To promote international efforts in combating corruption, kleptocracy, and illicit finance by foreign officials and other foreign persons, including through a new anti-corruption action fund, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. KEATING (for himself, Mr. FITZPATRICK, and [see ATTACHED LIST of cosponsors]) introduced the following bill; which was referred to the Committee on ____________________________

A BILL

To promote international efforts in combating corruption, kleptocracy, and illicit finance by foreign officials and other foreign persons, including through a new anti-corruption action fund, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Countering Russian and Other Overseas Kleptocracy Act” or the “CROOK Act”.

(Original Signature of Member)
SEC. 2. FINDINGS.

Congress finds the following:

(1) Authoritarian leaders in foreign countries abuse their power to steal assets from state institutions, enrich themselves at the expense of their countries’ economic development, and use corruption as a strategic tool both to solidify their grip on power and to undermine democratic institutions abroad.

(2) Global corruption harms the competitiveness of United States businesses, feeds terrorist recruitment and transnational organized crime, enables drug smuggling and human trafficking, and stymies economic growth.

(3) Illicit financial flows often inconspicuously penetrate a country through what appears to be legitimate financial transactions, as kleptocrats launder money, use shell companies, amass offshore wealth, and participate in a global shadow economy.

(4) The Government of Vladimir Putin in Russia is the leading model of this type of foreign kleptocratic system, using corruption to erode democratic governance from within and discrediting democracy abroad, thereby strengthening his authoritarian rule.

(5) Russia uses stolen money to—
(A) purchase key assets in other countries, particularly with a goal of attaining monopolistic control of a sector;

(B) gain access to and influence the policies of democratic countries; and

(C) directly fund political parties and organizations that advance Russian interests in other countries, particularly those that undermine confidence and trust in democratic systems.

(6) Thwarting these tactics by Russia and other kleptocratic governments requires the international community to strengthen democratic governance, the rule of law, and international cooperation in combating illicit finance, especially by empowering reformers in foreign countries during historic political openings for the establishment of the rule of law in those countries.

(7) New reformers in foreign countries must act quickly to seize political openings for anti-corruption reform, but as these reformers are often outsiders with little government experience, they may need significant technical assistance to root out deep-seated corruption.
SEC. 3. DEFINITIONS.

In this Act:

(1) RULE OF LAW.—The term “rule of law” means the principle of governance in which all persons, institutions, and entities, whether public or private, including the state itself, are accountable to laws that are publicly promulgated, equally enforced, and independently adjudicated, and which are consistent with international human rights norms and standards.

(2) FOREIGN STATE.—The term “foreign state” has the meaning given such term in section 1603 of title 28, United States Code.

(3) INTELLIGENCE COMMUNITY.—The term “intelligence community” has the meaning given such term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 3003(4)).

(4) PUBLIC CORRUPTION.—The term “public corruption” means the unlawful exercise of entrusted public power for private gain, including by bribery, nepotism, fraud, or embezzlement.

(5) FOREIGN ASSISTANCE.—The term “foreign assistance” means foreign assistance authorized under the Foreign Assistance Act of 1961.
(6) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Finance of the Senate; and

(B) the Committee on Foreign Affairs, the Committee on Financial Services, and the Committee on Ways and Means of the House of Representatives.

SEC. 4. INTERNATIONAL STANDARDS.

It is the sense of Congress that the following international standards should be the foundation for foreign states to combat corruption, kleptocracy, and illicit finance:

(1) The United Nations Convention against Corruption.


(3) The Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International
Business Transactions (OECD Anti-Bribery Convention), the 2009 Recommendation of the Council for Further Combating Bribery, the 2009 Recommendation on the Tax Deductibility of Bribes to Foreign Public Officials; and other related instruments.

(4) Legal instruments adopted by the Council of Europe and monitored by the Group of States against Corruption (GRECO), including the Criminal Law Convention on Corruption, the Civil Law Convention on Corruption, the Additional Protocol to the Criminal Law Convention on Corruption, the Twenty Guiding Principles against Corruption, the Recommendation on Codes of Conduct for Public Officials, and the Recommendation on Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns.


(6) The Inter-American Convention Against Corruption under the Organization of American States.

SEC. 5. STATEMENT OF POLICY.

It is the policy of the United States to—
(1) leverage United States diplomatic engagement and foreign assistance to promote the rule of law;

(2) promote the international standards identified in section 4, as well as other relevant international standards and best practices as such standards and practices develop, and to seek the universal adoption and implementation of such standards and practices by foreign states;

(3) support foreign states in promoting good governance and combating public corruption;

(4) encourage and assist foreign partner countries to identify and close loopholes in their legal and financial architecture, including the misuse of anonymous shell companies, free trade zones, and other legal structures, that are enabling illicit finance and authoritarian capital to penetrate their financial systems;

(5) help foreign partner countries to investigate and combat the use of corruption by authoritarian governments, particularly that of Vladimir Putin in Russia, as a tool of malign influence worldwide;

(6) make use of sanctions authorities, such as the Global Magnitsky Human Rights Accountability Act (enacted as subtitle F of title XII of the Na-
tional Defense Authorization Act for Fiscal Year 2017 (Public Law 114–328; 22 U.S.C. 2656 note)), to identify and take action against corrupt foreign actors; and

(7) ensure coordination between the departments and agencies of the United States Government with jurisdiction over the advancement of good governance in foreign states.

SEC. 6. ANTI-CORRUPTION ACTION FUND.

(a) IN GENERAL.—The Secretary of State shall establish in the Department of State a fund to be known as the “Anti-Corruption Action Fund” to aid foreign states to prevent and fight public corruption and develop rule of law-based governance structures, including accountable investigative, prosecutorial, and judicial bodies, and supplement existing foreign assistance and diplomacy with respect to such efforts.

(b) FUNDING.—An amount equal to five percent of each civil and criminal fine and penalty imposed pursuant to actions brought under the Foreign Corrupt Practices Act on or after the date of the enactment of this Act that would otherwise be deposited in the Treasury of the United States shall be deposited in the Anti-Corruption Action Fund under subsection (a), to be available without
need for subsequent appropriation and without fiscal year limitation.

(c) SUPPORT.—The Anti-Corruption Action Fund may support governmental and nongovernmental parties in advancing the goals specified in subsection (a) and shall be allocated in a manner complementary to existing United States foreign assistance, diplomacy, and the anti-corruption activities of other international donors.

(d) PREFERENCE.—In programing foreign assistance using the Anti-Corruption Action Fund, the Secretary of State shall give preference to projects that—

(1) assist countries that are undergoing historic opportunities for democratic transition, combating corruption, and the establishment of the rule of law;

(2) are important to United States national interests; and

(3) where United States foreign assistance could significantly increase the chance of a successful transition described in paragraph (1).

(e) PUBLIC DIPLOMACY.—The Secretary of State shall publicize that funds provided to the Anti-Corruption Action Fund originate from actions brought under the Foreign Corrupt Practices Act so as to demonstrate that monies obtained under such Act are contributing to international anti-corruption work under this section, including
by reducing the pressure that United States businesses face to pay bribes overseas, thereby contributing to greater United States competitiveness.

SEC. 7. INTERAGENCY TASK FORCE.

(a) IN GENERAL.—The Secretary of State shall have primary responsibility for managing a whole-of-government effort to improve coordination among United States Government departments and agencies, as well as with other donor organizations, that have a role in promoting good governance in foreign states and enhancing the ability of foreign states to combat public corruption.

(b) INTERAGENCY TASK FORCE.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall establish and convene an Interagency Task Force composed of—

(1) representatives appointed by the President from appropriate departments and agencies, including the Department of State, the United States Agency for International Development (USAID), the Department of Justice, the Department of the Treasury, the Department of Homeland Security, the Department of Defense, the Department of Commerce, the Millennium Challenge Corporation, and the intelligence community; and
(2) representatives from any other United States Government departments or agencies, as determined by the Secretary.

(c) ADDITIONAL MEETINGS.—The Interagency Task Force established in subsection (b) shall meet not less than twice per year.

(d) DUTIES.—The Interagency Task Force established in subsection (b) shall—

(1) evaluate, on a general basis, the effectiveness of existing foreign assistance programs, including programs funded by the Anti-Corruption Action Fund under section 6, that have an impact on promoting good governance in foreign states and enhancing the ability of foreign states to combat public corruption;

(2) assist the Secretary of State in managing the whole-of-government effort described in subsection (a);

(3) identify general areas in which such whole-of-government effort could be enhanced; and

(4) recommend specific programs for foreign states that may be used to enhance such whole-of-government effort.
SEC. 8. DESIGNATION OF EMBASSY ANTI-CORRUPTION POINTS OF CONTACT.

(a) Embassy Anti-Corruption Point of Contact.—The chief of mission of each United States embassy shall designate an anti-corruption point of contact for each such embassy.

(b) Duties.—The designated anti-corruption points of contact under subsection (a) shall—

(1) with guidance from the Interagency Task Force established under section 7, coordinate an interagency approach within United States embassies to combat public corruption in the foreign states in which such embassies are located that is tailored to the needs of such foreign states, including all relevant United States Government departments and agencies with a presence in such foreign states, such as the Department of State, USAID, the Department of Justice, the Department of the Treasury, the Department of Homeland Security, the Department of Defense, the Millennium Challenge Corporation, and the intelligence community;

(2) make recommendations regarding the use of the Anti-Corruption Action Fund under section 6 and other foreign assistance related to anti-corruption efforts in their respective foreign states, align-
ing such assistance with United States diplomatic engagement; and

(3) ensure that anti-corruption activities carried out within their respective foreign states are included in regular reporting to the Secretary of State and the Interagency Task Force under section 7, including United States embassy strategic planning documents and foreign assistance-related reporting, as appropriate.

(c) TRAINING.—The Secretary of State shall develop and implement appropriate training for designated anti-corruption points of contact under this section.

SEC. 9. REPORTING REQUIREMENTS.

(a) REPORT ON PROMOTING INTERNATIONAL STANDARDS IN COMBATING CORRUPTION, KLEPTOCRACY, AND ILLICIT FINANCE.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State, in consultation with the Administrator of the USAID and the Secretary of the Treasury, shall submit to the appropriate congressional committees a report that—

(1) summarizes any progress made by foreign states to adopt and implement each of the international standards in combating corruption, kleptocracy, and illicit finance listed in section 4;
(2) details the efforts of the United States Government to promote such international standards;

(3) identifies priority countries for outreach regarding such international standards; and

(4) outlines a plan to encourage the adoption and implementation of such international standards, including specific steps to take with the priority countries identified in accordance with paragraph (3).

(b) Report on Progress Toward Implementation.—Not later than one year after the date of the enactment of this Act and annually thereafter for three years, the Secretary of State, in consultation with the Administrator of the USAID, shall submit to the appropriate congressional committees a report summarizing progress in implementing this Act, including—

(1) a description of the bureaucratic structure of the offices within the Department and USAID that are engaged in activities to combat corruption, kleptocracy, and illicit finance, and how such offices coordinate with one another;

(2) information relating to the amount of funds deposited in the Anti-Corruption Action Fund established under section 6 and the obligation, expenditure, and impact of such funds;
(3) the activities of the Interagency Task Force established pursuant to section 7(b);

(4) the designation of anti-corruption points of contact for foreign states pursuant to section 8(a) and any training provided to such points of contact pursuant to section 8(c); and

(5) additional resources or personnel needs to better achieve the goals of this Act to combat corruption, kleptocracy, and illicit finance overseas.

(c) ONLINE PLATFORM.—The Secretary of State, in conjunction with the Administrator of the USAID, shall consolidate existing reports and briefings with anti-corruption components into one online, public platform, that includes the following:


(3) The Investment Climate Statement reports.


(5) Any other relevant public reports.

(6) Links to third-party indicators and compliance mechanisms used by the United States Government to inform policy and programming, such as the following:
(A) The International Finance Corporation’s Doing Business surveys.

(B) The International Budget Partnership’s Open Budget Index.

(C) Multilateral peer review anti-corruption compliance mechanisms, such as the Organisation for Economic Co-operation and Development’s Working Group on Bribery in International Business Transactions, the Follow-Up Mechanism for the Inter-American Convention Against Corruption (MESICIC), and the United Nations Convention Against Corruption, done at New York October 31, 2003, to further highlight expert international views on foreign state challenges and efforts.