TRANSPARENCY INTERNATIONAL U.S.
fighting corruption, promoting democracy

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The Honorable Antony Blinken
United States Secretary of State
U.S. Department of State
2201 C Street, NW Washington, DC 20520

October 7, 2024

Dear Secretary Blinken,

We write to urge the U.S. delegation to this this year's G20 meetings in Brazil to push for significant improvements to the financial integrity commitments of the member countries.

As you know, Transparency International is the largest global coalition dedicated to combatting corruption with chapters in more than 100 countries in all regions of the world. In the U.S., the chapter has a focus on the role of the U.S. in combatting transnational corruption. In October of this year, we published a briefing paper with a comprehensive list of specific financial integrity recommendations that the G20 should adopt at the upcoming meetings.

With Brazil nominating sustainable development and inequality reduction as G20 priorities for 2024, we were hopeful that the G20 would recognise that tackling the pernicious harms of corruption – transnational corruption, in particular – is essential to any meaningful and sustainable progress on that agenda. However, we are disappointed to see issues of financial integrity, governance and combatting corruption are not a priority issue.

Corruption wreaks significant harm upon sustainable development efforts. It diverts public expenditure, skews decisions over resource allocation, and undermines resource mobilization. In the latter case, we know that illicit financial flows drain massive amounts of funds from public budgets, outpacing aid and investment in many countries, while undermining the institutions responsible for combating these abuses. This undercuts the global fight against inequality and deepens economic disparities both within and between countries. This Administration has, through presidential memoranda and a first ever U.S. national strategy to counter corruption, stated as much. At the very opening, in the second sentence of the national strategy, the document recognizes that, *"[Corruption] degrades the business environment, subverts economic opportunity, and exacerbates inequality."*

The G20 itself has previously acknowledged the threats to sustainable development and inequality reduction created by corruption. G20 leaders have, over time, reaffirmed their resolve to fight corruption; yet meaningful, coordinated action has remained elusive. In practice, we have seen corruption treated more as an afterthought, or something to

namecheck, within the priorities of G20 presidencies, leaders' communiques or G20 conversations outside of the Anti-Corruption Working Group (ACWG).
To break this cycle of inertia, the G20 must take certain steps regarding financial integrity, governance and anticorruption efforts to create a greater implementation imperative. The first opportunity is the conclusion of a set of bold and strategic commitments to fighting transnational corruption at the G20 ACWG ministerial meeting in Natal on October 24. Additional opportunities include a renewal of the G20's ACWG multi-year Action Plan, and clear directives in the text of the Rio G20 Leaders' Summit Communique.

The U.S. should call upon member states to establish specific priorities to end financial secrecy and finally deliver effective regimes including best practice beneficial ownership transparency, effective regulation and supervision of financial system gatekeepers (without whose help corrupt officials and criminals would not be able to hide and enjoy their illicit wealth), and strengthened international cooperation and intelligence sharing to prevent, detect and prosecute cross-border corruption.

Many G20 economies are both primary destinations for illicit financial flows and key players in setting international standards. This gives the G20 not only a comparative advantage but also a responsibility to coordinate financial integrity reforms to close the loopholes that allow illicit financial flows to thrive. These are the very same loopholes which, unless addressed as a priority, will render any new G20 effort to tackle inequality ineffective.

As the Rio Summit approaches, we urge you to make financial integrity a central focus of G20 discussions. Only by advancing these priority reforms can the G20 help low- and middle-income countries to effectively mobilize resources to improve the lives of some of the world's most at-risk populations. We urge you to seize the opportunity presented by this year's G20 agenda and deliver much-needed financial integrity measures across the G20 economies to stop illicit financial flows from landing on G20 shores.

We thank you for your consideration of your views and would appreciate the opportunity for further engagement.

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