



## STOP AMERICAN COMPLICITY IN RUSSIAN OTHER FOREIGN CORRUPTION PASS THE ENABLERS ACT

### SUMMARY

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Money that is stolen by Russian leaders from their own people helps to maintain and finance a government of repression, authoritarianism, and military aggression. This theft often requires moving those stolen funds out of Russia and into other countries, especially Western countries, where it can be hidden, invested, and grown.

Corrupt actors traditionally tried to launder such funds through banks. But as anti-money laundering (AML) laws for banks have been strengthened, these actors are increasingly relying on non-bank service providers who are not subject to these laws.

In 2003, the Financial Action Task Force (FATF), the intergovernmental AML standard-setting body formed by the U.S. and other major industrial nations, [determined](#) that certain non-bank businesses and professions should be subject to the same AML rules as banks. Yet the U.S. has failed to fully comply with FATF's guidance.

The [U.S. Strategy on Countering Corruption](#) recognizes these loopholes in our AML laws, stating that “[d] efficiencies in the U.S. regulatory framework mean[s] various professionals and service providers,” including “lawyers, accountants, trust and company service providers, incorporators,” and others “are not required to understand the nature or source of income of their clients or prospective clients.”

In the Strategy, the Administration commits to “consider[ing] additional authorities to cover key gatekeepers, working with the Congress as necessary to secure additional authorities.” **The ENABLERS Act would provide Treasury with such additional authorities.**

## EXAMPLES

### RUSSIA



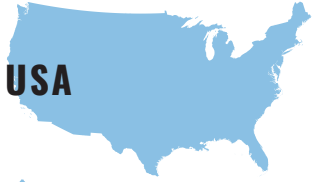
A U.S. gatekeeper formed a company in Delaware that [reportedly](#) owns a **\$15 million** mansion in Washington, D.C., that is linked to one of **Vladimir Putin's** closest allies. Also [reportedly](#) connected to the oligarch is a **\$14 million** townhouse in New York City owned by a separate Delaware company.

### MALAYSIA



The Pandora Papers, the largest exposé of global financial data in history, [described](#) how an adviser to the former **Prime Minister of Malaysia** reportedly used affiliates of a U.S. law firm to assemble and consult a network of companies, despite the adviser fitting the “textbook definition” of a high-risk client. The adviser went on to use his companies to help steal **\$4.5 billion** from Malaysia’s public investment fund in one of “the world’s biggest-ever financial frauds.”

### USA



The **Pandora Papers** [uncovered](#) nearly **30 U.S.-based** trusts that “held assets linked to people or companies accused of fraud, bribery, or human rights abuses.”

### ANGOLA



An **American consulting company** [reportedly](#) made millions of dollars working for companies owned or partly owned by Isabel dos Santos, the eldest child of a former president of **Angola**. This included working with Angola’s state oil company when it was run by dos Santos and helping to “run a failing jewelry business acquired with Angolan money.” In 2021, a Dutch tribunal found that dos Santos and her husband obtained a **\$500 million** stake in the oil company through “grand corruption.”

## HOW THE DISCUSSION DRAFT WOULD STOP THOSE WHO ENABLE CORRUPTION

The ENABLERS Act would empower the Treasury Department to require those professional service providers who serve as key gatekeepers to the U.S. financial system to adopt AML procedures that can help detect, flag, and prevent the laundering of corrupt and other criminal funds into the United States.

- + These gatekeepers include those who provide financial, company, trust, or third-party payment services for their clients, including those who form, buy, or sell companies, manage money and other assets, process payments, or act as trustees.
- + The Act uses a risk-based approach by authorizing the Treasury Department to require different, minimum AML procedures for different gatekeepers. Given the level of risk involved, gatekeepers could be required to:
  - + identify and verify the true owners of their corporate clients;
  - + collect and report to Treasury certain information that can be used to guard against corruption, money laundering, the financing of terrorism, and other forms of illicit finance;
  - + establish AML programs;
  - + report suspicious transactions; and/or
  - + establish due diligence policies, procedures, and controls in order to “know their customers.”
- + To ensure that the measure’s safeguards are meaningfully enforced while minimizing costs, the Act:
  - + Requires the Treasury Department to work collaboratively with state, local, territorial, and tribal agencies that are best positioned to implement and enforce the Act;
  - + Provides federal money to state, local, territorial, and tribal governments to help implement and enforce the law, including funds to modernize information technology that effectively supports enforcement of the Act;
  - + Requires the Treasury Department to explore technologies that can effectuate the collection and sharing of the information gathered under the law, and that can minimize any burdens associated with the collection or sharing of this information; and
  - + Gives state, local, territorial, and tribal governments access to federal resources to levy professional sanctions (e.g., fines, disbarment) on those who facilitate corruption, money laundering, the financing of terrorist activities, and other related crimes.