

Biden administration releases the first-ever United States Strategy on Countering Corruption

On December 6, 2021, the Biden administration published the first-ever United States Strategy on Countering Corruption. This has as precedent June 3, 2021, President Biden's National Security Study Memorandum-1 (NSSM-1) which established the fight against corruption as a "core national security interest of the United States."

Pursuant to NSSM-1, Federal departments and agencies have conducted an interagency review to take stock of existing U.S. Government anti-corruption efforts and to identify and seek to rectify persistent gaps in the fight against corruption.

This first United States Strategy on Countering Corruption builds on the findings of the review and lays out a comprehensive approach for how the United States will work domestically and internationally, with governmental and non-governmental partners, to prevent, limit, and respond to corruption and related crimes.

The United States Strategy to Counter Corruption rests on five distinct strategic pillars. Supporting each pillar are different strategic objectives and specific lines of effort.

PILLAR ONE: Modernizing, Coordinating, and Resourcing U.S. Government Efforts to Better Fight Corruption

As part of the strategy, departments and agencies of the U.S. Federal government will devote additional human resources to synchronize anti-corruption work as a core domestic and foreign policy priority by ensuring coordination with global partners to magnify efforts.

To do so, the United States will enhance corruption related research, data collection, and analysis, improve information sharing domestically and internationally; organize and resource the fight against corruption more effectively to institutionalize this work as a long-term priority; and integrate anti-corruption considerations into regional, thematic, and sectoral priorities, including through new guidance, engagement in planning and budgetary processes, assistance reviews, strategic communications, and integration across other sectors.

Actions as creating a new anti-corruption task force at the Department of Commerce; adopting new measures to enhance coordination and elevate diplomatic outreach, multilateral engagement, and alignment of policy, diplomacy, and foreign assistance; increasing law enforcement resources; engaging with the Congress to encourage adequate resourcing of the anti-corruption agenda through assistance and operational budgets; and integrating anti-corruption programming and safeguards into key Administration priorities, including domestic economic recovery, Build Back Better World, COVID-19 recovery, and climate adaptation efforts; among others, will be taken to complete this labor.

PILLAR TWO: Curbing Illicit Finance

The United States will address deficiencies in the U.S. anti-money laundering regime, including by effectively collecting beneficial ownership information on those who control anonymous shell companies, and by increasing transparency in real estate transactions.

The United States will also work with allies and partners to prevent the establishment of new safe havens while working to close old ones.

The United States Strategy on Countering Corruption also contemplates to finalize effective beneficial ownership regulations and to build a database of the beneficial owners of certain companies, to help domestic and international partners to identify bad actors.

The United States will also work on issuing regulations targeting those closest to real estate transactions to reveal when real estate is used to hide ill-gotten cash or to launder criminal proceeds, prescribing minimum reporting standards for investment advisors and other types of equity funds, among others.

PILLAR THREE: Holding Corrupt Actors Accountable

The United States Strategy on Countering Corruption is also focused on holding accountable those who choose to engage in corruption. As part of this effort, the U.S. Government will enforce existing rules while also working with the Congress on new authorities to take on the corruption challenge as it stands today.

Actions like updating the tools available to hold corrupt actors accountable at home and abroad; working with partners to create complementary regimes and amplify the United States efforts; strengthening the ability of foreign partner governments to pursue accountability in a just and equitable manner; and bolstering the ability of civil society, media, and private sector actors to prevent corruption and push for accountability, will be used to achieve the United States objectives.

The United States Strategy on Countering Corruption also revealed that the United States will establish a pilot 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 held at U.S. financial institutions. The program will provide payments to individuals for information leading to the identification and recovery of stolen assets linked to foreign government corruption held at U.S. financial institutions.

This new strategy also contemplates to launch an interagency Democracies Against Safe Havens Initiative, that will engage partner countries to coordinate actions on law enforcement, sanctions, and visa restrictions implementation, and on detecting and disrupting kleptocracy and foreign bribery; to work 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, and promoting relevant anti-corruption provisions in trade agreements; and to elevate diplomatic and development efforts to support, defend, and protect civil society and media actors, including investigative journalists.

Regarding the cryptocurrency, the Department of Justice will utilize a newly established task force, the National Cryptocurrency Enforcement Team, to focus specifically on complex investigations and prosecutions of criminal misuses of cryptocurrency, particularly crimes committed by virtual currency exchanges, mixing and tumbling services, and money laundering infrastructure actors.

U.S. departments and agencies will continue to utilize their regulatory authorities to remove corrupt individuals, companies, and other entities from the Federal marketplace and the Federal supply chain by excluding (suspending or debarring) such actors from U.S.

PILLAR FOUR: Preserving and Strengthening the Multilateral Anti-Corruption Architecture

By leading within existing institutions and, in consultation with partners, the United States will further strengthen the multilateral system's approach to corruption as a global problem, using all available fora to tackle shared priorities and eliminate safe havens for corrupt actors and their criminal proceeds.

Bolstering anti-corruption institutions and implementing of existing frameworks and redoubling efforts in multilateral fora to push for anticorruption measures and advocate for strong corruption controls in any multilateral assistance, are contemplated by the United States Strategy on Countering Corruption.

The United States will also preserve and strengthen the international anti-corruption architecture in organizations such as the Organization for Economic Cooperation and Development (OECD), the Organization of American States (OAS), and the United Nations, including through enhanced implementation of the United Nations Convention Against Corruption (UNCAC). The United States will also push the G20 and G7 to implement strong transparency and anti-corruption measures across all ministerial tracks.

PILLAR FIVE: Improving Diplomatic Engagement and Leveraging Foreign Assistance Resources to Advance Policy Objectives

To address the global reach of corruption and its pernicious effects, the U.S. Government will elevate and expand the scale of diplomatic engagement and foreign assistance; protect anti-corruption actors; leverage innovation in the fight against corruption; improve consistency and risk analysis across foreign assistance and improve security assistance and integrate anti-corruption considerations into military planning, analysis, and operations; among other actions.

As informed through the United States Strategy on Countering Corruption, the U.S. Government has already begun to implement actions. Federal departments and agencies will report annually to the President on progress made against the Strategy's goals.

Undoubtedly, the issuance of the United States Strategy on Countering Corruption confirms that in the Biden administration, corruption is, as he already remarked, a "core national security interest of the United States." The message is clear, it is about fighting corruption domestically and globally. Using all possible resources and structures.

Therefore, it is imperative that companies ensure that they are following the anticorruption best practices, and have proper controls and internal policies in place.

To obtain any additional information please contact our experts:

Diego Sierra, Partner:

+52 (55) 5258 1039 | dsierra@vwys.com.mx

Raymundo Soberanis, Partner:

+52 (55) 5258 1034 | rsoberanis@vwys.com.mx

Pablo Fautsch, Partner:

+52 (55) 5258 1077 | pfautsch@vwys.com.mx

S I N C E R E L Y

VON WOBESER Y SIERRA, S.C.

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VON WOBESER Y SIERRA, S.C.

Paseo de los Tamarindos 60

05120 Mexico City

+52 (55) 5258 1000

vonwobeser.com