

The Honorable Nancy Pelosi
Speaker of the House of Representatives
235 Cannon House Office Building
Washington, D.C.
20515

The Honorable Chuck Schumer
Senate Majority Leader
322 Hart Senate Office Building
Washington, D.C.
20510

Re: Support the ENABLERS Act in the National Defense Authorization Act

Dear Majority Leader Schumer and Speaker Pelosi:

We are a broad and diverse group of organizations committed to defending our democracy and ensuring that our institutions operate on behalf of the people. It is with that purpose in mind that we call on you to support the inclusion of the “Establishing New Authorities for Businesses Laundering and Enabling Risks to Security Act” (ENABLERS Act) in the National Defense Authorization Act for Fiscal Year 2023 (NDAA). This year presents a once-in-a-decade chance to pass truly transformational anti-corruption legislation. Passage of the ENABLERS Act would transform the United States from a center of global financial secrecy into the heart of a renewed global movement to combat financial corruption. We must not let this moment pass.

Right now, bad actors are sheltering and moving billions of dollars of corruptly-sourced cash in and through the U.S. financial system, undermining democracy abroad and here at home. In particular, since Russia invaded Ukraine earlier this year, the Treasury Department, in concert with global allies, blocked off or froze more than \$30 billion in assets tied to Russian oligarchs, as well as over \$300 billion in Russian central bank assets. Russian money can and unfortunately has made its way into our communities—and even our elections, with foreign dark money trying to buy influence and exact favorable policy.¹

A web of enablers, including asset managers, certain lawyers and accountants, company incorporators, and other similar professionals, facilitates these practices by helping kleptocrats funnel their money into the country and into our markets—**all while not being required to have**

¹ See Anders Åslund and Julia Friedlander, “Defending the United States against Russian dark money,” *Atlantic Counsel*, Nov. 17, 2020, <https://www.atlanticcouncil.org/in-depth-research-reports/report/defending-the-united-states-against-russian-dark-money/#h-introduction>; Gabe Lezra, “U.S. Real Estate Secrecy Links Global Corruption, Domestic Inequality,” *Just Security*, Mar. 23, 2022, <https://www.justsecurity.org/80790/u-s-real-estate-secrecy-links-global-corruption-domestic-inequality/>; and James Fanelli and Corinne Ramey, “Ex-Donors to GOP Charged With Fraud,” *Wall St. Journal*, Jul. 18, 2022, <https://www.wsj.com/articles/former-gop-donors-charged-in-investment-fraud-scheme-involving-illegal-contributions-11658174558?mod=e2twp>.

any anti-money laundering (AML) checks that can help flag, prevent, and stop the flow of these illicit funds.

As identified in the Biden Administration’s anti-corruption strategy,² while American banks and other financial institutions are required to employ AML safeguards that can help ensure the money they accept is not “dirty,” U.S. enablers do not have any AML obligations. As a result, for example, the U.S. investment advisers who allegedly invested billions of dollars connected to the Russian oligarch Roman Abramovich had no legal obligation to make sure the money they invested was not the product of corruption.³ This is the loophole that the ENABLERS Act would close.

This is not simply a national security or foreign policy concern. Strengthening the country’s ability to fight corruption will have knock-on impacts in the fight against income inequality, environmental degradation, labor exploitation, tax evasion--and even inflation, which has been driven, in part, by real estate investment funds flush with foreign opaque cash driving up the cost of housing across the country.⁴ Even more, empowering our nation’s financial crime fighters with the ENABLERS Act will help win the battle to protect and strengthen our democracy, as the Biden Administration explained in its 2021 Strategy on Countering Corruption: “[C]orruption threatens United States national security, economic equity, global anti-poverty and development efforts, and democracy itself ... 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.”⁵

Over the last two years, Congress and the Biden Administration have taken major steps to fight financial corruption and end the country’s status as the world’s premier jurisdiction for dirty money.⁶ Since the passage of the Corporate Transparency Act (CTA), the Biden Administration has begun a rulemaking process to crack down on dirty money in the real estate sector,⁷ issued a powerful rule as part of the implementation of the CTA’s beneficial ownership registry

² United States Strategy on Countering Corruption, Dec. 2021,

<https://www.whitehouse.gov/wp-content/uploads/2021/12/United-States-Strategy-on-Countering-Corruption.pdf>.

³ Matthew Goldstein and David Enrich, “How One Oligarch Used Shell Companies and Wall Street Ties to Invest in the U.S.”, *New York Times*, Apr. 5, 2022,

<https://www.nytimes.com/2022/03/21/business/russia-roman-abramovich-concord.html>.

⁴ White House Counsel of Economic Advisors, “Housing Costs and Inflation,” Sep. 9, 2021, <https://www.whitehouse.gov/cea/written-materials/2021/09/09/housing-prices-and-inflation/>.

⁵ United States Strategy on Countering Corruption, Dec. 2021, <https://www.whitehouse.gov/wp-content/uploads/2021/12/United-States-Strategy-on-Countering-Corruption.pdf>.

⁶ FACT Coalition, “U.S. Ranked Most Secretive Financial Jurisdiction in the World,” May 17, 2022, <https://thefactcoalition.org/u-s-ranked-most-secretive-financial-jurisdiction-in-the-world/>.

⁷ Financial Crimes Enforcement Network, “Anti-Money Laundering Regulations for Real Estate Transactions,” 86 Fed. Reg. 69589, 69589, Dec. 8, 2021, <https://www.federalregister.gov/documents/2021/12/08/2021-26549/anti-money-laundering-regulations-for-real-estate-transactions>.

requirements,⁸ and labeled fighting corruption a core national security interest.⁹ As the Administration said in its Strategy on Countering Corruption, the reform that ENABLERS would accomplish is an important next piece in that puzzle; simply put, our national security and law enforcement communities need the authorities provided by the Act in order to hold accountable key actors that should be gatekeepers to the U.S. financial system.¹⁰

ENABLERS would help ensure that corrupt cash doesn't make it into our country and our markets in the first place. If the ENABLERS Act passes, Congress will have led a sea-change in American anti-corruption law. In just a few years, the United States will have been transformed into a global leader in the fight against financial corruption.

Moments when true reform is possible are exceedingly rare. Revolutionizing America's anti-corruption laws and protecting our country from the increasingly negative impact of corrupt money cannot wait. We call on you to do everything you can to ensure that the ENABLERS Act is signed into law as part of the NDAA.

Kind Regards,

Accountability Lab

AFL-CIO

Africa Faith and Justice Network (AFJN)

American Federation of State, County and Municipal Employees (AFSCME)

American Federation of Teachers

American Humanist Association

Americans for Financial Reform (AFR)

Americans for Tax Fairness

Anti-Corruption Data Collective

⁸ Financial Crimes Enforcement Network, "Beneficial Ownership Reporting Requirements," 87 Fed. Reg. 59498, 59498, Sep. 30, 2022, <https://www.federalregister.gov/documents/2022/09/30/2022-21020/beneficial-ownership-information-reporting-requirements>.

⁹ White House Memorandum on Establishing the Fight Against Corruption as a Core United States National Security Interest, Jun. 3, 2021, <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/06/03/memorandum-on-establishing-the-fight-against-corruption-as-a-core-united-states-national-security-interest/>.

¹⁰ United States Strategy on Countering Corruption, Strategic Objective 2.1: Address Deficiencies in the Anti-Money Laundering Regime, Dec. 2021, <https://www.whitehouse.gov/wp-content/uploads/2021/12/United-States-Strategy-on-Countering-Corruption.pdf>.

Association of Concerned Africa Scholars (USA)
Bekker Compliance Consulting Partners, LLC
Blue Wave Postcard Movement
California Reinvestment Coalition
Citizens for Responsibility and Ethics in Washington
(CREW)
Clean Elections Texas
Coalition for Integrity
Coalition on Human Needs
Communications Workers of America (CWA)
Crude Accountability
Democratic Messaging Project
Economic Policy Institute
EG Justice
Environmental Investigation Agency US
Essential Information
Faiths for Safe Water
Financial Accountability and Corporate Transparency
(FACT) Coalition
Financial Transparency Coalition
Fix Democracy First
Foreign Policy for America
Friends of the Earth US
Fund for Constitutional Government
Future Coalition
Global Financial Integrity
Government Accountability Project
Government Information Watch
Greenpeace USA
Health Care For America Now
Human Rights First

Human Rights Watch
Institute for Justice & Democracy in Haiti
Institute for Policy Studies -Inequality Program
Institute on Taxation and Economic Policy
International Campaign for Responsible Technology
International Coalition Against Illicit Economies (ICAIE)
International Federation of Professional and Technical
Engineers (IFPTE)
International Rights Advocates
IUE-CWA
Jubilee USA Network
League of Conservation Voters
Liberty Shared
March On
Missionary Oblate
MoneyOutVA
National Transparency Project
NETWORK Lobby for Catholic Social Justice
Never Again Coalition
Open Contracting Partnership
Organized Crime and Corruption Reporting Project
Oxfam America
Polaris
Progressive Change Campaign Committee
Project On Government Oversight (POGO)
Public Citizen
Publish What You Pay - US
Repatriation Group International
Rights CoLab
RootsAction.org

SMART Elections

Take on Wall Street

The Digital Democracy Project

The Sentry

The Workers Circle

Transparency and Accountability Initiative

Transparency International U.S.

U.S. PIRG

United Church of Christ, Justice and Local Church
Ministries

US-Africa Bridge Building Project

Visual Teaching Technologies, LLC

Voices for Progress

Woods & Wayside International