfam America
The Sentry
Transparency International—U.S. Office

Prominent Individuals

Abigail Bellows, former U.S. State Department advisor

⁵ Transparency International, "The Impact of Corruption on Growth and Inequality," Mar. 15, 2014, https://www.transparency.org/files/content/corruptionqas/Impact_of_corruption_on_growth_and_inequality_2014.pdf.

Alexandra Gillies, author of *Crude Intentions: How Oil Corruption Contaminates the World*
Camille Eiss, Chief of Global Partnerships and Policy, Organized Crime and Corruption Reporting Project; former Senior Advisor for Anti-Corruption to the Assistant Secretary for Democracy, Human Rights, and Labor, U.S. State Department
Clay R. Fuller, PhD, foreign policy analyst; researcher; author
Daniel Rogers, cybersecurity expert; Professor of Global Affairs, New York University
Frank Vogl, Co-Founder of Transparency International; Chairman, the Partnership for Transparency Fund
Ilya Zaslavskiy, head of Underminers.info
Jodi Vittori, Retired Air Force; former member of U.S. Military Shafafiyat Anti-Corruption Task Force
Kristofer Harrison, former senior Bush Administration State Department and Defense Department policy official
Louise I. Shelley, Director, Terrorism, Transnational Crime and Corruption Center
Natalia Arno, President of Free Russia Foundation
Nate Sibley, Kleptocracy Initiative
Vladimir Milov, Russian opposition politician and associate of Alexey Navalny