

117TH CONGRESS  
1ST SESSION

# H. R. 402

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.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 2021

Mr. KEATING (for himself and Mr. FITZPATRICK) introduced the following bill;  
which was referred to the Committee on Foreign Affairs

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## 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.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLES; TABLE OF CONTENTS.**

4 (a) SHORT TITLES.—This Act may be cited as the  
5 “Countering Russian and Other Overseas Kleptocracy  
6 Act” or the “CROOK Act”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

- Sec. 1. Short titles; table of contents.
- Sec. 2. Findings.
- Sec. 3. Definitions.
- Sec. 4. Statement of policy.
- Sec. 5. Anti-Corruption Action Fund.
- Sec. 6. Interagency Anti-Corruption Task Force.
- Sec. 7. Designation of embassy anti-corruption points of contact.
- Sec. 8. Reporting requirements.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Authoritarian leaders in foreign countries  
4 abuse their power to steal assets from state institu-  
5 tions, enrich themselves at the expense of their coun-  
6 tries' economic development, and use corruption as  
7 a strategic tool both to solidify their grip on power  
8 and to undermine democratic institutions abroad.

9 (2) Global corruption harms the competitiveness  
10 of United States businesses, weakens democratic  
11 governance, feeds terrorist recruitment and  
12 transnational organized crime, enables drug smug-  
13 gling and human trafficking, and stymies economic  
14 growth.

15 (3) Illicit financial flows often penetrate coun-  
16 tries through what appear to be legitimate financial  
17 transactions, as kleptocrats launder money, use shell  
18 companies, amass offshore wealth, and participate in  
19 a global shadow economy.

20 (4) The Government of the Russian Federation  
21 is a leading model of this type of kleptocratic sys-

1       tem, using state-sanctioned corruption to both erode  
2       democratic governance from within and discredit de-  
3       mocracy abroad, thereby strengthening the authori-  
4       tarian rule of Vladimir Putin.

5           (5) Corrupt individuals and entities in the Rus-  
6       sian Federation, often with the backing and encour-  
7       agement of political leadership, use stolen money—

8           (A) to purchase key assets in other coun-  
9       tries, often with a goal of attaining monopolistic  
10      control of a sector;

11      (B) to gain access to and influence the  
12      policies of other countries; and

13      (C) to advance Russian interests in other  
14      countries, particularly those that undermine  
15      confidence and trust in democratic systems.

16           (6) Systemic corruption in the People’s Repub-  
17      lic of China, often tied to, directed by, or backed by  
18      the leadership of the Chinese Communist Party and  
19      the Chinese Government is used—

20      (A) to provide unfair advantage to certain  
21      People’s Republic of China economic entities;

22      (B) to increase other countries’ economic  
23      dependence on the People’s Republic of China  
24      to secure greater deference to the People’s Re-

1 public of China's diplomatic and strategic goals;  
2 and

3 (C) to exploit corruption in foreign govern-  
4 ments and among other political elites to enable  
5 People's Republic of China state-backed firms  
6 to pursue predatory and exploitative economic  
7 practices.

8 (7) Thwarting these tactics by Russian, Chi-  
9 nese, and other kleptocratic actors requires the  
10 international community to strengthen democratic  
11 governance and the rule of law. International co-  
12 operation in combating corruption and illicit finance  
13 is vital to such efforts, especially by empowering re-  
14 formers in foreign countries during historic political  
15 openings for the establishment of the rule of law in  
16 those countries.

17 (8) Technical assistance programs that combat  
18 corruption and strengthen the rule of law, including  
19 through assistance provided by the Department of  
20 State's Bureau of International Narcotics and Law  
21 Enforcement Affairs and the United States Agency  
22 for International Development, and through pro-  
23 grams like the Department of Justice's Office of  
24 Overseas Prosecutorial Development, Assistance and  
25 Training and the International Criminal Investiga-

1       tive Training Assistance Program, can have lasting  
2       and significant impacts for both foreign and United  
3       States interests.

4               (9) There currently exist numerous inter-  
5       national instruments to combat corruption,  
6       kleptocracy, and illicit finance, including—

7                       (A) the Inter-American Convention against  
8       Corruption of the Organization of American  
9       States, done at Caracas March 29, 1996;

10                      (B) the Convention on Combating Bribery  
11       of Foreign Public Officials in International  
12       Business Transactions of the Organisation of  
13       Economic Co-operation and Development, done  
14       at Paris December 21, 1997 (commonly re-  
15       ferred to as the “Anti-Bribery Convention”);

16                      (C) the United Nations Convention against  
17       Transnational Organized Crime, done at New  
18       York November 15, 2000;

19                      (D) the United Nations Convention against  
20       Corruption, done at New York October 31,  
21       2003;

22                      (E) Recommendation of the Council for  
23       Further Combating Bribery of Foreign Public  
24       Officials in International Business Trans-  
25       actions, adopted November 26, 2009; and

1 (F) recommendations of the Financial Ac-  
2 tion Task Force comprising the International  
3 Standards on Combating Money Laundering  
4 and the Financing of Terrorism and Prolifera-  
5 tion.

6 **SEC. 3. DEFINITIONS.**

7 In this Act:

8 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
9 TEES.—The term “appropriate congressional com-  
10 mittees” means—

11 (A) the Committee on Foreign Relations of  
12 the Senate;

13 (B) the Committee on Banking, Housing,  
14 and Urban Affairs of the Senate;

15 (C) the Committee on Finance of the Sen-  
16 ate;

17 (D) the Committee on the Judiciary of the  
18 Senate;

19 (E) the Committee on Foreign Affairs of  
20 the House of Representatives;

21 (F) the Committee on Financial Services  
22 of the House of Representatives;

23 (G) the Committee on Ways and Means of  
24 the House of Representatives; and

1 (H) the Committee on the Judiciary of the  
2 House of Representatives.

3 (2) FOREIGN ASSISTANCE.—The term “foreign  
4 assistance” means foreign assistance authorized  
5 under the Foreign Assistance Act of 1961 (22  
6 U.S.C. 2251 et seq.).

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

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

14 (5) PUBLIC CORRUPTION.—The term “public  
15 corruption” includes the unlawful exercise of en-  
16 trusted public power for private gain, such as  
17 through bribery, nepotism, fraud, extortion, or em-  
18 bezzlement.

19 (6) RULE OF LAW.—The term “rule of law”  
20 means the principle of governance in which all per-  
21 sons, institutions, and entities, whether public or  
22 private, including the state, are accountable to laws  
23 that are—

24 (A) publicly promulgated;

25 (B) equally enforced;

1 (C) independently adjudicated; and

2 (D) consistent with international human  
3 rights norms and standards.

4 **SEC. 4. STATEMENT OF POLICY.**

5 It is the policy of the United States—

6 (1) to leverage United States diplomatic en-  
7 gagement and foreign assistance to promote the rule  
8 of law;

9 (2)(A) to promote international instruments to  
10 combat corruption, kleptocracy, and illicit finance,  
11 including instruments referred to in section 2(9),  
12 and other relevant international standards and best  
13 practices, as such standards and practices develop;  
14 and

15 (B) to promote the adoption and implementa-  
16 tion of such laws, standards, and practices by for-  
17 eign states;

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

20 (4) to encourage and assist foreign partner  
21 countries to identify and close loopholes in their  
22 legal and financial architecture, including the misuse  
23 of anonymous shell companies, free trade zones, and  
24 other legal structures, that are enabling illicit fi-  
25 nance to penetrate their financial systems;



1           (5) to help foreign partner countries to inves-  
2           tigate, prosecute, adjudicate, and more generally  
3           combat the use of corruption by malign actors, in-  
4           cluding authoritarian governments, particularly the  
5           Government of the Russian Federation and the Gov-  
6           ernment of the People’s Republic of China, as a tool  
7           of malign influence worldwide;

8           (6) to assist in the recovery of kleptocracy-re-  
9           lated stolen assets for victims, including through the  
10          use of appropriate bilateral arrangements and inter-  
11          national agreements, such as the United Nations  
12          Convention against Corruption, done at New York  
13          October 31, 2003, and the United Nations Conven-  
14          tion against Transnational Organized Crime, done at  
15          New York November 15, 2000;

16          (7) to use sanctions authorities, such as the  
17          Global Magnitsky Human Rights Accountability Act  
18          (subtitle F of title XII of the National Defense Au-  
19          thorization Act for Fiscal Year 2017 (Public Law  
20          114–328; 22 U.S.C. 2656 note)) and section  
21          7031(c) of the Department of State, Foreign Oper-  
22          ations, and Related Programs Appropriations Act,  
23          2020 (division G of Public Law 116–94), to identify  
24          and take action against corrupt foreign actors;

1           (8) to ensure coordination between relevant  
2 Federal departments and agencies with jurisdiction  
3 over the advancement of good governance in foreign  
4 states; and

5           (9) to lead the creation of a formal grouping of  
6 like-minded states—

7           (A) to coordinate efforts to counter corrup-  
8 tion, kleptocracy, and illicit finance; and

9           (B) to strengthen collective financial de-  
10 fense.

11 **SEC. 5. ANTI-CORRUPTION ACTION FUND.**

12       (a) **ESTABLISHMENT.**—There is established in the  
13 United States Treasury a fund, to be known as the “Anti-  
14 Corruption Action Fund”, only for the purposes of—

15           (1) strengthening the capacity of foreign states  
16 to prevent and fight public corruption;

17           (2) assisting foreign states to develop rule of  
18 law-based governance structures, including account-  
19 able civilian police, prosecutorial, and judicial insti-  
20 tutions;

21           (3) supporting foreign states to strengthen do-  
22 mestic legal and regulatory frameworks to combat  
23 public corruption, including the adoption of best  
24 practices under international law; and

1           (4) supplementing existing foreign assistance  
2           and diplomacy with respect to efforts described in  
3           paragraphs (1), (2), and (3).

4           (b) FUNDING.—

5           (1) TRANSFERS.—Beginning on or after the  
6           date of the enactment of this Act, if total criminal  
7           fines and penalties in excess of \$50,000,000 are im-  
8           posed against a person under the Foreign Corrupt  
9           Practices Act of 1977 (Public Law 95–213) or sec-  
10          tion 13, 30A, or 32 of the Securities Exchange Act  
11          of 1934 (15 U.S.C. 78m, 78dd–1, and 78ff), wheth-  
12          er pursuant to a criminal prosecution, enforcement  
13          proceeding, deferred prosecution agreement, non-  
14          prosecution agreement, a declination to prosecute or  
15          enforce, or any other resolution, the court (in the  
16          case of a conviction) or the Attorney General shall  
17          impose an additional prevention payment equal to  
18          \$5,000,000 against such person, which shall be de-  
19          posited in the Anti-Corruption Action Fund estab-  
20          lished under subsection (a).

21          (2) AVAILABILITY OF FUNDS.—Amounts depos-  
22          ited into the Anti-Corruption Action Fund pursuant  
23          to paragraph (1) shall be available to the Secretary  
24          of State only for the purposes described in sub-

1 section (a), without fiscal year limitation or need for  
2 subsequent appropriation.

3 (3) LIMITATION.—None of the amounts made  
4 available to the Secretary of State from the Anti-  
5 Corruption Action Fund may be used inside the  
6 United States, except for administrative costs re-  
7 lated to overseas program implementation pursuant  
8 to subsection (a).

9 (c) SUPPORT.—The Anti-Corruption Action Fund—  
10 (1) may support governmental and nongovern-  
11 mental parties in advancing the purposes described  
12 in subsection (a); and

13 (2) shall be allocated in a manner complemen-  
14 tary to existing United States foreign assistance, di-  
15 plomacy, and anti-corruption activities.

16 (d) ALLOCATION AND PRIORITIZATION.—In pro-  
17 gramming foreign assistance made available through the  
18 Anti-Corruption Action Fund, the Secretary of State, in  
19 coordination with the Attorney General, shall prioritize  
20 projects that—

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

1           (2) are important to United States national in-  
2           terests.

3           (e) TECHNICAL ASSISTANCE PROVIDERS.—For any  
4 technical assistance to a foreign governmental party under  
5 this section, the Secretary of State, in coordination with  
6 the Attorney General, shall prioritize United States Gov-  
7 ernment technical assistance providers as implementers, in  
8 particular the Office of Overseas Prosecutorial Develop-  
9 ment, Assistance and Training and the International  
10 Criminal Investigative Training Assistance Program at  
11 the Department of Justice.

12          (f) PUBLIC DIPLOMACY.—The Secretary of State  
13 shall announce that funds deposited in the Anti-Corrup-  
14 tion Action Fund are derived from actions brought under  
15 the Foreign Corrupt Practices Act to demonstrate that the  
16 use of such funds are—

17           (1) contributing to international anti-corruption  
18           work; and

19           (2) reducing the pressure that United States  
20           businesses face to pay bribes overseas, thereby con-  
21           tributing to greater competitiveness of United States  
22           companies.

23          (g) REPORTING.—Not later than 1 year after the  
24 date of the enactment of this Act and not less frequently  
25 than annually thereafter, the Secretary of State shall sub-

1 mit a report to the appropriate congressional committees  
2 that contains—

3 (1) the balance of the funding remaining in the  
4 Anti-Corruption Action Fund;

5 (2) the amount of funds that have been depos-  
6 ited into the Anti-Corruption Action Fund; and

7 (3) a summary of the obligation and expendi-  
8 ture of such funds.

9 (h) NOTIFICATION REQUIREMENTS.—None of the  
10 amounts made available to the Secretary of State from  
11 the Anti-Corruption Action Fund pursuant to this section  
12 shall be available for obligation, or for transfer to other  
13 departments, agencies, or entities, unless the Secretary of  
14 State notifies the Committee on Foreign Relations of the  
15 Senate, the Committee on Appropriations of the Senate,  
16 the Committee on Foreign Affairs of the House of Rep-  
17 resentatives, and the Committee on Appropriations of the  
18 House of Representatives, not later than 15 days in ad-  
19 vance of such obligation or transfer.

20 **SEC. 6. INTERAGENCY ANTI-CORRUPTION TASK FORCE.**

21 (a) IN GENERAL.—The Secretary of State, in co-  
22 operation with the Interagency Anti-Corruption Task  
23 Force established pursuant to subsection (b), shall man-  
24 age a whole-of-government effort to improve coordination

1 among Federal departments and agencies and donor orga-  
2 nizations with a role in—

3 (1) promoting good governance in foreign  
4 states; and

5 (2) enhancing the ability of foreign states to  
6 combat public corruption.

7 (b) INTERAGENCY ANTI-CORRUPTION TASK  
8 FORCE.—Not later than 180 days after the date of the  
9 enactment of this Act, the Secretary of State shall estab-  
10 lish and convene the Interagency Anti-Corruption Task  
11 Force (referred to in this section as the “Task Force”),  
12 which shall be composed of representatives appointed by  
13 the President from appropriate departments and agencies,  
14 including the Department of State, the United States  
15 Agency for International Development, the Department of  
16 Justice, the Department of the Treasury, the Department  
17 of Homeland Security, the Department of Defense, the  
18 Department of Commerce, the Millennium Challenge Cor-  
19 poration, and the intelligence community.

20 (c) ADDITIONAL MEETINGS.—The Task Force shall  
21 meet not less frequently than twice per year.

22 (d) DUTIES.—The Task Force shall—

23 (1) evaluate, on a general basis, the effective-  
24 ness of existing foreign assistance programs, includ-

1       ing programs funded by the Anti-Corruption Action  
2       Fund, that have an impact on—

3               (A) promoting good governance in foreign  
4               states; and

5               (B) enhancing the ability of foreign states  
6               to combat public corruption;

7               (2) assist the Secretary of State in managing  
8       the whole-of-government effort described in sub-  
9       section (a);

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

12              (4) recommend specific programs for foreign  
13       states that may be used to enhance such whole-of-  
14       government effort.

15       (e) BRIEFING REQUIREMENT.—Not later than 1 year  
16       after the date of the enactment of this Act and not less  
17       frequently than annually thereafter through the end of fis-  
18       cal year 2026, the Secretary of State shall provide a brief-  
19       ing to the appropriate congressional committees regarding  
20       the ongoing work of the Task Force. Each briefing shall  
21       include the participation of a representative of each of the  
22       departments and agencies described in subsection (b), to  
23       the extent feasible.



1 **SEC. 7. DESIGNATION OF EMBASSY ANTI-CORRUPTION**  
2 **POINTS OF CONTACT.**

3 (a) **EMBASSY ANTI-CORRUPTION POINT OF CON-**  
4 **TACT.**—The chief of mission of each United States em-  
5 bassy shall designate an anti-corruption point of contact  
6 for each such embassy.

7 (b) **DUTIES.**—The designated anti-corruption points  
8 of contact designated pursuant to subsection (a) shall—

9 (1) coordinate, in accordance with guidance  
10 from the Interagency Anti-Corruption Task Force  
11 established pursuant to section 6(b), an interagency  
12 approach within United States embassies to combat  
13 public corruption in the foreign states in which such  
14 embassies are located that is tailored to the needs of  
15 such foreign states, including all relevant Federal  
16 departments and agencies with a presence in such  
17 foreign states, such as the Department of State, the  
18 United States Agency for International Develop-  
19 ment, the Department of Justice, the Department of  
20 the Treasury, the Department of Homeland Secu-  
21 rity, the Department of Defense, the Millennium  
22 Challenge Corporation, and the intelligence commu-  
23 nity;

24 (2) make recommendations regarding the use of  
25 the Anti-Corruption Action Fund and other foreign  
26 assistance funding related to anti-corruption efforts

1 in their respective countries of responsibility that  
2 aligns with United States diplomatic engagement;  
3 and

4 (3) ensure that anti-corruption activities carried  
5 out within their respective countries of responsibility  
6 are included in regular reporting to the Secretary of  
7 State and the Interagency Anti-Corruption Task  
8 Force, including United States embassy strategic  
9 planning documents and foreign assistance-related  
10 reporting, as appropriate.

11 (c) TRAINING.—The Secretary of State shall develop  
12 and implement appropriate training for the designated  
13 anti-corruption points of contact.

14 **SEC. 8. REPORTING REQUIREMENTS.**

15 (a) REPORT OR BRIEFING ON PROGRESS TOWARD  
16 IMPLEMENTATION.—Not later than 180 days after the  
17 date of the enactment of this Act, and annually thereafter  
18 for the following 3 years, the Secretary of State, in con-  
19 sultation with the Administrator of the United States  
20 Agency for International Development, the Attorney Gen-  
21 eral, and the Secretary of the Treasury, shall submit a  
22 report or provide a briefing to the appropriate congres-  
23 sional committees that summarizes progress made in com-  
24 bating public corruption and in implementing this Act, in-  
25 cluding—

1           (1) identifying opportunities and priorities for  
2           outreach with respect to promoting the adoption and  
3           implementation of relevant international law and  
4           standards in combating public corruption,  
5           kleptocracy, and illicit finance;

6           (2) describing—

7                 (A) the bureaucratic structure of the of-  
8                 fices within the Department of State and the  
9                 United States Agency for International Devel-  
10                opment that are engaged in activities to combat  
11                public corruption, kleptocracy, and illicit fi-  
12                nance; and

13               (B) how such offices coordinate their ef-  
14               forts with each other and with other relevant  
15               Federal departments and agencies;

16           (3) providing a description of how the provi-  
17           sions under subsections (d) and (e) of section 5 have  
18           been applied to each project funded by the Anti-Cor-  
19           ruption Action Fund;

20           (4) providing an explanation as to why a United  
21           States Government technical assistance provider was  
22           not used if technical assistance to a foreign govern-  
23           mental entity is not implemented by a United States  
24           Government technical assistance provider;

1 (5) describing the activities of the Interagency  
2 Anti-Corruption Task Force established pursuant to  
3 section 6(b);

4 (6) identifying—

5 (A) the designated anti-corruption points  
6 of contact for foreign states; and

7 (B) any training provided to such points of  
8 contact; and

9 (7) recommending additional measures that  
10 would enhance the ability of the United States Gov-  
11 ernment to combat public corruption, kleptocracy,  
12 and illicit finance overseas.

13 (b) ONLINE PLATFORM.—The Secretary of State, in  
14 conjunction with the Administrator of the United States  
15 Agency for International Development, should consolidate  
16 existing reports with anti-corruption components into a  
17 single online, public platform that includes—

18 (1) the Annual Country Reports on Human  
19 Rights Practices required under section 116 of the  
20 Foreign Assistance Act of 1961 (22 U.S.C. 2151n);

21 (2) the Fiscal Transparency Report required  
22 under section 7031(b) of the Department of State,  
23 Foreign Operations and Related Programs Appro-  
24 priations Act, 2019 (division F of Public Law 116–  
25 6);

1 (3) the Investment Climate Statement reports;

2 (4) the International Narcotics Control Strat-  
3 egy Report;

4 (5) any other relevant public reports; and

5 (6) links to third-party indicators and compli-  
6 ance mechanisms used by the United States Govern-  
7 ment to inform policy and programming, as appro-  
8 priate, such as—

9 (A) the International Finance Corpora-  
10 tion’s Doing Business surveys;

11 (B) the International Budget Partnership’s  
12 Open Budget Index; and

13 (C) multilateral peer review anti-corruption  
14 compliance mechanisms, such as—

15 (i) the Organisation for Economic Co-  
16 operation and Development’s Working  
17 Group on Bribery in International Busi-  
18 ness Transactions;

19 (ii) the Follow-Up Mechanism for the  
20 Inter-American Convention Against Cor-  
21 ruption; and

22 (iii) the United Nations Convention  
23 Against Corruption, done at New York Oc-  
24 tober 31, 2003.

○