



4.1.0.2. Grupo de Derechos de Petición, Consultas y Cartera

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Asunto: Traslado por competencia. Solicitud Correo Electrónico Radicado No. 1-2023-034073 del 24 de abril de 2023.

Respetado Doctor,

Por medio de la presente comunicación se traslada por competencia copia solicitud, recibida por traslado que hiciera la Senadora Paloma Valencia Laserna, mediante el mensaje del correo electrónico del asunto, presentada por ALBERTO CONTRERAS MARTÍNEZ, Correo Electrónico: controlsocial1a@gmail.com; controlsocialclimatico@gmail.com, teniendo en cuenta que versa sobre un asunto propio de las funciones y competencias de esa entidad, referida a lo siguiente:

“(…)

“La red de Auditores Ciudadanos de Colombia, solicita al gobierno nacional y al Congreso incluir en el trámite de discusión y aprobación Del Plan de desarrollo. Un artículo que establezca la obligación de Crear el SEGURO OBLIGATORIO ANTICORRUPCIÓN PARA TODOS LOS CONTRATISTAS. el cuál deberá ser suscrito por cada servidor público o contratista...y el cuál debe estar incorporado al contrato laboral y contrato estatal de cualquier índole.

Favor determinar que compañías de seguros estarían en la obligación de expedir la respectiva póliza –incluyendo el valor de la prima por millón de pesos del contrato y de forma inteligible determinar esta cifra.”

.” (…)





Lo anterior de conformidad con lo establecido en el numeral 3 del artículo 8° de la Ley 152 de 1994 y en el artículo 21 de la Ley 1437 de 2011 (Código de Procedimiento Administrativo y de lo Contencioso Administrativo) sustituido mediante el artículo 1° de la Ley Estatutaria 1755 de 2015.

Igualmente, le informamos que este Ministerio le emitió respuesta al solicitante dentro del marco de sus competencias y que el solicitante fue debidamente enterado del presente traslado.

Se pide respetuosamente enviar a este Ministerio copia de la respuesta emitida por ustedes directamente al solicitante con copia a la Senadora Paloma Valencia Laserna, Correo Electrónico: palomasenadora@gmail.com, por solicitud expresa realizada por la Senadora en su oficio de traslado, citando el radicado No. **1-2023-024986**

Cordialmente,

JUAN CARLOS CERÓN BETANCOURTH

Coordinador (D) del Grupo de Derechos de Petición, Consultas y Cartera
Subdirección Jurídica

Anexo: Copia del correo electrónico y sus anexos en dos (2) archivos.


APROBÓ: Juan Carlos Cerón Betancourth.
ELABORÓ: Juan Pablo Carreño R.

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 <p>CONGRESO DE LA REPÚBLICA DE COLOMBIA CÁMARA DE REPRESENTANTES</p> <p>AQUÍ VIVE LA DEMOCRACIA NIT: 89999098-0</p>	Presidencia			
	Nota Interna		CÓDIGO	L-G.1-F01
	Período Constitucional 2022-2026		VERSIÓN	01-2016
Legislatura 2022-2023		PÁGINA	1 de 1	
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Fecha: Bogotá D.C., 28 de abril de 2023.

Para: **HONORABLES REPRESENTANTES A LA CÁMARA**

De: **EDGAR MAURICIO CAÑÓN BONILLA**
Secretario Privado
Presidencia de la Cámara de Representantes

Asunto: **TRASLADO CORREO DE ELECTRÓNICO ENVIADO POR EL SEÑOR ALBERTO CONTRERAS RECIBIDO EL 27 DE ABRIL DE 2023.**

URGENTE	X	PROYECTAR RESPUESTA	X
PARA SU INFORMACIÓN		DAR RESPUESTA INMEDIATA	
FAVOR DAR CONCEPTO		FAVOR TRAMITAR	X
		No. FOLIOS	

Respetados Honorables Representantes:

De manera atenta y siguiendo instrucciones del Presidente de la Cámara de Representantes, doctor David Ricardo Racero Mayorca, nos permitimos informarle que se ha recibido la petición relacionada en el asunto, en la que el señor Alberto Contreras solicita: *"se incluya en el plan de desarrollo un artículo con el objeto de crease el seguro obligatorio anticorrupción"* la cual la presenta basado en el artículo 60 de la ley 1757 de 2015, por tal razón, atendiendo lo solicitado por el señor Alberto Contreras, de entregar copia a los honorables Representantes, nos permitimos remitirla a sus despachos , para conocimiento, consideración y trámites correspondientes.

Cordialmente,



EDGAR MAURICIO CAÑÓN BONILLA
Secretario Privado
Presidencia de la Cámara de Representantes

c.c. Alberto Contreras, correo electrónico: controlsocial1a@gmail.com

Damis C.



DEKLEPTIFICATION GUIDE

Seizing Windows of Opportunity to Dismantle Kleptocracy

September 2022

WELCOME

The heroes of dekleptification are the civil society actors and other engaged citizens who risk it all to open windows of opportunity, make government work for the people, and lead their country toward a post-kleptocratic future. They are the entrepreneurs who get fed up with paying bribes so they take to the streets, environmental activists who expose the truth about corrupt mining concessions, investigative journalists who reveal the criminal dealings of “untouchable” oligarchs, honest prosecutors who press charges against the country’s most powerful crooks, policy advocates who push for transparency and accountability, grassroots organizers who get out the vote in record numbers, political newcomers in whom an entire country vests its hopes, and all the bold reformers—in and out of government—who dedicate themselves to delivering on public mandates for dekleptification. At USAID, it is our honor to walk with these front-line reformers through the hotly contested process of building new governing institutions, have their backs when the going gets tough, and share their lessons with the world.

This guidance is a resource for USAID staff working in countries trapped in severe corruption, particularly those whose courageous citizens open windows of opportunity for reform. It also aims to set the agenda for the broader community of donors, implementing partners, scholars, and other experts focused on countering kleptocracy and strategic corruption.

This is one component of a suite of policy and programmatic products that the Anti-Corruption Task Force (ACTF) is developing to durably elevate anti-corruption at USAID and advance the implementation of the U.S. Strategy on Countering Corruption. Those resources will be regularly updated and posted at <https://www.usaid.gov/anti-corruption>.

This publication was prepared by a USAID task team composed of representatives from 30 Missions, Bureaus, and Independent Offices and chaired by ACTF Senior Policy Fellow Josh Rudolph. The team would like to extend its sincere appreciation to those who contributed to the drafting and feedback processes, including sectoral and bureau colleagues, roughly 100 external experts, ACTF staff across all pillars, ACTF Deputy for Policy Abigail Bellows, and ACTF Executive Director Shannon Green.

“And we’re going all in on dekleptification. Today, I’m announcing the creation of a new dekleptification guide—a handbook to help countries make the difficult transition from kleptocracy to democracy. This guide, drawn from previous democratic openings in Romania, Dominican Republic, and South Africa, provides advice to reformers on how to root out deeply entrenched corruption and technical advice on how to implement radical transparency and accountability measures, how to stand up new anti-corruption structures. Moving rapidly and aggressively in historic windows of opportunity will make these reforms harder to reverse.”

USAID Administrator Samantha Power,
remarks delivered on June 7, 2022

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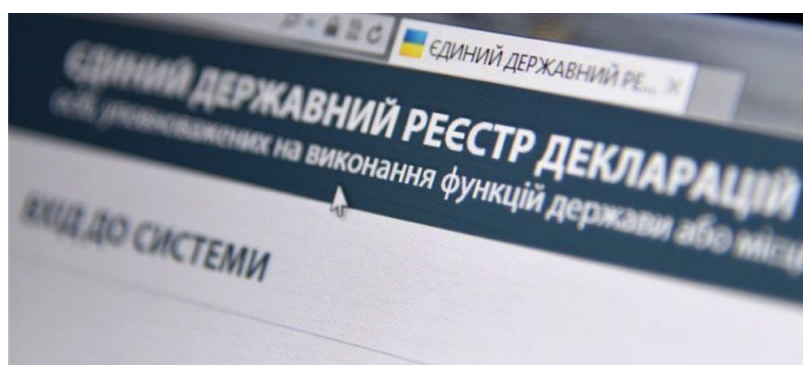
ACRONYMS

ACTF	Anti-Corruption Task Force (of USAID)
AntAC	Anti-Corruption Action Center (of Ukraine)
ARMA	Asset Recovery and Management Agency (of Ukraine)
C4ADS	Center for Advanced Defense Studies
CIPE	Center for International Private Enterprise (CIPE)
DRG	(USAID's Center for) Democracy, Rights and Governance
EBRD	European Bank for Reconstruction and Development
GONGO	Government-organized non-governmental organization
HACC	High Anti-Corruption Court (of Ukraine)
ICIJ	International Consortium of Investigative Journalists
IMF	International Monetary Fund
NABU	National Anti-Corruption Bureau of Ukraine
NACP	National Agency on Corruption Prevention (of Ukraine)
NDI	National Democratic Institute
NGO	Non-governmental organization
OCCRP	Organized Crime and Corruption Reporting Project
OECD	Organization for Economic Co-operation and Development
PEA	Political economy analysis
PEP	Politically exposed person
SACCI	Support to Anti-Corruption Champion Institutions
SAPO	Specialized Anti-Corruption Prosecutor's Office (of Ukraine)
State-DRL	U.S. Department of State's Bureau for Democracy, Human Rights, and Labor
State-INL	U.S. Department of State's Bureau of International Narcotics and Law Enforcement Affairs
TAPAS	Transparency and Accountability in Public Administration and Services
UNITER	Ukraine National Initiatives to Enhance Reforms
USAID	U.S. Agency for International Development

SUMMARY

When voters, protestors, and other engaged citizens open windows of opportunity to dismantle “kleptocracy”—government controlled by officials who use political power to appropriate the wealth of their nation—all too often reform momentum dissipates within a couple years. At that point, corrupt elements retake power. But over the past two decades, audacious anti-corruption reform movements in countries transitioning away from kleptocracy have met these historic moments and sustained institutional reforms. These reformers innovate radically transparent disclosure requirements, strictly independent accountability bodies, and structurally inclusive economic growth policies. They stand up these institutions faster than the traditional incrementalism of anti-corruption development. And they scope the policy details—how much information becomes public, how foreign experts vet candidates to lead anti-corruption bodies, how aggressively oligarch-owned monopolies are broken up, etc.—to be far more transparent, independent, and inclusive than in countries not suffering from kleptocracy and foreign-backed “strategic corruption.”

At key moments, USAID has been deeply involved in helping these front-line reformers design and implement powerful tools, which range from public asset declarations (see image) and ownership registries to specialized institutions to prevent, investigate, prosecute, and rule on cases of grand corruption. Based on a series of stocktaking exercises with USAID experts who worked on these efforts, this guide collates promising interventions and lessons learned from “dekleptification,” which is



Asset e-declarations required of Ukrainian public officials. Photo by the [NACP](#).

the process of uprooting entrenched kleptocratic structures. The toolkit draws from Ukrainian public transparency, Romanian independent prosecution, Malaysian internationalization of prosecution, Moldovan vetting of judges and prosecutors, Georgian police reform, South African grassroots activism, Dominican procurement systems, and other interventions. And while USAID and other aid organizations regularly recommend lists of technical reforms, just as pivotal for dekleptification is the active engagement by USAID and its partners in the messy political process of pursuing such reforms. These dynamic and contested situations call for rapid action, strategic sequencing, timely information, adaptive leadership, broad coalitions, proactive communications, coordinated diplomacy, international conditionality, flexible programming, mid-course corrections, and other tactics.

Building the institutions of dekleptification and forging a post-kleptocratic social contract is only possible amid the highest levels of political will. This is typically demanded by major segments of society who mobilize to remove a kleptocrat from power. USAID does not pry these windows open. But it does at all times stand in support of civic actors such as investigative journalists and issue advocates. USAID also ramps up support for the reformist government after citizens complete a legitimate process of self-determination to pursue dekleptification. And aid is delivered in transparent, voluntary, and even-handed ways that are quite the opposite of covert, coercive, and corrupt interference in democratic processes. The objective of dekleptification support is to help reformist governments deliver upon public mandates for anti-corruption, converting windows of opportunity into virtuous circles. That’s when inclusive institutions become more effective and popular over time, and thus more resilient to attempts by foreign and domestic kleptocrats to regain power and undermine reform. No set of policy recommendations offers a simple recipe to make

dekleptification work. But the process is more likely to succeed when USAID and other donors sequence support around windows of opportunity for reform:

- **Before the Window:** Lay the groundwork for future openings by developing rich political analysis of corrupt activity and kleptocratic networks in the country, supporting investigative journalists and civil society advocates who expose corruption and frame public debates, helping local partners reach consensus about which policy reforms to prioritize in the future, and preparing flexible aid mechanisms and funding pools that can be redirected and scaled up quickly.
- **During the Window:** Work with the reformist government and civic actors to rapidly show the public results across three dimensions: transparency, accountability, and inclusion. First, expose and deter corruption through public transparency disclosures. This might include requiring public officials to declare their assets, establishing registries identifying the true beneficial owners of companies, and migrating public procurement to online platforms. Second, that digitized information about who owns what, and how state resources are being spent, informs investigations by civil society and law enforcement. Pursue justice on grand corruption via specialized anti-corruption bodies, headed by leaders whose integrity has been vetted by reputable foreign experts. Third, break the corrupt and monopolistic hold that oligarchs have long enjoyed over captured revenue streams. Fill that vacated economic space with honest entrepreneurs and businesses that thrive on a competitive playing field.
- **After the Window:** Understand how and why the window is closing, including whether “rekleptification” takes the form of gradual backsliding, violent backlash, or some middle ground. Hold the increasingly corrupt government accountable with sharper U.S. government interventions such as more forceful public diplomacy, redirection of aid away from the corrupt government and toward civil society, and sanctions on high-level corrupt figures.

Dekleptification also involves two planning and programming needs that USAID and other donors should persistently address in varying forms throughout the cycle of political will. First, employ applied political economy analysis and external assessment tools to map corrupt activity, kleptocratic networks, reform coalitions, and policy priorities. Political analysis is particularly timely in the months before and after windows open, but is always needed and must constantly be updated. Second, support investigative journalists and civil society activists who expose corruption and push for reform. These change agents take center stage in dekleptification, where they constantly need connections to peers, protective services, defamation defense, responses to disinformation, political amplification, flexible and reliable funding, and other forms of support.

The Ukrainian people have shown the world that dekleptification can be the most intensive form of anti-corruption. It requires innovation and perseverance. Ukraine’s resolute defense against Russia’s brutal attempt at recolonization and rekleptification shows how the governing capacity and public morale that flow from successful dekleptification can be the key to preserving democracy and protecting national sovereignty. Relying upon and building on the anti-corruption institutions Ukraine has erected over the past eight years will be key to a successful recovery and reconstruction process.

This forceful and strategic approach to dismantling kleptocratic structures is informed by USAID’s local depth and specialized expertise, which offer unique contributions to U.S. efforts against transnational kleptocracy and strategic corruption. But overcoming the deep pockets and malign influence of kleptocrats and oligarchs is only possible by joining forces across the global community of donors, implementing partners, scholars, and other experts focused on how international aid can counter kleptocracy and strategic corruption.

Summary	Strategic Context	Purpose and Approach	Constant Needs	Window of Opportunity			Conclusion	Ukraine Annex
				Before	During	After		

STRATEGIC CONTEXT: WINDOWS TO ROLL BACK KLEPTOCRACY AND STRATEGIC CORRUPTION

The global role of autocratic kleptocracy and its interaction with international development have evolved dramatically throughout the second half of USAID’s 60-year history.

During the Cold War, authoritarian regimes tried to win over the hearts and minds of the masses with appeals to communist ideology. They used military might to project power around the world. Moscow locked its imperial subjects into the fixed geopolitical structures of the Soviet Union and the Warsaw Pact. For the United States, it was often tempting to partner with kleptocrats in what was then called the “third world” to contain communism or work on development.

Despite the return of great power competition, today’s strategic context is fundamentally different. The leading authoritarian regimes have reorganized as kleptocracies. They steal from the masses to buy the loyalty of an inner circle and dole out ill-gotten resources to carry out corrupt rule. The most consolidated form of corruption, kleptocracy involves misappropriating the wealth of the nation and abusing it not only for personal gain but also to maintain political power. The advent and proliferation of offshore financial secrecy has fueled an explosion of kleptocracy, as corrupt rulers are no longer constrained by how many assets are available to be bought within countries where the stealing happens or by the risk of falling from power and facing confiscation.¹ And despite authoritarian efforts to carve out subjugated spheres of influence, populations once held captive behind immovable lines like the Iron Curtain now boast bold civil societies and sometimes overthrow repressive kleptocrats to pursue their own independent destinies. This strategic landscape has profound implications for development, national security, and USAID’s work.

Corruption Definitions
Grand corruption: when political elites steal large sums of public funds or otherwise abuse power for personal or political advantage.
Administrative corruption: the abuse of entrusted power for private gain—usually by low to mid-level government officials—in interactions with citizens and the private sector, including to skirt official regulations and extort citizens in exchange for their basic services.
Transnational corruption: when corruption crosses borders, involves global networks, and employs sophisticated schemes to siphon off the wealth of a country from its rightful owners: the people.
Strategic corruption: when a government weaponizes corrupt practices as a tenet of its foreign policy.
Kleptocracy: a government controlled by officials who use political power to appropriate the wealth of their nation.
Dekleptification: the process of dismantling entrenched kleptocratic structures, networks, and norms—and replacing them with governing institutions that deliver transparency, accountability, and inclusion—during historic windows of overwhelming popular demand for reform or transition.

“Corruption threatens United States national security, economic equity, global anti-poverty and development efforts, and democracy itself. But 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.”

President Joe Biden, National Security Study Memorandum-1

DEVELOPMENT

Corruption is the ultimate impediment to development. Pathways of transnational corruption like offshore financial secrecy let kleptocrats boundlessly loot national resources, scare off foreign investment, deepen inequality, exploit marginalized communities, degrade the environment, and otherwise harm their country's long-term prospects. The full range of USAID programming objectives—around global health, food security, clean water, gender equality, education, climate, etc.—are stymied when kleptocrats purge state coffers of resources needed for development and government ministries are repurposed to enrich insiders. Accountability is elusive when cronies and oligarchs manipulate the media and bribe judges and prosecutors. All these kleptocratic actors connect through informal networks that interweave with organized crime and foreign kleptocracies. And they work together to maintain the system.

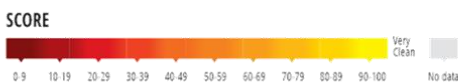
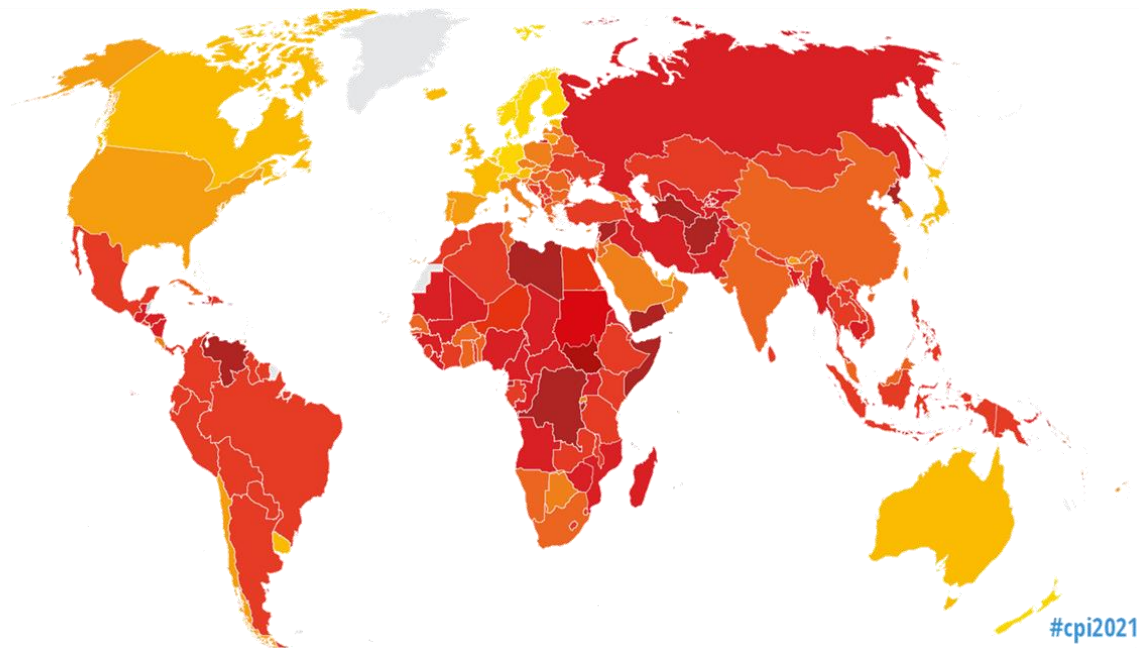
It is impossible to quantify the cost of kleptocracy, but economists warn it is colossal. The International Monetary Fund (IMF) explains how pervasive corruption weighs heavily on all six drivers of economic growth (governing capacity, macro-financial stability, physical capital investment, human capital accumulation, total factor productivity, and political stability).² That creates negative feedback loops that hold back development far more than the \$1.5 to \$2 trillion lost annually to bribery.³ Kleptocrats and oligarchs use crimes like bribery and fraud to run their patronage networks. But the proceeds of those crimes are not the main source of their fortunes. Rather, the object of their corrupt maneuvers is to extract vast fortunes through monopolistic control over entire sectors. That process extends until the state is fully captured and the economy is bereft of competition, participation, innovation, and investment. The close association between severe corruption and underperforming economies can be seen in the half of the world perceived as less corrupt (see image), generating 7.5 times as much income per capita as more apparently corrupt countries.⁴

The central development challenge in deeply corrupt settings is a collective action problem: Even moral and rational actors usually take part in corruption, because they reasonably expect that everyone has to in order to succeed under the kleptocratic equilibrium. Moreover, kleptocracy is just as self-reinforcing as any other governing system, with inbuilt institutional inertia and powerful forces that uphold the status quo and punish deviants. As such, establishing institutions and social norms of transparency, accountability, and inclusion *is itself* a collective action problem. This problem set cannot be solved through incremental tweaks or technical solutions.⁵



CORRUPTION PERCEPTIONS INDEX 2021

The perceived levels of public sector corruption in 180 countries/territories around the world.



#cpi2021
www.transparency.org/cpi

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NATIONAL SECURITY

The fight against corruption has become a core U.S. national security interest. That makes partnership with kleptocrats run counter to U.S. foreign policy objectives. Instead, as President Biden has said, “we must all stand in support of courageous citizens around the globe who are demanding honest, transparent governance.”⁶ For the past three decades, USAID has transparently supported civic actors and promoted institutions that build capacity for governance and democracy in partner countries that welcome the assistance. That stands in direct contrast to strategic corruption and political interference, tactics that covertly violate target countries’ sovereignty by tilting playing fields to pick and choose preferred politicians or businesses. The same corrupt actors, networks, tactics, and resources that kleptocrats wield to prevent democracy and rule of law from sprouting in their *home countries* are repurposed as a tenet of their *foreign policy*. They undermine democracies through corrosive capital, malign influence, election interference, and other tactics of strategic corruption.⁷ Kleptocracies mobilize powerful oligarchs, state-owned companies, intelligence services, and other proxies to pour tens of billions of dollars into corrupt enterprises meant to capture target states.⁸ They propagate disinformation and bankroll political parties bent on undermining reform.⁹ Contending with such well-resourced efforts to spread corruption around the world requires a response as strategic and supported as the threat itself.¹⁰

USAID’S WORK

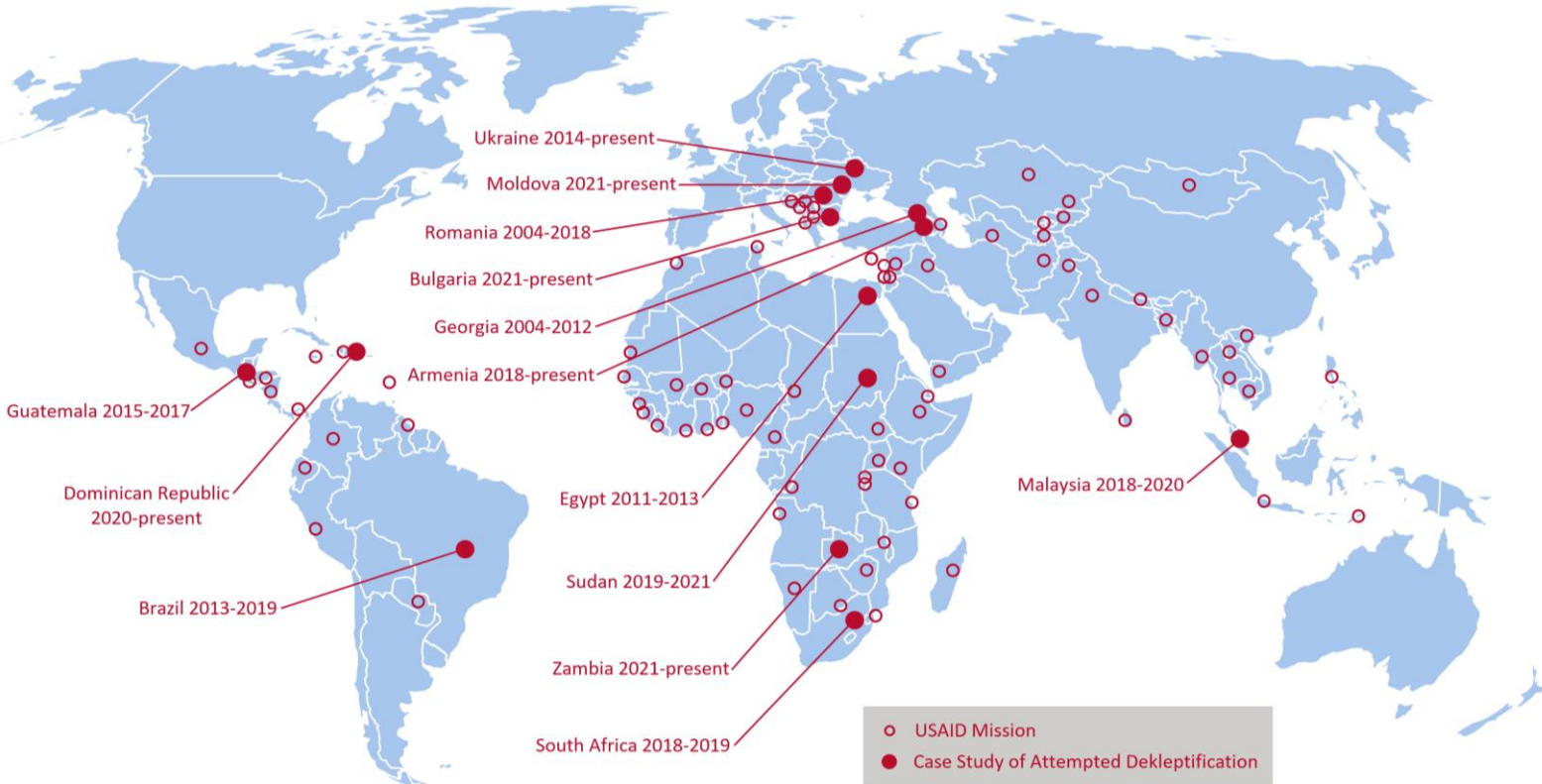
USAID’s approach to countering kleptocracy and strategic corruption focuses on helping countries protect their sovereignty via the hard work of dismantling and replacing their own corrupt governance structures. Agents of foreign kleptocracies are most effective when they can intermix with corrupt elements deeply entrenched within the target country’s political-economic system. USAID’s emphasis is different from—and an essential supplement to—efforts by the Treasury Department, the Justice Department, and others to help countries address foreign-backed corruption by tracking cross-border financial flows, facilitating law enforcement cooperation, and taking other *international* approaches. USAID is expanding its transnational work, assistance that is constantly needed by change agents, especially those countering transnational kleptocracy and strategic corruption. But helping countries institutionalize change requires partnering with reformers to uproot the *domestic* kleptocratic systems that hinder development and national security. The most fundamental way to consolidate democracy and build resilience to strategic corruption is strengthening those domestic structures—from judicial systems to electoral administration to media ownership—and connecting domestic reformers to international allies.



Supplies donated to India are unloaded from a U.S. Air Force plane in New Delhi. Photo by Martha VanLieshout for USAID; Madison Poe, USAID.

Summary	Strategic Context	Purpose and Approach	Constant Needs	Window of Opportunity	Conclusion	Ukraine Annex
				Before	During	After

Figure 1: Map of USAID Missions and Dekleptification Windows



Sources: USAID, [Mission Directory](#), August 2022; dekleptification case studies that inform this guide.

USAID has an extensive local network around the world (see Figure 1) and deep experience helping reformers dismantle kleptocracy and build new domestic governing institutions of transparency, accountability, and inclusion. We refer to that process as “dekleptification” (see definitions text box on page 3). USAID works with partner countries to analyze their own situations and draw from cutting-edge interventions developed by front-line reformers in other countries, rather than imparting a static set of practices developed over time by Western governments. In dekleptification environments, USAID can provide once-in-a-generation support to reformers poised to reassert sovereign control over key policy levers.

The ultimate objective of dekleptification is to achieve a virtuous circle whereby the domestic institutions of transparency, accountability, and inclusion become even more effective and popular over time. Such positive feedback loops build resilience against inevitable attempts by foreign and domestic kleptocrats to regain power and restore corrupt systems.¹¹

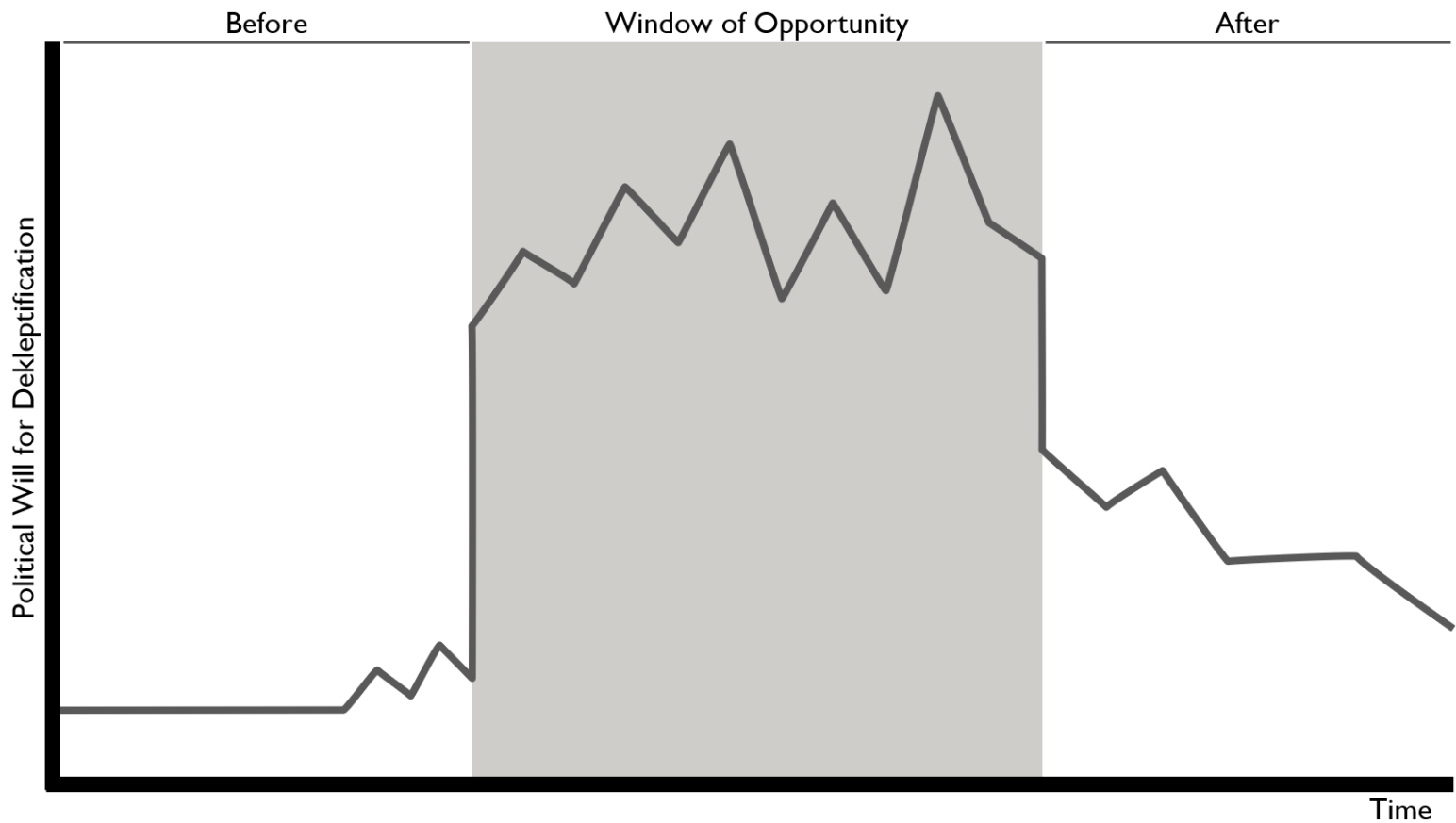
WINDOWS OF OPPORTUNITY

Set against the modern backdrop of transnational and strategic corruption, it is not possible to sustainably dismantle and replace kleptocracy through incremental technical improvements. Overcoming the resistance of spoilers and breaking through the widespread expectations that “everyone is corrupt” can only happen amid the disequilibrium of “big bangs,” which bring about transformational political will. We refer to these episodes as “windows of opportunity” (see Figure 2).¹² They cannot be driven by politicians, champions, or any other individual reformers. Rather, windows for dekleptification are ushered in by historic waves of nationwide popular demand, usually fueled by decades of frustration with kleptocracy.¹³ They may be triggered by some salient betrayal of public trust. Aggrieved masses pour into the streets or to the ballot boxes in record numbers. The window is typically not fully open until a kleptocratic regime gives way to a new reformist government.

Seizing such a dramatic moment brings an opportunity to shift a political and business culture from a kleptocratic equilibrium toward new expectations of responsive governance and honest dealings. It is impossible to generate a virtuous circle absent this political context of a broad societal coalition checking the power of elites by insisting on a new social contract with less tolerance for kleptocracy.

Summary	Strategic Context	Purpose and Approach	Constant Needs	Window of Opportunity	Conclusion	Ukraine Annex
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Figure 2: Windows of Opportunity for Dekleptification



Such potential openings do occur regularly. In the year before the outbreak of Covid-19, half of the record number of protests around the world were driven by grievances about corruption.¹⁴ Six led to changes in government. This tendency for corruption to eventually fuel popular uprisings is the Achilles’ heel of dictators’ modern strategy of kleptocracy at home and strategic corruption abroad. The ability of brave citizens around the world to hold their leaders accountable and demand fair and transparent governance marks a key distinction between contemporary trends and the rigid geopolitical structures of the Cold War.

Unfortunately, the usual pattern is for windows of opportunity to be short-lived and disappointing. They usually fail to meet high public expectations and fizzle out within about two years. At that point, corrupt elements retake the levers of power and sometimes exact retribution upon reformers. The difficulty of converting a window into a sustained virtuous circle is driven by various factors. These range from civil society demobilizing after a reformist government takes power to transnational and strategic corruption offering opponents of reform safe haven and resources to close windows as soon as possible.¹⁵ Another reason why windows end in disappointment is that dekleptification efforts tend to get out of the gate slowly. That is because the new reformist government and their supporters are often inexperienced at uprooting corrupt power structures. This guide aims to help USAID and other champions of dekleptification mobilize the right kinds of assistance as soon as an opening occurs, so reformers can deliver results immediately and for many years to come.

PURPOSE AND APPROACH: DRAWING LESSONS FROM THE FRONT LINES

This guide is meant to be a handbook for USAID staff working in countries facing kleptocracy and strategic corruption, particularly those whose bold citizens open windows of opportunity for reform. Thankfully, Missions need not start from scratch. Nor must they follow a set of practices divorced from modern experience rapidly uprooting kleptocratic structures. Instead, they can learn from the front-line reformers who recently attempted dekleptification in their own countries. This cutting-edge playbook is based on such experiences, drawing from but not limited to a handful of transitioning democracies in the former Soviet bloc.

EASTERN EUROPEANS LEARN FROM EACH OTHER

Beginning in 2004, Georgia saw a brief period of far-reaching reform of the public sector, from cutting red tape and right-sizing public institutions to rewriting tax laws and improving public services, which resulted in a dramatic reduction in bribery.¹⁶ Between 2004 and 2018, Romania aggressively developed new approaches to impartial justice, building a specialized anti-corruption enforcement system that jailed thousands of corrupt officials, including dozens of ministers, prime ministers, lawmakers, mayors, and generals.¹⁷

Asset Declarations

As an example of how radically transparent mechanisms innovated by front-line reformers exceed Western “best practices,” consider asset declarations by public officials. In most Western countries, financial disclosure forms are relatively narrow in their scope and in their enforcement procedures, meant to identify and deter potential conflicts of interest (such as holdings of stocks and bonds that could benefit from official actions). In Ukraine, by contrast, disclosures are sweeping in scope and aggressively enforced to spot crimes of illicit enrichment. Failures to file truthfully are severely punished. Disclosures cover essentially all assets worth more than \$4,200 that the individual owns or can access. Then these electronic submissions become public, and independent agencies verify the data and investigate and prosecute discrepancies between declarations and lifestyles. While this aggressive approach can test the boundaries of personal privacy, the Ukrainians have found that it is needed to prevent illicit enrichment and root out entrenched kleptocracy.

Those windows in Georgia and Romania inspired and informed Ukrainian reformers when their own window opened in 2014. Ukraine quickly enacted comprehensive reforms and developed several revolutionary transparency tools. These included the world’s first public beneficial ownership registry, the world’s most transparent public procurement system, the world’s first public database of politically exposed persons, and the world’s most comprehensive and well-enforced asset declaration system (see text box).¹⁸

SHARED PLAYBOOK

Based on lessons from around the globe, the overarching three-part dekleptification strategy is to (1) *publicly disclose* as much digitized information as possible about who owns what throughout the country’s political-economic system, (2) position civil society and independent enforcement agencies to use that transparent data to investigate and hold corrupt actors *accountable*, and (3) deliver *broad-based economic growth* that lifts the livelihoods of everyday citizens and gives them a sense of investment in their country’s new inclusive institutions. This innovative playbook, most clearly modeled by Ukraine (see Annex 1), is now being pursued by reformers operating in windows that have opened within the past year or two in Moldova and Bulgaria. All five of these

countries around the Black Sea enjoy advanced civil societies at the center of dekleptification. They press their own governments and foreign partners to keep progressing, even as they eagerly share lessons with fellow reformers in other countries and the international community.

CASE METHOD

USAID Missions and Bureaus have been deeply involved in reform efforts across those five country situations—Georgia beginning in 2004 and waning during Saakashvili’s second term, Romania 2004-2018, Ukraine 2014-present, Moldova 2021-present, and Bulgaria 2021-present—and other attempts at dekleptification around the world. To capture these experiences and make them available to other Missions, this programming guide is informed by a series of internal stocktaking exercises that drew lessons learned from 14 case studies. USAID experts who worked on the ground in dekleptification windows were asked what worked well, how corrupt elements responded, what needs of partners went unmet, what challenges donors faced when trying to do more sooner, and so on. Sessions were dedicated to those five cases, plus Egypt 2011-2013, Brazil 2013-2019, Guatemala 2015-2017, Armenia 2018-present, South Africa 2018-2019, Malaysia 2018-2020, Sudan 2019-2021, the Dominican Republic 2020-present, and Zambia 2021-present (see Figure 1 on page 6). These reform attempts are set in a modern context of transnational corruption and kleptocratic influence that makes initiating and sustaining a virtuous circle of anti-corruption more challenging than transitions away from grand corruption in other times and places, like South Korea, Chile, and Estonia in the 1990s.¹⁹

AUDIENCE

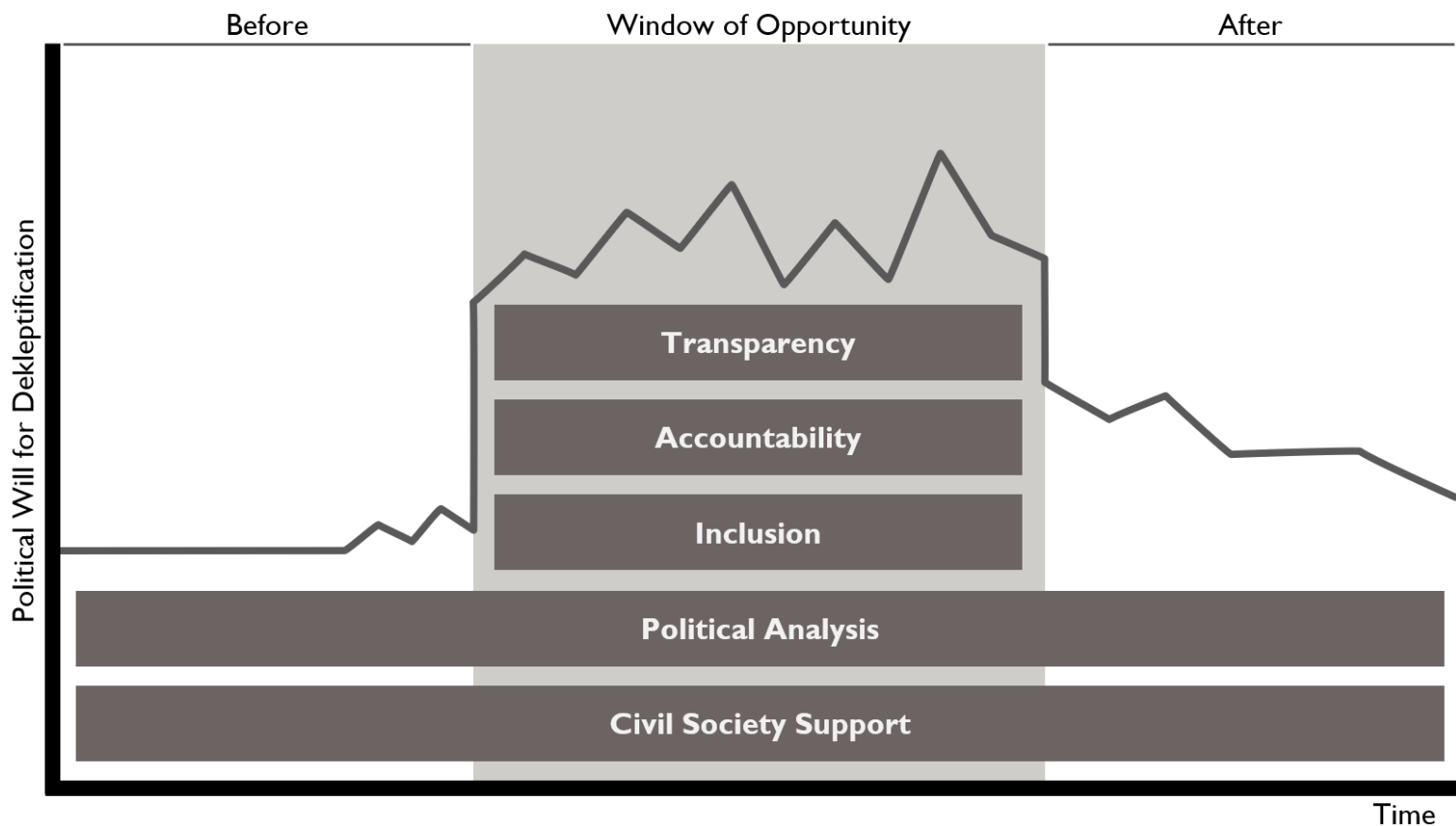
This guide addresses USAID Missions and implementing partners working to counter kleptocracy and strategic corruption. It is meant to convey lessons from colleagues with experience confronting similar challenges in other front-line countries. But it also speaks to the broader community of donors, practitioners, scholars, and other experts focused on international development assistance, anti-corruption rapid response, and counter-kleptocracy as a matter of national security. It illustrates for the first time how these fields overlap in ways that are grounded in both modern empirical lessons and academic theory. In addition to identifying radically transparent, accountable, and inclusive institutions that have proven effective *during* windows—which is when the vast majority of impact can be had, and thus the time to surge resources—this guide provides lessons learned about how to *prepare* for windows and defend gains *after* windows close.

FOCUS ON POLITICAL PROCESSES

In addition to outlining *which* reforms offer a desirable end state—a subject covered thoroughly by existing literature—this guide sheds light on the process of *how* to help countries enact and implement such reforms, in a politically sensitive way. Contexts of dekleptification are inherently contested, and local reformers must run the political gauntlet of building post-kleptocratic institutions and norms in the face of ruthless and cunning resistance from kleptocratic networks, reinforced by hostile foreign powers and opaque financial webbing. The question of how to achieve this feat, and how international donors can appropriately support such efforts, is a topic scarcely covered in the international aid literature.²⁰ This guide seeks to remedy that gap. It offers four novel contributions: (1) the framework sequencing development assistance before, during, and after windows of opportunity for anti-corruption, (2) the strategic dimensions of uprooting kleptocracy in the context of foreign-backed corruption, (3) guidance around how external actors can actively engage in and around the process of pursuing reforms without crossing the line into political interference, and (4) ways to recalibrate political analysis and reach for sharper tools when windows close.

But first, the guide starts with a section about two needs that persist in varying forms throughout the cycle of political will: political analysis and civil society support (see Figure 3).

Figure 3: Activities to Prioritize Before, During, and After Windows for Dekleptification



CONSTANT NEEDS THROUGHOUT THE CYCLE: POLITICAL ANALYSIS AND CIVIL SOCIETY SUPPORT

While the form and severity of needs vary greatly depending on whether a country is in a window of opportunity, two broad activities should be prioritized across all phases of dekleptification: conducting political analysis and supporting civil society.

FOCUS POLITICAL ANALYSIS ON CORRUPT ACTIVITY AND NETWORKS

The starting point for informed dekleptification work is a thorough understanding of the networks through which corruption operates locally and transnationally. This guide addresses *how* to conduct various types of analysis, *what* issues such analysis should cover, and *when* to conduct it.

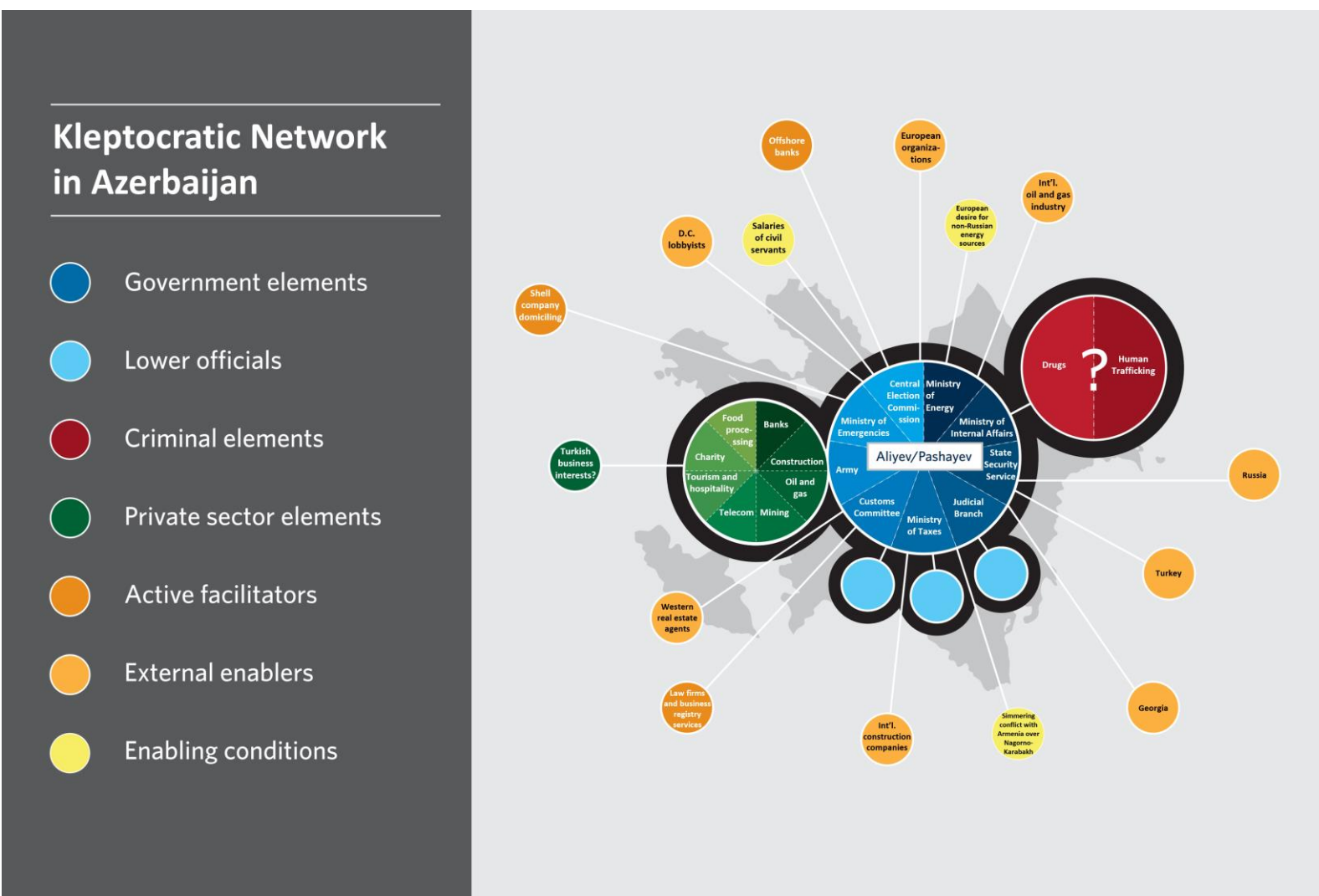
HOW: Political analysis to support dekleptification can vary across at least three dimensions: Assessments can be undertaken *internally* by USAID or *externally* by partners; they can be scoped toward the *entire* country or a narrow *sector*; and they can be timed *before*, *during*, or *after* a window of opportunity. Across all categories, assessments will ideally generate timely reports and visual schematics.

- **Internal or external expertise:** Missions can use USAID’s internal assessment tools and analytic resources, or Missions can commission assessments from external analysts.
 - *Internal political economy analysis (PEA):* PEA is USAID’s analytical approach to understanding the underlying reasons why things work the way they do and identify the incentives and constraints that lie behind the behavior of actors in a relevant system. By helping identify these political, economic, social, and cultural influences, PEA supports a more informed approach to sustainable development known as “thinking and working politically” (TWP). Through TWP, USAID seeks to better understand the systems where it works and to identify sustainable, locally generated solutions. USAID has a guide to applied PEA which describes the methodology for conducting a field assessment.²¹ Often coming at kleptocratic systems through the lens of a particular development sector, USAID’s PEAs have grappled with the role of corruption in contexts as varied as fisheries in Ghana, voter engagement in Niger, and the private sector in Serbia.²² While PEA as an approach can be used in any area of development, it can be particularly useful for dekleptification as it can explore why a kleptocratic system persists, how it maintains control, and which stakeholders might have leverage over it. Missions may inquire about PEA by contacting the Cross-Sectoral Programs Division within USAID’s Center for Democracy, Rights and Governance (DRG) at ddi.drg.pci@usaid.gov.
 - *External assessments:* Missions can bring in outside partners who might range from international journalists with rich investigative and analytical capacities to local anti-corruption researchers and advocates with deep contextual knowledge—or collaborations between the two. The most important factor in the selection of experts is to work with those who already have considerable experience mapping kleptocratic networks in a given country and are prepared to collect and assemble real-time, empirical, and actionable evidence—not just literature reviews or academic frameworks—within 30-90 days. Compared to PEA conducted by USAID, external assessments may focus more squarely on kleptocratic systems. For example, the National Democratic Institute (NDI) engages with local and

international researchers to apply its new framework for analyzing kleptocratic networks that linger after a political transition and identifying strategies to dismantle them.²³ The Basel Institute on Governance has similarly studied informal governance networks in seven countries.²⁴ External assessments could potentially be supported through USAID’s Anti-Corruption Response Fund, announced at the 2021 Summit for Democracy.

- **Broad or narrow in scope:** Assessments could broadly cover the high-level and pervasive kleptocratic networks that dominate a nation’s political economy (like the oligarchies that capture post-Soviet states), or they could be targeted toward a particular sector that is believed to suffer from severe corruption or is a USAID priority (such as health supply chains in Africa). The scope could change over time in response to either research findings about where corruption is concentrated or political developments on the ground.
- **Detailed report with visual schematics:** The output should be detailed and informed by extensive personal interviews and desk research based on official disclosures, financial records, open source intelligence, and other sources of evidence. It should include visual depictions of the kleptocratic network (see Figure 4). If the report is made public, it could also include a non-public annex with sensitive findings. Confidentiality is critical when

Figure 4: Illustrative Schematic Depicting the Kleptocratic Network in Azerbaijan



Source: Sarah Chayes, *The Structure of Corruption in Azerbaijan* (Washington: The Carnegie Endowment for International Peace, June 2016).

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analyzing dangerous kleptocratic networks, both to protect the security of those involved in the assessment and to avoid tipping off perpetrators about information that could be useful for official investigations.

WHAT: Studies of kleptocratic systems conducted by researchers from countries with strong rule of law often jump right into the technical details of legal and policy gaps in a country’s *formal* institutions. Instead, dekleptification analysis should mostly focus on the worst corrupt actors and behaviors in a given country. It should map the *informal* networks through which they operate. It can also consider reform coalitions and policy priorities to disrupt the status quo. These elements are outlined below.

- Identify corrupt activity, actors, and syndromes.** Assessments should identify a country’s dominant “syndromes” of corruption, which could include administrative corruption, state capture, strategic corruption, cronyism, plutocracy, oligarchy, or kleptocracy.²⁵ Assessments should describe both high-level power structures and the most salient ways in which ordinary citizens experience corruption in their everyday lives and livelihoods. Beyond abstract frameworks, assessments should also name the most corrupt and powerful individuals, institutions, and sectors, with some of these sensitive details potentially delivered in a non-public annex. Assessments should describe the practices through which corrupt enterprises operate with impunity, the history of how they obtained control over public and private institutions, estimates of who can and cannot be brought to the side of integrity, and key actors’ vulnerabilities.
- Map kleptocratic networks.** After the downfall of a kleptocrat and their family, the need for personal accountability must be supplemented by reform efforts that dig beneath the specific scandals to also address the underlying kleptocratic structures. As such, assessments must avoid the temptation to personify corruption in the form of a scapegoat. They should instead map out deeply entrenched networks of public and private sector perpetrators, enablers, revenue streams, and other kleptocratic structures, practices, and actors who could spoil reform efforts and recapture the levers of power in the future. The relevant actors could potentially span government officials, their families and cronies, key ministries, political parties, foreign powers, criminal groups, private entities, professional facilitators, non-profit enablers, interest groups such as labor or religious institutions, and others. Visibility into patronage and illicit financial flows involving crimes such as bribery, fraud, extortion, and illegal campaign contributions are important for understanding how a kleptocratic network operates. But even more fundamental is identifying the ultimate sources of captured revenue streams. These will often include: monopoly ownership over industries in which the state has substantial control, such as extractives; enterprises that may have been privatized in the absence of fair competition; preferential contracts to build infrastructure or conduct trade; interception of official foreign financing; or criminal activity enabled by compromised law enforcement. After identifying those revenue *sources*, researchers can trace the *destination* of ill-gotten gains, which are often laundered and stashed offshore. Finding those routes and destinations will be crucial for accountability and asset recovery. Finally, assessments should draw policy lessons from the network mapping by identifying legal-institutional weaknesses exploited by corrupt actors to retain control and impunity, as well as structural bottlenecks holding back inclusive growth.
- Map reform coalitions.** Before a window opens, political analysis should focus on mapping the landscape of actors sympathetic to reform. That should include but also extend beyond anti-corruption non-governmental organizations (NGOs) based in the capital city. Broader

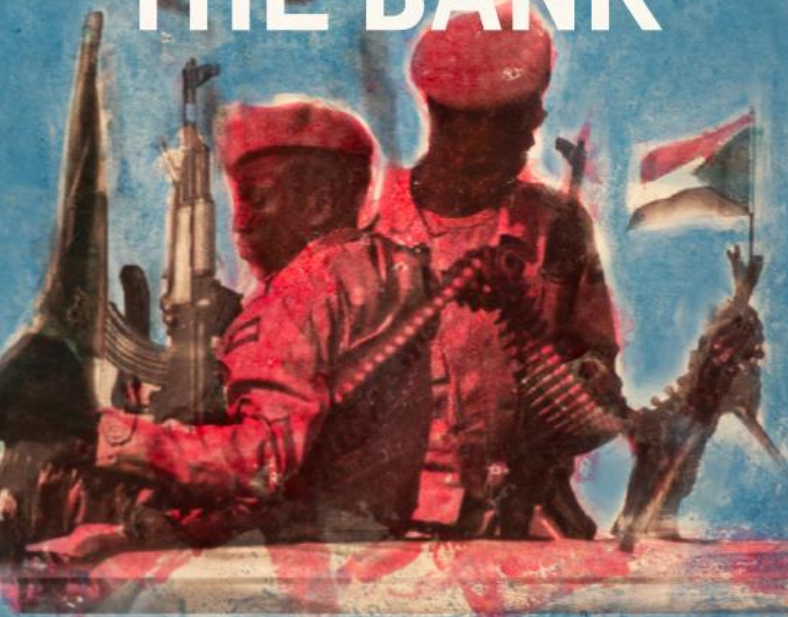
constituencies with legitimate social capital offer the greatest potential to mobilize the masses against corruption and drive sustained change. Depending on the country, the key constituencies may include youth, labor, business (especially associations of small and medium enterprises), or movements organized around health, education, gender, the environment, etc. In addition to assessing the prospects of these groups organizing around anti-corruption reform, analyses should seek to understand how corruption most saliently manifests in the lives of these constituencies and everyday citizens. In addition to broad societal actors, there are usually reform champions within government who should be identified and supported before a window. These may include honest prosecutors, judges, auditors, and financial regulators. After the window opens, the government landscape becomes an even greater focus of analysis: Which positions are held by genuine reformers and what decisions do they control? How are kleptocratic networks regrouping to thwart reform—from installing loyalists throughout government ministries to founding new political parties purportedly against corruption? Finally, after the window closes, analyses can map how reform constituencies are responding and what protection they need.

- Prioritize policy reforms.** Lastly, there is a role for political analysis to identify policy reforms that should be prioritized in a given country. This should be based on the aspects of corruption that are proving most detrimental to development, democracy, and security, and are most salient to citizens. Such analysis may identify the legal-institutional gaps that enable this type of corruption and identify readily achievable reforms. This may require working on dual tracks with thoughtful sequencing, including both *quick wins* to help sustain the window and *medium-term* reforms that are less visible but very important. These types of assessments can be conducted collaboratively between local change agents and international experts. The process can help forge consensus about a small number of anti-corruption priorities that would result in crucial systemic changes and could secure necessary buy-in. Such consensus is needed within civil society (across both traditional NGOs and grassroots movements), between civic actors and allies in government, and between domestic actors and international supporters. An approach like this helped Ukraine hit the ground running in 2014 with its Reanimation Package of Reforms, supported by USAID (see images on page 28).²⁶ More recently, with support from USAID, Moldova and Bulgaria have established anti-corruption committees to identify policy priorities to be pursued in newly opened windows.

WHEN: Political analysis is most actionable around the time when a window of opportunity opens. An assessment could be particularly timely either some months before a contested election that could take down a kleptocrat—work that could serve the dual purpose of closely watching for election interference and getting a head start on building relationships and analyses that will become critical if a window opens—or soon after a corrupt regime is replaced by reformers who enjoy broad public support but have limited governing experience.

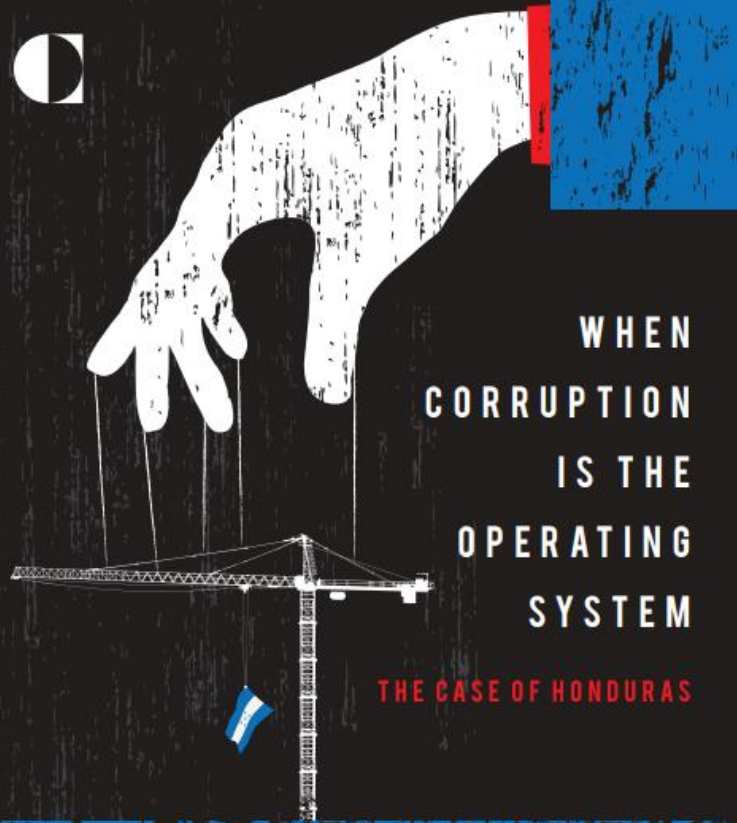
However, given the fluid nature of dekleptification, political analysis must be continually updated to stay fresh, particularly after major developments or countermoves. For example, after the October 2021 military takeover in Sudan, USAID’s Office of Transition Initiatives immediately pivoted from supporting the civilian-led transitional government to commissioning a study conducted by the Center for Advanced Defense Studies (C4ADS) on how the military reasserted control over the complex corporate structures once built to sustain the repressive kleptocratic regime of Omar al-Bashir (see image on page 15).²⁷ C4ADS mapped a deep state of Sudanese officials who own the country’s largest companies and monopolize the banks, import-export companies, and processing plants.²⁸ Similarly, NDI and The Sentry were in the midst of carrying out a post-kleptocratic transition assessment in Sudan when the window slammed shut in October 2021, at which point the

BREAKING THE BANK



HOW MILITARY CONTROL OF THE ECONOMY OBSTRUCTS DEMOCRACY IN SUDAN

Source: Catherine Cartier, Eva Kahan, and Isaac Zukin, *Breaking The Bank: How Military Control of the Economy Obstructs Democracy in Sudan* (Washington: C4ADS, June 2022).



WHEN CORRUPTION IS THE OPERATING SYSTEM

THE CASE OF HONDURAS

SARAH CHAYES

Source: Sarah Chayes, *When Corruption Is the Operating System: The Case of Honduras* (Washington: The Carnegie Endowment for International Peace, May 2017).

research team’s focus necessarily shifted to a retrospective “lessons learned” approach to better understand the ways in which the embedded kleptocratic networks put an end to the democratic transition and opportunities that the international community might have missed. Political analysis is needed constantly throughout the cycle of political will, with focal questions shifting in accordance with the political context before, during, and after windows.

- Before:** Assessments undertaken before any major window has opened could pay particular attention to revenue streams captured by kleptocratic networks, societal constituencies for and against reform, ways corrupt incumbents abuse state resources to repress opponents or tilt election processes in their favor, the extent to which foreign powers are engaged in strategic corruption, and a preliminary assessment of what a future reform and accountability roadmap might entail. Examples of pre-window assessments include Sarah Chayes’s mapping of kleptocratic networks in three Eurasian countries (Azerbaijan, Kyrgyzstan, and Moldova) in 2016, Honduras in 2017 (see image), and the United States in 2020.²⁹ The Basel Institute on Governance has similarly analyzed kleptocratic networks in Kazakhstan, Kenya, Kyrgyzstan, Tanzania, and Uganda.³⁰ Matthew Page and Abdul Wando recently examined the kleptocratic capture of local government in Nigeria.³¹ Finally, Putin’s Russia has been most comprehensively studied—filling several landmark books—as a leading case of kleptocracy, cronyism, and strategic corruption.³²
- During:** Assessments undertaken after a window has opened can get more granular around how to prioritize, structure, and sequence policy reforms. They should also continue

monitoring and analyzing efforts by corrupt elements to evade justice, thwart reform processes, threaten and co-opt reformers, and mobilize interventions by foreign powers. Openings are times to avoid “analysis paralysis.” Instead, USAID and other champions of dekleptification should quickly undertake or commission studies that tee up thoughtful and powerful action. An example focused on a single sector within a window is a new report on systemic fraud and money laundering in Moldova’s financial sector, including corruption within the Moldovan law enforcement and judicial system that was integral to the Russian Laundromat and other schemes of transnational corruption (see image).³³ It was prepared by the Independent Anti-Corruption Advisory Committee, a panel of world-renowned anti-corruption experts established by Moldovan President Maia Sandu and funded by USAID. An example of a program focused more systematically on reform windows is an anti-corruption rapid response initiative run by the Center for International Private Enterprise (CIPE), a non-profit affiliate of the U.S. Chamber of Commerce. CIPE’s team regularly convenes a global network of anti-corruption experts and “quickly deploys staff and resources to countries around the world that are experiencing a window of opportunity for significant anti-corruption reform.”³⁴ Among other rapid-response resources, CIPE’s political analysis has ranged from in-depth examinations of the income sources behind a kleptocrat in The Gambia to more regular releases of topical podcasts and blogs.³⁵ Finally, and most recently, NDI’s new initiative assessing post-kleptocratic transitions is focused mainly on analyzing entrenched kleptocratic networks and reform priorities within the first few months of a window opening.³⁶ For example, recognizing that windows will only stay open to the extent that they enjoy popular support, NDI has collected data on Zambian and Moldovan citizen perceptions of reformists’ anti-corruption platforms and performance in order to inform policy prioritization and messaging.³⁷



Source: Independent Anti-Corruption Advisory Committee, *The Offshore Republic: Review of Factors Leading To Systemic Fraud and Money Laundering in Moldova's Banking, Financial, and Insurance Sectors* (Chisinau: Independent Anti-Corruption Advisory Committee, July 2022).

- **After:** If and when windows close, political analysis can understand how and why anti-reform elements are regaining power. Assessments should inform sharper U.S. government interventions that could help to defend reform gains and hold the regime accountable. Such tools could include freezes in assistance to the increasingly corrupt government, more forceful public diplomacy, and sanctions on high-level corrupt officials. For example, in addition to the C4ADS report on Sudan, USAID has commissioned assessments by leading

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Sudanese anti-corruption analysts on strategic corruption and the illicit gold trade (see image). Assessments conducted by a USAID partner, Transparency International-Georgia, have examined the impunity of corrupt officials, Georgia’s growing economic dependence on Russia, and oligarch’s businesses in Russia.³⁸ Finally, the U.S. Special Inspector General for Afghanistan Reconstruction has produced timely and comprehensive analyses of the paramount role that corruption played in precipitating the closure of a window.³⁹

PROTECT CIVIL SOCIETY ACTORS WHO EXPOSE CORRUPTION AND DRIVE CHANGE

While civil society is an essential player across all sectors of development, they are particularly vital in anti-corruption. This is because corruption involves inappropriate dealings between the public and private sectors, leaving the “third sector” as watchdogs. Key actors include investigative journalists and anti-corruption advocates who expose corruption and push for lasting changes, grassroots movements that mobilize “people power,” and coalitions of patients, parents, students, women, workers, customers, worshipers, and others with social influence.

Across all phases of dekleptification, Missions should partner with civil society actors who are the crucial eyes and ears of reform movements. Even in closed spaces, there are local experts who actively monitor autocratic efforts and kleptocratic networks, whether or not they are formally organized as anti-corruption activists. All societies have a cadre of professionals who despise corruption and yearn for reform, whether or not they are empowered to openly serve as champions. They are often the first to know which officials are the most corrupt, how their patronage networks operate, and which institutions are fronts for corrupt networks. Investigative journalists and anti-corruption advocates open and sustain windows by exposing corrupt activity and channeling public energy into lasting change. Researchers and activists map corrupt activity, trace assets to foreign jurisdictions, and mobilize diaspora communities to advocate for governments to impose sanctions or take legal action. In the reform process, local allies often have the most detailed knowledge of which policy loopholes are most exploited, when the politics align for stronger measures, how parliamentary factions will thwart reforms, and which anti-corruption proponents are genuine and powerful. Because USAID Missions are well integrated into social networks on the ground, they are well-placed to bring the perspectives of local civil society into U.S. government policy deliberations.

Sudan: The Costs of the Scramble for Gold

Disclaimer: The mention of any individual, company, organization, or entity in this report does not imply their violation of any domestic or international law and should not be construed as such.

By: Suliman Baldo, July 2022

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Source: Suliman Baldo, *Sudan: The Costs of the Scramble for Gold* (New York: July 2022).



Workshop participant Josh Machleder of Internews uses a creative prop in a “product in a box” exercise on nurturing civil society activism under restrictive conditions. Photo by Reboot.

Missions should have trusted relationships with civil society leaders and understand their international needs, which might be addressed by the following seven forms of support:

- Connections to peers:** Change agents need assistance plugging into alliances and coalitions of peers, particularly in countries that have long suffered repressive kleptocracy and may be finally opening up space for civil society (see image). They often crave in-country and international spaces where they can: learn from experts and activists who have worked on dekleptification elsewhere; build informal relationships across organizations and sectors; develop new skills; recruit influencers to tell the country’s story and draw attention to threats; pursue flexible and regular forms of funding; and take collaborative actions to expose corruption and push for reform and accountability. Integration and coordination across the system of anti-corruption stakeholders has been an unmet need in several windows, such as Brazil in 2013-2019. USAID Missions could sponsor study visits to other countries that have undertaken dekleptification. Or they can host regular networking convenings to foster exchanges among NGOs, political parties, government officials, business executives, international donors, and anti-corruption experts from other countries. Trust is needed between those in government trying to *design* reforms and those on the outside who *use* reforms (like experts who access open data). Supporting global and regional anti-corruption networks is a primary objective of USAID’s Empowering Anti-Corruption Change Agents Program announced at the 2021 Summit for Democracy. At the Summit, the U.S. Department of State’s Bureau for Democracy, Human Rights, and Labor (State-DRL) also announced that it will provide up to \$6 million to enhance the work of the Global Anti-Corruption Consortium, which links the journalists of the Organized Crime and Corruption Reporting Project (OCCRP) with the advocates at Transparency International.



President Biden and Secretary of State Blinken attend the virtual Summit for Democracy, December 9, 2021. Photo by the White House.

- Protective services:** Kleptocrats, oligarchs, and related intelligence services have the resources, disposition, and motive to smear, harass, compromise, and harm civil society actors who expose corrupt activity. Anti-corruption activists, whistleblowers, and reporters sometimes need quick access to specialized security services that provide digital, physical, legal, psychosocial, and other forms of support. This requires connections to international organizations that provide such support, including to the community of human rights defenders. Missions should coordinate across the interagency to provide that full array of protective services during a window of opportunity, both for usage amid the window and to be ready to support even greater needs in the event that a violent backlash suddenly slams the window shut. This work can be supplemented by USAID’s new Empowering Anti-Corruption Change Agents Program. In addition to those forms of assistance, civil society actors also sometimes require political support (expressed through public and private channels). As a last resort, they might need to flee the country (ideally through temporary relocation programs that preserve their ability to return as soon as it becomes safe, like U.S.-based fellowships or opportunities to do anti-corruption work in neighboring countries). State-DRL helps individual civic leaders access those kinds of support mechanisms. State also announced at the 2021 Summit for Democracy (see image) that it will provide up to \$3.5 million to establish a Journalism Protection Platform and that the U.S. government will increase its engagement with the Media Freedom Coalition.
- Defamation defense:** Oligarchs and other subjects of reporting on corruption often try to silence journalists by suing them and their publishers. At the 2021 Summit for Democracy, USAID announced a global *Defamation Defense Fund*, which would provide insurance to cover the cost of defending journalists and media organizations against frivolous lawsuits and strategic litigation against public participation (SLAPP). USAID will do this by providing up to

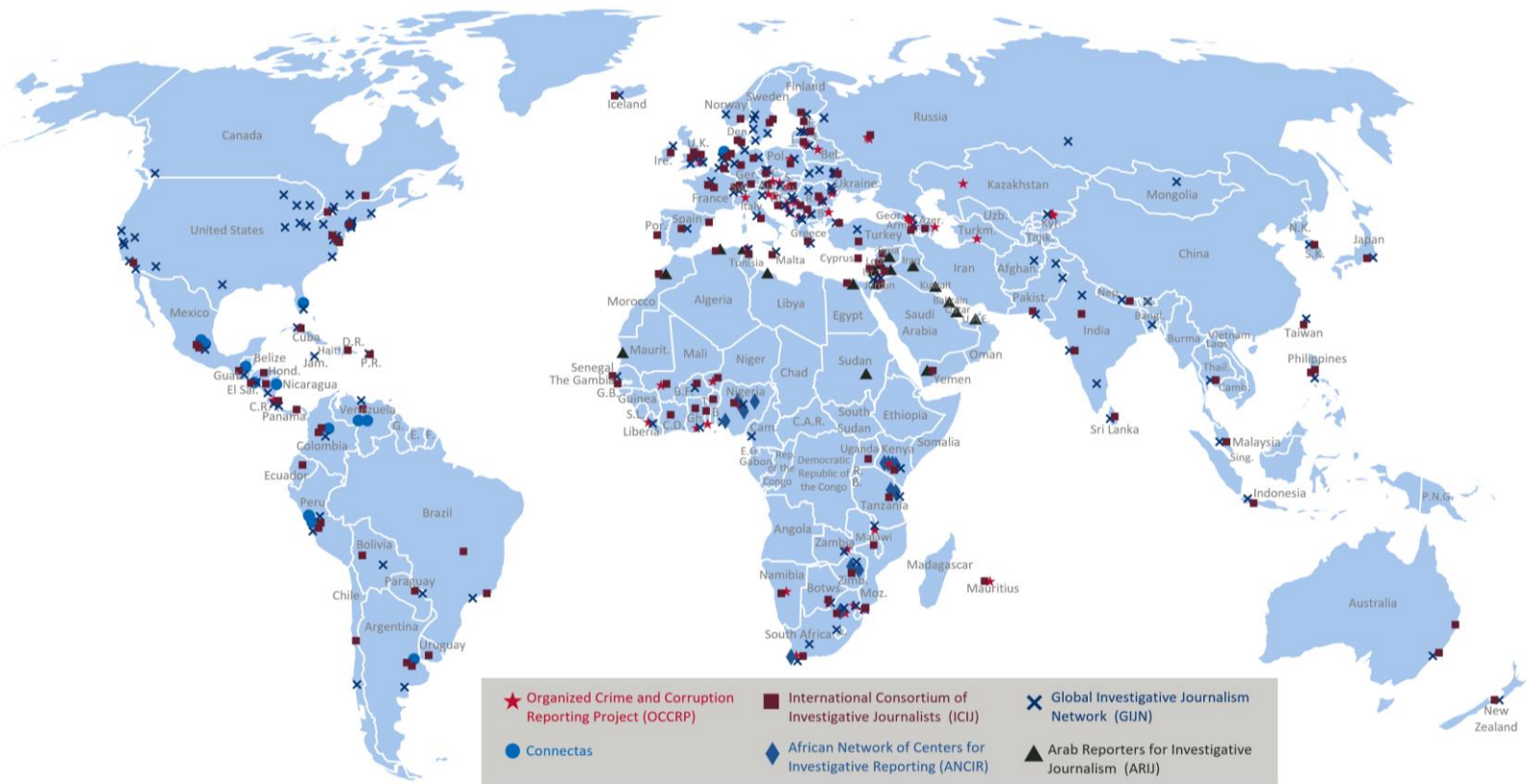
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\$9 million in seed funding for a new economically viable nonprofit insurance entity called “Reporter’s Mutual,” which will provide journalists with liability coverage at a modest cost.

- Political amplification:** For the messages of civil society to be heard and taken seriously, they often need to be voiced by powerful leaders, diplomats, embassies, and multilateral groupings around the world. When appropriate, Missions can operate as intermediaries between local anti-corruption reformers and salient platforms in the U.S. government and international community. The message may spotlight integrity champions. Or it may draw attention to emerging threats against reform efforts. For example, when USAID-supported activists in Kyiv have seen the government failing to deliver on the spirit of commitments—such as by allowing a corruptible figure to become head of an independent anti-corruption enforcement agency—they have relayed warnings to their informal contacts among the Mission team and the State Department. Those U.S. Embassy officials, in turn, can quickly arrange for high-level phone calls from U.S. government leaders or joint public statements by the G7 Ambassadors Reform Support Group in Kyiv, which promotes its messages through dedicated channels followed by journalists and other influencers such as @G7AmbReformUA on Twitter.
- Flexible and reliable funding:** The fluid and political nature of dekleptification means civil society actors need flexibility at critical junctures to pivot resource allocations and project objectives toward newly topical issues. It is often impossible to predict which issues will galvanize broad public support and how corrupt actors will respond. As such, civil society needs the flexibility to pivot when openings occur, rather than remaining locked into multi-year programming objectives with specific deliverables that are no longer relevant. They also need consistent resources that can be counted upon even as objectives shift before, during, and after windows. That, in turn, requires strong relationships and trust with funders. Adaptability is also served by empowering local actors, as their political awareness and informal networks are critical to rapidly responsive programming.⁴⁰ One way USAID Missions introduce flexibility into procurement contracts is through crisis modifier clauses in award instruments and other contractual modifications and amendments that authorize programs to pivot toward new challenges. Missions can also buy into flexible mechanisms administered by USAID’s DRG Center, like the Enabling and Protecting Civic Space (EPCS) – Illuminating New Solutions and Programmatic Innovations for Resilient Spaces (INSPIRES) project.⁴¹ Missions should also explore parallel, matching, or joint funding mechanisms with other donors, seeking a middle ground between full coordination (which can be too cumbersome for rapid-response environments) and no coordination (which risks missing opportunities or even working at cross purposes).⁴²
- Transnational investigative journalism:** Supporting investigative journalism is often the single best possible investment in the development of a country beset by repressive kleptocracy. Independent reporting that reveals the truth about corruption provides crucial information and motivation that citizens and authorities need in order to make government serve the people. Over the past decade, one of the most promising advancements in the fight against transnational corruption and kleptocracy has been the establishment of coordinating networks like the International Consortium of Investigative Journalists (ICIJ) and OCCRP. These initiatives connect journalists around the world to coordinate investigative reporting, research, and analysis around major international stories of corruption and offshore financial secrecy. For example, the Pandora Papers was the largest collaboration in the history of journalism, including more than 600 reporters in 117 countries. Whereas journalists traditionally guard their scoops from competing journalists,

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Figure 5: Map of Investigative Journalism Networks



Sources: Websites of *OCCRP*, *ICIJ*, *GIJN*, *Connectas*, *ARIJ*, and *ANCIR*.

collaborators on ICIJ projects radically share findings with each other over secure channels to build on each other’s work before publishing. While local reporters bring deep context about corrupt figures in their country, publishing an exposé in an outlet based in another country can help to attract more international attention and protect local reporters from retribution. These joint projects often maximize their impact across audiences by coordinating simultaneous publications across multiple outlets. These transnational civic networks are the media world’s rebuttal to the global reach of kleptocrats, which is why OCCRP’s mantra is that “it takes a network to fight a network.”⁴³ Funders of OCCRP include USAID, State-DRL, and the National Endowment for Democracy. USAID also supports CONNECTAS, an investigative reporting network focused on the Americas.⁴⁴ Other similar networks focus on Africa, the Middle East, and the entire world (see Figure 5).⁴⁵ There is not yet a regional network connecting investigative journalists in Asia. And even the global networks (OCCRP, ICIJ, and GIJN) do not have any members located in some particularly dangerous places for investigative journalism, like Central Africa, Saudi Arabia, Iran, and China. USAID Missions should see how their country compares to others to get a preliminary sense of how well in-country investigative journalists are connected to international peers. Supporting new media centers and outlets—and investing in existing ones—to plug into these international networks can be powerful. Indeed, USAID has extensive experience supporting investigative journalism within individual countries, from Mexico to Indonesia. USAID Missions should maintain close relationships with the members of these networks based in-country and seek their input on unmet needs in the investigative media landscape, from funding requirements to the enabling environment. In addition, Missions can convene stakeholders in investigative journalism and provide connections to international partners. State-DRL also supports tools that help journalists expose corruption in specific countries, such as by creating a searchable public database of Ukrainian asset declarations or facilitating the monitoring of public procurement platforms in Moldova. USAID announced plans at the 2021 Summit for Democracy to invest up to \$30 million in the new International Fund for Public Interest Media and provide \$5 million to launch a Media Viability Accelerator.

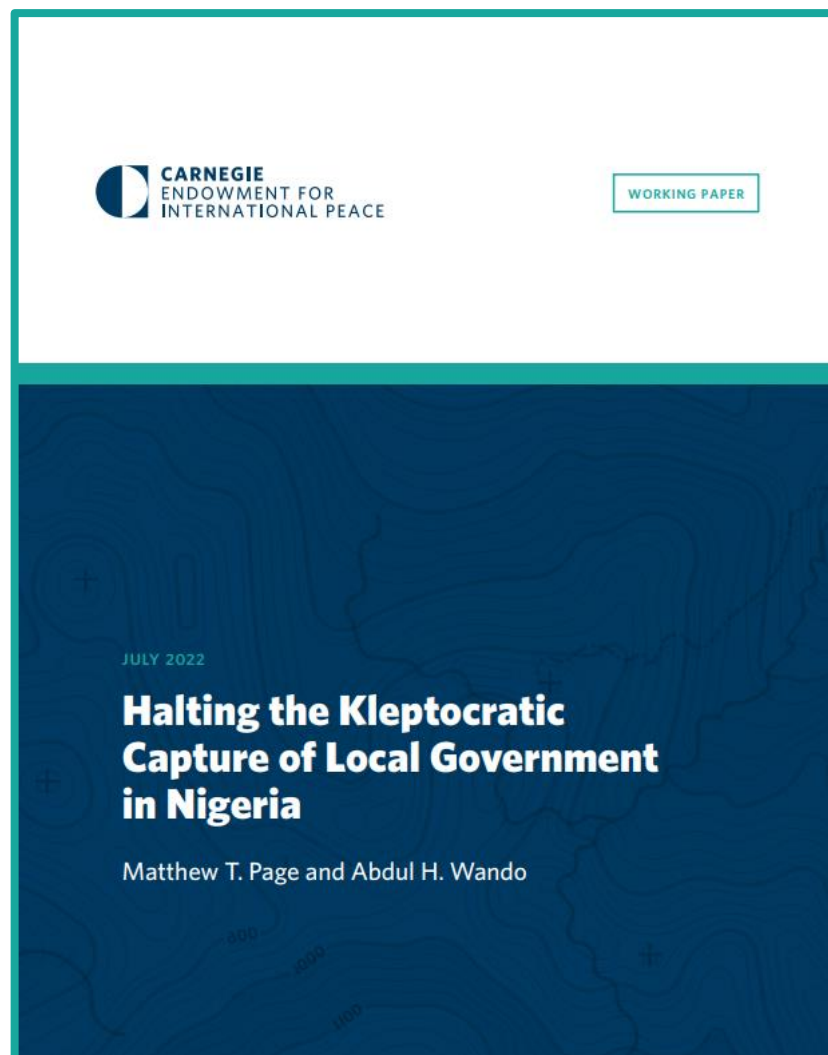
- Responses to disinformation:** One of the main ways foreign kleptocracies and domestic oligarchs try to derail dekleptification is by propagating anti-Western and anti-reform disinformation. The main objective is to close the window of opportunity by convincing the local population that they have no say in domestic state-building because—it is claimed without evidence—their elected representatives and civil society actors secretly serve as puppets of the U.S. government, the IMF, or others. Such false narratives are powerful and must be corrected swiftly by conveying verifiable facts over popular mediums. Anti-corruption reformers are also personally targeted by disinformation. These individuals can use bespoke services advising them on how to respond and providing resources to do so. USAID addresses these challenges by strengthening the resilience of the information and media environments in countries where it operates. USAID brings together local and regional partners across industry, academia, influencers, non-government organizations, and governments to address mis-, dis-, and malinformation (MDM). In doing so, USAID seeks to strengthen the integrity of the information system and build local capacity to address MDM-related challenges, be it through support for independent media or through media and digital literacy programming. For example, as part of either a standalone media program or integrated into broader governance programming, USAID’s DRG Center can conduct a diagnostic assessment of a country’s information environment, which would survey MDM threats, trace origins and purveyors, identify local allies, and recommend resilience gaps to be filled.⁴⁶ Among other types of programming, USAID, State-DRL, and the National Endowment for Democracy have supported fact-checking NGO initiatives such as and Fact-a-lyzer and the Media Development Foundation in Georgia, RasKRIKavanje in Serbia, Chequeado in Latin America, VoxUkraine, and more.⁴⁷ Beyond fact checking, think tank programs such as the Atlantic Council’s Digital Forensic Research Lab and the German Marshall Fund’s Alliance for Securing Democracy provide more systematic forensic analysis, such as a dashboard tracking information manipulation in the 2021 German election, which exposed expansive operations by RT Deutsch (a Kremlin-backed television channel) to tarnish German Covid-19 vaccines and Annalena Baerbock’s candidacy for chancellor.⁴⁸ In Ukraine, USAID has programs geared toward supporting the broader environment of media literacy and speech rights, as well as programs to communicate facts to key audiences about anti-corruption and other topics.⁴⁹ While Ukraine’s most popular news channels are owned by oligarchs (whose interests can be endangered by reform), those oligarchs also have active business ties in the West, so USAID and its partners have had sufficient leverage to appear on these channels in order to communicate reform messages.⁵⁰

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BEFORE THE WINDOW: LAYING THE GROUNDWORK FOR FUTURE OPENINGS

Many USAID Missions operate in closed environments that are not yet experiencing a political opening for dekleptification, or in democracies that have severely regressed into cronyism and state capture. In these pre-window countries, Missions nonetheless have meaningful programming options to lay the groundwork for a future window of opportunity. They should prepare policy proposals and cultivate reform constituencies well ahead of time, given that most reforms take place in the first year or two of a window. Partners also need the latitude to build ideas, coalitions, and other infrastructure over long time horizons without necessarily expecting a payoff within a short programmatic cycle.⁵¹ Key objectives should be to develop a detailed picture of corrupt activity in the country, support the space available for civil society to expose corruption, forge consensus about which dekleptification reforms should be prioritized, and prepare flexible mechanisms and funding that can be redirected and scaled up quickly in the future.

- **Conduct political economy analysis:** Political analysis should take an evidence-based approach to mapping major corrupt activity and the most exploited vulnerabilities. The objective is to understand the prospects for major reforms and prepare well-targeted assistance so that it is ready for delivery as soon as a window opens. Economic analysis should clarify which captured revenue streams fund kleptocracy, how the business culture and social norms reinforce the system, what other constraints hold back inclusive growth, and which progressive business professionals could lead clean competition in the future. It might focus on a particular topic, such as local government (see image). Analysis can be conducted jointly or at least shared among donors to develop a common picture and lay the analytical groundwork for coordinated activities. To the extent that the country is approaching what could be a free and fair election, some political analyses and associated planning might be kept non-public in order to avoid even the perception of interfering in local politics. Authoritarian settings bring lower risk of political interference but greater risk of endangering local allies. There, political analysis could feed into sanctions and law enforcement activities, as appropriate. In any case, Missions should set up an interagency team that regularly shares information and analysis, which can lay the groundwork for future collaboration.



Source: Matthew T. Page and Abdul H. Wando, *Halting the Kleptocratic Capture of Local Government in Nigeria* (Washington: The Carnegie Endowment for Int'l. Peace, July 2022).

- Invest in, connect, and protect civil society:** Missions should maintain close relationships and active programming with the leading anti-corruption activists and other reform stakeholders within the country. Missions should also know the anti-corruption experts at USAID and State who can connect locals with the international networks and support services reviewed in the previous section. Missions working with civil society to lay the groundwork for future windows can also: support coalition building among civic actors to help them converge on a common anti-corruption agenda; build partnerships between NGOs and private sector allies; develop professional skills and networks that will be vital when a window opens; and invest in independent media and investigative journalism (see image and text box). Beyond journalism, NGOs dedicated to research and advocacy around human rights and anti-corruption can provide hands-on experience for reformers who might someday take power. For example, the Tbilisi-based Liberty Institute was founded in 1996 by several young reformers who would become top government officials seven years later after the Rose Revolution. The long-cultivated ideological cohesiveness of this core group of reformers was essential for the new government to hit the ground running when the window opened in Georgia.⁵² That case illustrates the importance of long-standing personal relationships when windows open and reformers take on new roles. But such connections



USAID Administrator Samantha Power visits Moldova to meet with investigative journalists and discuss how USAID can support their work. November, 2021. Photo by USAID.

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also bear fruit before the window, when reformers need collaborative spaces to share information and analysis, plan coordinated actions, and provide mutual care. Missions can support personal connections by providing dedicated programming, playing matchmaker to global networks, and hosting convenings among reformers in the country (including making connections across civil society, media, the private sector, government, and more).⁵³

Moldovan independent media

Seven years before the current window opened in Moldova, State-DRL supported the launch of RISE Moldova, a media outlet that quickly became a leading member of OCCRP, named Moldovan figures linked to major offshore leaks, and revealed then-president Igor Dodon’s connections to the Russian government. Meanwhile, USAID funded MEDIA-M, an expansive project in Moldova implemented by Internews, Freedom House, and the Independent Journalism Center-Moldova. MEDIA-M provides grants and technical assistance to independent media, supports media literacy activities, improves the legal and regulatory environment for independent media, and more.⁵⁴

- Build connections with broader anti-corruption constituencies:** To support anti-corruption civil society and prepare to work with reformers in future windows, Missions should develop close relationships with a broad cross-section of societal actors harmed by corruption. These include youth, labor, business, social groups, and others. Compared to democracy NGOs in the capital city, these societal interest and identity groups enjoy deeper support throughout the population. Their mobilization, leadership, resources, and legitimacy are paramount to political openings. The voice and agency of these broad constituencies are essential to breaking through the tired and misleading arguments promoted by controlling autocrats about stability and prosperity only being possible by avoiding the social and economic upheaval that comes with a transition. These groups may also have more civic space in which to operate than corruption-focused NGOs, particularly in repressive environments. For example, in several African countries suffering from repressive kleptocracy, the ranks of civil society dedicated specifically to anti-corruption are thinner than is common in other regions like Eastern Europe and Latin America. Thus, Missions working in African kleptocracies can direct programming toward either building that anti-corruption civil society or linking anti-corruption leaders to these existing social networks. Anti-corruption actors can also deepen ties with like-minded business leaders—whether multinational corporations bound by the U.S. Foreign Corrupt Practices Act or local entrepreneurs who are excluded from captured markets. The most potent organizing may come from marginalized communities or advocates for issues not explicitly about kleptocracy, like the two women in South Africa who built a grassroots environmental coalition that stopped the South African government’s secret nuclear deal with Russia.⁵⁵ Women often bear the brunt of kleptocracy’s injustices and become active participants in popular mobilizations against kleptocrats, as the Lukashenka regime in Belarus learned in 2020 (see image on the cover page). On the other hand, the most organized groups may be fundamentally hostile to democracy and anti-corruption, posing serious political challenges not only to opening windows but also to sustaining windows after they open. Civic education and political party development may be needed so that citizens have more than just kleptocratic options. For example, having to choose between military rule and an Islamic state was the dilemma that proved insurmountable in the window that Egyptians opened on



Cairo's Tahrir Square on February 18, 2011, as protesters celebrate the ouster of former Egyptian president Hosni Mubarak. Photo by AFP.

Tahrir Square in 2011 (see image). As another example of enduring kleptocratic power players, Afghan warlords did not separate themselves from preexisting patronage networks or otherwise “self-correct” when they assumed power in their government ministries and were showered with political and financial support.⁵⁶ Whereas Ukraine’s Revolution of Dignity was able to succeed in the absence of a key charismatic leader, countries with lower levels of civic education may need to be carried through this adaptive process by a compelling former dissident with conscience and conviction like Nelson Mandela, Václav Havel, or Lech Wałęsa. While far from the only factor, the Arab Spring and Afghan windows closed in the absence of such leaders emerging. Rather than using all these societal elements as instruments of foreign interests or implementers of projects conceived abroad—including a cookie-cutter version of the reforms recommended in this guide—Missions should spend time before any window building trust with these communities and getting to know how they face corruption. And points of contact with civil society and broader societal constituencies should be systematically maintained across regular turnover of Mission staff. These investments in staff time will be essential for deep connections to powerful anti-corruption coalitions and for eventually designing dekleptification programming that addresses local needs and secures deep-seated domestic buy-in.

- Avoid political interference:** The United States cannot pry windows open or push countries into dekleptification. USAID’s disciplined approach to supporting governance and promoting democracy over the past three decades stands in direct contrast with strategic corruption across at least three essential dimensions.⁵⁷ First, U.S. assistance is transparently accounted for in publicly available budgets, whereas strategic corruption involves covert funding funneled through obscure entities owned by deniable proxies. Second, U.S. support is welcomed and voluntarily accepted by partner countries, whereas strategic corruption and other forms of foreign interference represent coercion that is unwelcome by citizens, an illegitimate violation of national sovereignty. Third, U.S. aid is meant to build the institutional capacity for all sides of the political spectrum to compete on a level playing field, rather than picking and choosing preferred parties or candidates.⁵⁸ Windows for dekleptification are opened by domestic actors operating with independence and sovereignty, even if reformers out-compete kleptocrats on a level playing field upheld by



James Otto teaches members of the Jobbahn Clan in Liberia about land rights, natural resources transparency, and non-violent resistance. Photo by the [Open Gov't. Partnership](#).

independent media outlets and civil society workers—apolitical civic actors who seek and secure legitimate support from international donors. While there is important civil society support and analytical work to be undertaken before windows open, only after citizens finish a legitimate process of self-determination to pursue dekleptification does USAID ramp up support in solidarity with those reformers.

- Pilot targeted reforms:** No governing system is monolithic, so unless a dictatorship is extremely hardened and consolidated, there will be situations where it is possible to pilot reforms that will help lay the groundwork for a window. This could include reforms that open access to some public information, put some rights to expression and participation onto the books (even if they are not fully enforced), or integrate indirect anti-corruption programming into efforts to strengthen sectoral service delivery systems. Multi-stakeholder processes like the Open Government Partnership help connect reformers in government and civil society and provide them with a space for collaborating on an agenda (see image). Economic interests such as gaining access to the sovereign bond market can provide pre-window regimes with motivation to pursue basic governance reforms like budget transparency, tax administration, land registries, regulatory openness, and other gateway reforms that help prepare for stronger transparency measures. These pilot reforms can help facilitate courageous public participation in political life, give reformers initiatives to collaborate around as they start building trust and experience, identify contextually appropriate approaches that may be scaled up when there is a wider opening, and get some easier reforms out of the way for when the window opens. For example, in the years before the Rose Revolution, reformers in Georgia were able to open some access to public information, change regulations on freedom of expression, conduct comprehensive reform of administrative law, and even make some reforms to the judiciary. As another example, Egypt remains encumbered by kleptocratic structures institutionalized under three decades of the Mubarak regime, leaving citizens without means to report corruption or to be protected as whistleblowers against civil service corruption. To address that gap in the absence of a wider window in Egypt, USAID's economic governance programming finds

ROADMAP OF REFORMS

FOR THE VERKHOVNA RADA OF UKRAINE OF THE 8TH CONVOCATION



The Roadmap of Reforms has been prepared by the civil initiative Reanimation Package of Reforms – association of experts, leading nongovernmental organizations and Ukrainian think tanks set up to promote reforms in the country.

|2015|

Roadmap of Reforms developed by Reanimation Package of Reforms Coalition in 2014 for 2015.



Reanimation Package of Reforms Coalition continues to monitor progress and present updated reform roadmaps, including at its Ukraine Reform Conference 2020/2021.

spots to open opportunities for participation and transparency. Activities range from conducting anti-corruption training for civil servants to using digitalization to open access to e-services needed by women and youth.⁵⁹ Finally, democracy promotion can help anti-corruption reformers prepare for windows, such as by preparing briefing materials on the transition process and the governing levers in a given country’s unique administrative context, similar to expertise provided by the White House Transition Project.⁶⁰ Targeted programming informed by former insiders or influential professionals could be pre-positioned to help reformers with no governing experience quickly come up to speed on highly localized processes, from moving legislation through parliament to influencing regulatory and administrative structures.⁶¹

- Build bridges between domestic and international partners:** Civil society operating under repressive kleptocracy needs connections to the international community. Advocates for accountability can help map illicit financial flows and share evidence both with the public and with sanctions authorities in countries where looted wealth is stored. The Anti-Corruption Action Center and others did this in Ukraine under Viktor Yanukovich (see Annex 1).⁶² To help forge consensus about which reforms to prioritize in a future window for dekleptification, Missions could facilitate dialogue between local civil society, international experts, multilateral institutions, private sector innovators, and reformers from other countries that have gone through windows. *These stakeholders should aim to agree upon a limited number of ambitious yet concrete reforms to prioritize the most salient and harmful manifestations of kleptocracy as soon as the window opens.* An example of reformers quickly agreeing upon such a platform came less than two weeks after Yanukovich fled to Russia in 2014, when a coalition of activists, experts, journalists, and researchers presented the Reanimation Package of Reforms (see images).⁶³ It provided an anti-corruption legislative roadmap that was adopted quickly due to pressure from the reform advocates. In addition to connecting domestic civil society with international experts, Missions should work closely with reformers to understand programming needs and build their capacity to access foreign assistance, if they so choose. Missions can also target programming toward foreseeable reform bottlenecks, such as shared analysis, legislation drafting, or leadership pipelines.⁶⁴
- Prepare flexible response options:** The rapidly evolving political dynamics around dekleptification windows often call for accelerated and flexible responses, similar to humanitarian aid and transition assistance after natural disasters and wars. To be ready to scale up assistance as soon as windows open, Missions should consider possible pathways for accessing relevant funds and mechanisms that can move quickly. USAID’s Anti-Corruption Task Force (ACTF) is building out an anti-corruption response framework for mobilizing support to fast-moving anti-corruption windows. That will include surging programmatic support to anti-corruption reformers and ensuring Missions have the staff necessary to support additional programming. To seed dedicated funding toward this effort, the ACTF

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launched the Anti-Corruption Response Fund (ACRF) at the 2021 Summit for Democracy. ACRF funding may be either centrally managed or transferred directly to Missions. The ACTF is developing flexible mechanisms to access this funding without the delay of long procurement processes. In the meantime, Missions can buy into several pre-competes mechanisms maintained by the DRG Center with flexible or rapid-response components. These include instruments dedicated to elections and political transitions, human rights, empowerment and inclusion, active communities – effective states, and other issues. Some can be deployed as soon as a week or month after a Mission approves a scope of work. Separately, Missions can work with USAID’s Office of Transition Initiatives, which most commonly operates in conflict-prone countries but has also launched a handful of initiatives with anti-corruption components in response to political transitions driven by corruption. These include the Kyrgyz Republic in 2010, North Macedonia in 2015, Malaysia in 2018, Armenia in 2019, and Sudan in 2019. Finally, in addition to tapping into these and other centrally managed programs, Missions can create their own flexible instruments in preparation for future windows. That way they are prepared to roll out new programming within weeks of an unexpected opening, rather than having to then spend a year or more working through procurement processes (see text box).

Flexible mechanism in Moldova

USAID-Moldova learned about the need for flexible procurement mechanisms in 2019, when a short-lived government formed to kick out the oligarch who had captured much of the state. By the time the donor asks were clarified and the Mission identified mechanisms, the window had closed with a vote of no confidence in the government. To be ready to move faster in the future, the Mission then procured its own single-holder justice indefinite delivery, indefinite quantity (IDIQ) contract. That put in place a framework with one implementer ready to receive task orders around judicial integrity and independence. This preparation paid off in 2021, when another window opened as President Maia Sandu’s party won a parliamentary majority. At that point, along with other rapid expansions to USAID support for Moldova (see image on page 30), USAID quickly used its new flexible IDIQ instrument to become the primary donor on President Sandu’s signature initiative to pre-vet the integrity of candidates to be judges and prosecutors.



USAID Administrator Power meets with President Sandu of Moldova in April 2022 to announce USAID support. Photo by USAID.

DURING THE WINDOW: INSTITUTIONALIZING TRANSPARENCY, ACCOUNTABILITY, AND INCLUSION

As soon as a window opens, USAID and its partners should pivot from mainly conducting political analysis and supporting politically independent civil society to now also more actively operationalizing support for the newly legitimate leaders as they prepare a transition of power and begin governing. This is a crucial moment when vested interests are disoriented, reformers are learning to run a government, and public expectations are sky high. Strategic and rapid action is vital.

STRATEGIC CONCEPTS FOR SEIZING WINDOWS

POLITICAL ANALYSIS: There is no simple recipe of reform policies that will magically convert a window of opportunity into a virtuous circle of dekleptification. Each corrupt system is corrupt in its own way. Money may be stolen through public procurement in one country and police shakedowns in another, laundered through shell companies in one country and human straw depositors in another, with impunity maintained by bribing judges in one country and firing honest prosecutors in another. Moreover, local differences in historical processes, political power, and institutional arrangements make societies react to the same policy interventions very differently.⁶⁵ It is also difficult to predict how corrupt elements will respond. They might recreate themselves in new forms to evade new institutions. Or they might fight back with disinformation, cooptation, support from foreign powers, or other dangerous countermoves. The need to inform the reform process with continual understanding of these contingent local details is why political analysis remains essential during windows of opportunity.

PRIORITY AREAS: Based on the findings of local political analysis, Missions should work with reformers to prioritize a few interventions. This could include adapting front-line innovations from elsewhere, which often go well beyond international standards. Three potential priority areas—transparency, accountability, and inclusion—are detailed in three respective subsections at the end of this section. The first, transparency, involves collecting and publicly disclosing as much information as possible about who owns what companies and other assets—financial information that will inform efforts by investigative journalists and civil society advocates to expose corruption and drive reform. The second policy area, accountability, involves creating new independent bodies capable of investigating, prosecuting, and ruling on cases of high-level corruption. The third area, inclusion, involves stimulating broad-based economic growth that benefits all segments of the population. Those efforts form the essential pathways and vehicles that reformers drive on a country’s journey toward rooting out kleptocracy.

ADAPTIVE LEADERSHIP: Successfully converting a window into a virtuous circle is not mainly an apolitical and technocratic endeavor. In the terminology of the adaptive leadership field pioneered by Harvard professor Ronald Heifetz, dekleptification is an “adaptive challenge” whereby the whole nation learns new ways of conducting politics and business, navigating from the old kleptocratic operating system toward a new equilibrium characterized by trust that most people are adhering to a revised social contract.⁶⁶ “Exercising leadership” through dekleptification requires “thinking politically” to mobilize a wide-ranging coalition of stakeholders, creating a “holding environment” to hold people’s attention and contain the distress of adaptive work, “getting on the balcony” to see where people are at throughout this adaptive process, and “showing people the future” so they can envision what they are fighting for.⁶⁷ A particularly relevant concept is “pacing the work” so stakeholders can absorb losses and tolerate uncertainty. The key to pacing dekleptification is modulating the rate of change such that it is not so slow as to avoid hard work (risking the metastasis of an impunity narrative that saps momentum) but not so fast as to push those facing change to slam the window shut (whether it’s corrupt figures with everything on the line, or whether it’s voters learning to live with socio-political transition and hold higher expectations of each other and of their leaders).⁶⁸

STRATEGIC SEQUENCING: Timing considerations are even more nuanced than what to do before, during, and after windows. Moves *within* a window must also be sequenced with shrewd appreciation for ebbs and flows in political power and public appetite for change.⁶⁹ Some quick wins that make a difference in people’s everyday lives will endow reformers with sustained political capital. In parallel, some work toward medium-term objectives must begin early and be explained to a public audience that may be unfamiliar with complex legislative or judicial matters. Reformers should try to anticipate which structural reforms will trigger the fiercest resistance from spoilers and sequence those efforts for times when their political power and other resources are the strongest. That may or may not be right when the window opens. Finally, in coordination with key stakeholders, mid-course corrections to strategies and tactics will have to be made frequently, based on what is and is not working.

OVERALL LESSONS LEARNED DURING WINDOWS

Dekleptification windows bring high stakes and high rewards. As in other development sectors, the selection of policy reforms and delivery of technical programming is important. But so too is USAID’s active engagement in the intensely political process of pursuing such reforms. Missions should ensure assistance is fast-moving, politically sensitive, publicly explained, internationally coordinated, and integrated with other U.S. government tools. Eleven key tactical lessons have been learned by past Missions providing assistance during dekleptification windows:

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1. **Work with the interagency to hit the ground running the moment the window opens:** Ideally, Missions will have ramped up political analysis and associated policy and programming preparations some six months before a foreseeable potential opening, such as when a corrupt autocrat is facing a tough reelection fight. In addition to commissioning a political assessment, Missions should work with State and the National Security Council to set up an interagency working group. This team should: meet frequently to share information and analysis; coordinate efforts to warm up relationships with the key anti-corruption reformers in the country and encourage consensus-building around policy priorities; and prepare contingency plans. Those plans might range from communications and enforcement needs around a free and fair election and peaceful transition of power to the administrative, legislative, and diplomatic needs around mobilizing resources to support emerging reformers. If Missions have not laid that groundwork before the opening—like if it was sparked by unpredicted street protests that escalated quickly—they will need to play catch-up. That starts by alerting Washington to the opening of an important window of opportunity and moving fast to make contact with the key reformers. The Arab Spring, for example, was led by grassroots reformers with whom the United States was not connected. Contact lists of civil society actors known to the U.S. government (from participants in exchanges and other U.S.-hosted programs to influential religious and other community leaders) were woefully outdated and decentralized, forcing U.S. officials to scramble to figure out which reformers were influential, including in efforts to tamp down on disinformation and potential violence. In the case of a free and fair election, well-planned interagency work can immediately “go operational” in support of the peaceful transfer of power and increased bilateral dialogue with a new reformist government. The first order of business may involve working with State’s Global Engagement Center to counter disinformation about the election result. Second, having figured out in the political analysis stage which oligarchs and cronies are the greatest flight risks, the interagency may want to keep tabs on key corrupt figures and their assets. This could help position the new government to deliver on a public mandate for accountability. Third, it is possible that vocal public diplomacy, sanctions, or other pressure tactics may be needed to get the outgoing kleptocrat to adhere to the democratic result by stepping down. This is an intensely dramatic time when reformers will be working 20-hour days and on the phone daily or weekly with the Mission and key colleagues in Washington, discussing what international support is needed to support the democratic process and help prepare reformers to govern.

2. **Work with the new government to start showing the public results quickly:** As soon as a window opens, the race is on—against corrupt elements working overtime to close the window—to secure results that meet high public expectations. In 2004, within just a few months of Georgia’s Rose Revolution, the new government was already reorganizing the executive branch, enacting legislation, arresting corrupt former officials, and confiscating misappropriated assets—a sweeping campaign that led to an 80 percent decline in bribery by 2005.⁷⁰ But while such early wins help establish credibility and generate momentum, the window has not been successfully converted into a virtuous circle that is robust against backsliding until the population shows its willingness to return to the streets and ballot boxes—as occurred in Romania from 2017 to 2020 (see image on page 33)—to defend the independence of their anti-corruption institutions. More than just the establishment of new registries and agencies, the public will need to see actual convictions of the most notorious kleptocrats and cronies. The people also need to be convinced that no particular personal connections are needed to receive government services. To attract foreign direct investment, reforms need to be seen abroad as irreversibly business-friendly across political

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transitions. The government must also demonstrate restraint by not consolidating power through the old methods of oligarchic favoritism and abuse of criminal justice. It takes many years to do all of that convincingly and thus establish a virtuous circle. As such, the first few years of a window may be the most brittle period, when corrupt elements will try to thwart reform by sabotaging critical processes that often fall below the public’s radar. For example, the National Anti-Corruption Bureau of Ukraine (NABU) and its leaders have continually faced threats of legislative poison pills, defamation campaigns, groundless lawsuits, and obstructive tactics aided by corrupt general prosecutors.⁷¹ Missions should closely track these lines of attack and alert USAID/Washington to key developments. Missions and their partners should also be deeply enmeshed in the details around the legislative authorities of new institutions, the selection of individuals to run them, the hiring and training of new staff, enforcement of new rules, and cooperation of foreign law enforcement. Rapidly pivoting programming toward emerging needs will require timely information and flexible funding and mechanisms, which should be geared toward delivering support around the reformers’ top priorities within weeks of the window opening.

3. **Support a proactive communications strategy:** There are several common pitfalls associated with the public communications aspect of an anti-corruption reform campaign. One is that while talking about acts of corruption can help fuel opposition and open a



Thousands of Romanians rally in the freezing weather of February 2018 to protest a government call to fire Romania’s popular chief anti-corruption prosecutor. Photo by AFP.

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window, continuing to do so after the window opens risks fueling public resignation, normalizing corrupt behavior, or otherwise backfiring against reform efforts.⁷² Missions can seek to inspire and educate people about salient anti-corruption successes by “naming and faming” integrity champions (see image).⁷³ These are public servants who tirelessly deliver for the people, hold the powerful to account, and otherwise deliver fair, responsive, and effective governance. Another challenge is that corrupt actors and their enablers enjoy more media resources and greater willingness to use disinformation or smear tactics. They will aim to undermine reformers and confuse the public about who is really corrupt. Missions should work with reformers to proactively seize the information space, create new channels to connect with the public, help amplify local reform messages through international media and diplomatic channels, and continue investing in independent and investigative media.

4. **Manage public expectations, particularly around asset recovery:** When dekleptification windows open, the public often holds high expectations that within a matter of months the new government will be able to recover massive national wealth that was looted by kleptocrats. These expectations are usually misplaced, for a few reasons. First, while kleptocrats have some domestic assets that might be seizable, such as mansions, they will have spent many years preparing for this moment by stashing most of their ill-gotten wealth in foreign markets, hidden behind opaque layers of offshore legal ownership structures. Second, judicial systems under kleptocracies will be deeply compromised by entrenched loyalists and severely lacking in capacity to conduct serious investigations, prosecutions, convictions, and asset recoveries. Third, even after assets are seized, countries must negotiate how they are returned, including with relevant oversight mechanisms. As a result, the amount recovered will invariably be a fraction of the amount stolen, and even that is likely to take close to a decade of enforcement work. It is possible this timeline could be accelerated in the coming years. But meanwhile, reformers and international partners must

Anticorruption Champions 2021



2021 Anticorruption Champions announced by the U.S. Department of State. Photo by Department of State.

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manage public expectations, even while initiating asset recovery. This may involve heavily publicizing any early wins, explaining the impediments to faster action, and holding the public through the process of learning the unwelcome lesson that most of the stolen money will remain out of reach for years to come. Officials can redirect public interest toward more systemic and achievable objectives of preventing future corruption and money laundering domestically. The greatest benefit of work on asset recovery may be that it serves as an entry point to improve the criminal justice system—capacity enhancements that will extend beyond specific cases and potentially serve as a deterrent against future looting, particularly when combined with the other transparency and accountability institutions of dekleptification. USAID Missions can work with State’s Bureau of International Narcotics and Law Enforcement Affairs (State-INL) and with Justice Department attachés to explore programmatic interventions, such as supporting civil society engagement, particularly on the front and back end of the asset recovery process by tracing stolen money and advocating for integrity in the return phase. Finally, in addition to programming, USAID and State-INL can help make connections to international partners, such as the Basel Institute on Governance, the World Bank’s Stolen Asset Recovery Initiative, or the UK-hosted International Anti-Corruption Coordination Centre.⁷⁴

5. **Continue investing in and connecting civil society:** When windows open, anti-corruption NGOs will face new needs around engaging the reformist government, new dynamics in sustaining public momentum, and new challenges such as losing key personnel as reformers shift from civil society to government. Too often, like after Armenia’s Velvet Revolution in 2018, citizens who engaged in the process of opening the window may feel as if, “We did our part. Now the government will do its part.”⁷⁵ This perception can be compounded when activists who have transitioned into government assume they already understand the views of civil society, and thus fail to create clear pathways for sustained civic participation. The time after windows open is when it is most valuable for civil society to actively engage with both the reformist government and foreign partners, including by highlighting problems, framing political debates, pushing for reforms, monitoring implementation, telling the country’s story abroad, and more. NGOs are often positioned to be more directly vocal in their public communications than international organizations, and they tend to have deep local political context and flexibility to react to new developments. But they will need to build new skills, secure flexible and reliable funding, develop additional human capital, connect to reformers abroad with more dekleptification experience, and develop avenues to engage with the reformist government while also staying connected to the grassroots. Missions should program around these emerging needs, challenges, and opportunities by providing rapid, flexible, and sustained support. That includes both new technical workstreams and new organizational capacity needs such as strategic communications. Missions can also develop programs tailored to surge civil society support toward whatever part of the new dekleptification institutional architecture suffers from weak implementation or comes under threat (see, for example, the Support to Anti-Corruption Champion Institutions project discussed in the text box on page 64).
6. **Consider truth and reconciliation:** Dekleptification could borrow from the transitional justice field, which sometimes utilizes truth and reconciliation commissions. These bodies gather evidence about gross violations of human rights, provide space for perpetrators and victims to publicly acknowledge violence, and facilitate processes of accountability, redress, healing, and reform.⁷⁶ When transitioning away from a kleptocratic system, societies need to decide which perpetrators were cogs trapped within the system—to be potentially forgiven, retrained, reformed, etc.—versus the kleptocrats who must be punished. For example, while

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Georgia and Ukraine built new street police patrols from scratch (see image), such wholesale replacement was infeasible for some other police forces. For those units, they instituted “re-attestation” processes whereby all police officers had to undergo competitive civil service testing, cooperate with investigations into their personal wealth, submit to polygraph testing, interview for their jobs in front of commissions staffed by local anti-corruption and human rights activists, and pass rigorous training administered by foreign instructors. In Ukraine, the process purged some 10 percent of the force.⁷⁷ State-INL similarly supports Ukrainian prosecutorial reform through the re-attestation of all Office of the Prosecutor General personnel.⁷⁸ There may also be some situations when societies decide to expand a truth and reconciliation process beyond administrative corruption to also reach out to oligarchs or ministers who perpetuated a system of grand corruption but were not its architects. There are several understandable reasons why societies may seek to move on, and reconcile with the “old guard” rather than pursue severe consequences for all corrupt actors. For instance, a fragile political order might be incapable of administering strict justice. Enforcement could be seen as politicized if it disproportionately targets the past regime. Members of the past regime might also insist on an amnesty before they relinquish power, tell the truth, or return stolen wealth. Windows often close when corrupt business or political interests face harsh accountability with no bridges to reconciliation, so they mobilize spoilers to lobby against reform, fund political opposition, sow disinformation, and otherwise undermine the new government. Transnational corruption enables fugitive



Georgian traffic police officers document their work in the center of Tbilisi in November 2004, three months after the creation of new traffic police patrols. Photo by AFP.

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oligarchs to bankroll subversion from offshore safe havens. In light of these risks, truth and reconciliation processes can help pace the adaptive work of dekleptification such that change is not unsustainably fast.⁷⁹ All that said, if deposed kleptocrats can be impartially tried and convicted, that can reduce the risk of them returning to power, deter others from engaging in high-level corruption, and provide a measure of justice to the people. Strict accountability that might be legitimately warranted and necessary to sustain public support. All things considered, decisions by communities about whether and how to hold one of their own accountable are at the beating heart of sovereignty, so this is an area where domestic actors should be granted extra latitude to pursue their own path. Missions can serve as a resource, including with programming and connections to specialized NGOs such as the International Center for Transitional Justice, which has worked on truth and reconciliation in more than 50 countries over the past two decades. USAID’s Office of Transition Initiatives also brings relevant experience, most recently with Sudan’s Regime Dismantlement Committee.⁸⁰

7. Tie lending and other international benefits to strong anti-corruption

conditionality: Conditionality can position countries to open windows of opportunity. For example, in 2004, the European Council tied Romania’s European Union (EU) accession to revamping its anti-corruption strategy, including the creation of an independent enforcement agency and tough regulations. And even after a government has a clear public mandate to dekleptify, the extent to which well-resourced corrupt elements try to thwart progress at every stage means that keeping critical reforms on track requires continual external pressure. In Ukraine, for example, IMF loans, U.S. loan guarantees, EU financial assistance, and EU visa liberalization were all repeatedly conditioned upon concrete deliverables. These included institutionalizing comprehensive asset declarations, independent enforcement agencies run by leaders with integrity, Naftogaz (the Ukrainian state energy company) corporate governance reforms, the firing of a corrupt prosecutor-general, and other milestones (see Annex I). Conditions were coordinated across donors who often had to withhold loans for months to show the government they were serious. Sometimes it is harder to get countries to accept such strict conditionality. This could be driven by a nation’s history of anti-Americanism or nonaligned politics, or by the People’s Republic of China offering loans that are purportedly condition-free (even if the real conditions are covert or corrupt). USAID is well positioned to provide informed input into U.S. interagency debates about which policy details to insist upon in loan agreements, when additional resources are needed to compete with opaque loan offerings, and when to escalate pressure on host governments to deliver upon international commitments. Establishing external accountability can also involve enshrining key commitments in agreements with international bodies and drawing upon multilateral reviews of these obligations, including those conducted under the UN Convention against Corruption (UNCAC), the OAS’s Inter-American Convention against Corruption (MESICIC), the Council of Europe’s Group of States against Corruption (GRECO), the Financial Action Task Force, the OECD Anti-Bribery Convention, and anti-corruption roadmaps set up by the G7. Finally, associating a nation’s reform journey with an anchoring framework—from bilateral free trade and security agreements to visa liberalization or accession into regional communities like the EU or NATO—can promise more enduring benefits than individual loans. Such anchors provide a national driving purpose and time horizon that transcends the political transitions of electoral cycles and thus helps keep the window open long enough to translate it into a virtuous circle.

8. Safeguard, monitor, and defend institutional independence: Corrupt forces will never stop deploying their considerable resources toward attacking the independence of anti-corruption institutions, such as agencies established to investigate and prosecute grand

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corruption. These agencies must be safeguarded with strong legal autonomy, secure funding, competitive salaries, regular audits, merit-based personnel policies, and rigorous leadership selection processes.⁸¹ Once such a robust legal framework is in place, corrupt elements will continually try to undermine the process of selecting leaders with integrity (see the next bullet), enact legislation to water down statutory authorities, repurpose general prosecutors to tie down the anti-corruption work with red tape, file frivolous lawsuits against anti-corruption officials, and attack the character of agency employees. Key to defending against these tactics is investing in not only the agency itself but also its champions in civil society and oversight bodies. They spot such attacks and quickly flag concerns for the public and the international community. Finally, the independence and capacity of parliaments and local governments, as well as the competitiveness and capacity of political parties, are also important bulwarks against sabotage and backsliding.

9. **Ensure international involvement in integrity-based selection processes:** To facilitate faster and stronger accountability than would be possible in the ordinary judicial system, specialized anti-corruption enforcement agencies tend to be more independent and centralized. That means that the easiest way for corrupt actors to sabotage such an agency is to install a loyal crony as its head—someone who will protect his patrons or can be paid a bribe to undermine an investigation or prosecution. Thus, domestic reformers sometimes welcome highly reputable international experts to play a decisive role in the process of selecting a pool of finalists with integrity to run new anti-corruption agencies. Civil society should also contribute, although their designated spots in selection committees are sometimes taken by government-organized non-governmental organizations (GONGOs). To preserve sovereignty, domestic governance authorities should retain the power to decide who to select from the vetted pool of high-integrity finalists. From its experience in countries like Romania and Ukraine, State-INL now has considerable expertise in helping these selection processes succeed with strong international involvement.
10. **Avoiding political interference does *not* mean avoiding politically sensitive corruption issues:** Development professionals are committed to political impartiality, and rightly so.⁸² Pursuing development outcomes in a non-partisan fashion is essential to USAID’s effectiveness and credibility. Yet this commitment to political neutrality, and a desire to maintain good relations with host governments, has at times deterred development professionals from taking on hotly contested issues like corruption, which inherently involve challenging the status quo.⁸³ Dekleptification settings can exacerbate these sensitivities, as anti-corruption is often the rallying cry for a new political party or faction aiming to fundamentally reform the social contract. Pursuing politically attuned but non-partisan anti-corruption work in such a context is both challenging and essential. USAID officers should focus their programming and communications on the merits of anti-corruption, while explicitly welcoming a range of political voices into the process, even if there is ultimately more uptake from one political side than the other. Helping a reformist government deliver on an anti-corruption mandate could ultimately have the knock-on effect of boosting its political standing. But as long as such particular political outcomes are not the goal, and USAID’s activities remain non-partisan, Missions should not shy away from playing an active role in such contexts.
11. **Combine the delivery of systemic reforms, impartial justice, and inclusive growth:** It is not enough to focus on reforms, justice, or inclusion alone; dekleptification requires attention to all three. First, truly upending the underlying kleptocratic power structures and building resilience against corrupt figures returning to power in the future

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calls for institutionalizing systemic transparency and accountability reforms that close the space for corrupt practices, with a particular focus on the country’s most problematic private sectors and financial pathways. Second, populations that have long suffered under kleptocracy will not see an anti-corruption campaign as credible unless it successfully punishes the crooked rulers and their cronies through impartial, independent, and transparent legal proceedings. Third, sustaining public support requires supporting businesses looking to compete on a fair playing field and rooting administrative corruption out of the delivery of public services—such as police, health care, or education—that most commonly harm and alienate ordinary citizens.

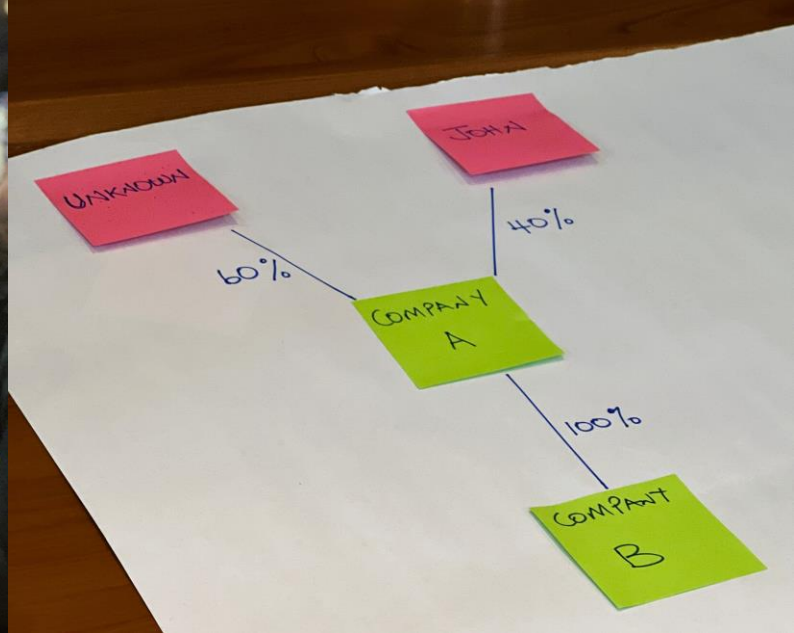
Having reviewed the overall strategic concepts and lessons learned about working during windows of opportunity, we will now dive deeper into the three areas to prioritize programming and policy efforts: transparency, accountability, and inclusion.

PUBLIC TRANSPARENCY

To fuel and inform investigations by both civil society and law enforcement, the government needs to collect and open up public access to a far-reaching amount of information about who owns what throughout the country and how state resources are being spent. Reformers in countries suffering from kleptocracy find that the severity, pervasiveness, and danger of the corruption they face calls for much more extensive and strictly enforced public disclosure requirements than are common in Western democracies, where privacy considerations may take on more relative weight. Countries can chart their own open government priorities and learn from others by participating in the Open Government Partnership, whereby civil society collaborates with the government to co-create a National Action Plan.⁸⁴ USAID programming around asset declarations, beneficial ownership, politically exposed persons, public financial management, and other transparency reforms could be considered under two programs launched at the 2021 Summit for Democracy: the Anti-Corruption Response Fund, which advances the fight against corruption at transitional moments such as dekleptification windows, and the Global Accountability Program, which enhances partner countries’ ability to build resilience against kleptocracy and illicit finance.

- **Asset declarations:** Publicly disclose the assets and income of public officials and their family members. The disclosure regime should be grounded in laws that impose dissuasive criminal penalties for non-submissions, false statements, and illicit enrichment (which could be revealed by the disclosures). It should apply to a wide range of public officials, like in Ukraine, where about a million people file annually. The range of assets covered should be comprehensive, including real estate and vehicles that are owned or used, moveable assets like jewels and art, financial assets like foreign or domestic bank accounts or securities, in-kind benefits like gifts or loans, or any other interests or expenditures worth more than a few thousand dollars. Submissions should be electronic and uploaded to digital systems for capture, central collation, cross reference, and publication.⁸⁵ An independent authority should verify data submitted and investigate and prosecute discrepancies between declarations and lifestyles.
- **Ownership registries:** Publicly disclose the ultimate beneficial owners of all domestic companies, properties, land, vehicles, and other assets by establishing registry databases. They should feature robust definitions, comprehensive coverage, sufficient detail, central collation, public access, structured data, verification measures, timely updates, auditable records, and well-enforced sanctions.⁸⁶ Specialized NGOs like Open Ownership provide technical assistance to countries as they design and implement beneficial ownership

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Open Ownership encourages workshop participants in Zambia to discuss challenges of corporate transparency and how ownership chains work. Photos by Open Ownership.

transparency (see images).⁸⁷ A key lesson learned by Open Ownership in their advisory work is that there is a time lag between initial implementation of a registry and full realization of the anti-corruption benefits. As such, local reformers based in both civil society and the lower levels of government bureaucracy need perpetual international partnerships and other tools to sustain improvements over years. Civil society in countries that need to establish a beneficial ownership registry could also seek advice from the U.S. financial transparency activists who spent two decades advocating for what became the Corporate Transparency Act, so they bring recent experience assembling a successful coalition and grappling with tricky substantive and political issues.⁸⁸ Finally, with the U.S. Treasury Department in the process of implementing the Corporate Transparency Act, that fresh technical expertise could be shared either directly from Treasury’s Financial Crimes Enforcement Network or through Treasury’s Office of Technical Assistance (OTA). That could also be part of a broader Treasury or IMF technical assistance program meant to bring a country’s anti-money laundering system into compliance with standards set by the Financial Action Task Force.

- PEP databases:** Publicly disclose a comprehensive list of politically exposed persons (PEPs). Those are politicians or others entrusted with prominent public functions. Banks are required to conduct enhanced due diligence on PEPs, which means obtaining more information about where PEPs’ money comes from. But too often, banks turn a blind eye to their customers’ status as PEPs—by taking the customer at their word or neglecting to do a Google search—and thus avoid enhanced due diligence. Failing to see that a Ukrainian customer is a PEP has become harder, because the USAID-funded Anti-Corruption Action Center maintains a public PEP database. Drawing from asset disclosures and company ownership registries, the database names some 50,000 Ukrainian PEPs, as well as their close associates, friends, and family, and 32,000 affiliated legal entities.⁸⁹ The positive results of this test case motivated State-INL to fund a project implemented by C4ADS to launch a regional PEP database.
- Public finances:** Establish transparent systems of public financial management, procurement, tax administration, customs, campaign finance, and digital service delivery. Focus on whatever flows of public money are substantial and opaque in any given economy. For example, USAID spent five years helping Liberia establish sound financial and budgetary management across 11 government institutions. The program covered not only fiscal, monetary, and procurement activities, but also transparent systems to manage the mining and timber sectors. That included computerized registries of Liberian mine owners, improved contracting and concession processes, and inventories and procedures for managing fixed assets.⁹⁰ In Ukraine, the pre-2014 government did not disclose information



USAID and the Dominican Republic agree to cooperate against corruption in public procurement. Workshop convenes Dominican procurement officials and experts in February 2022. Photos by USAID.

about procurements conducted by state-owned companies. That gap allowed corruption to fund pervasive patronage networks in Ukraine. So in 2014, an unprecedented collaboration between businesses, the government, civil society, and international donors such as USAID led to the development of the award-winning ProZorro online public electronic procurement system required for all public procurements. In the Dominican Republic, the government has rolled out a software application that monitors 100 percent of procurement processes transacted through the official electronic procurement system in order to provide early warnings about possible irregularities and procurement violations (see images).

INDEPENDENT ACCOUNTABILITY

Making information public is only a means to an end, and that end is accountability. Populations that get fed up with the impunity of kleptocracy want nothing more than justice for the crooks who have spent years stealing from them. Aggrieved citizens open dekleptification windows with particular perpetrators or cases in mind. If the new reformist government fails to deliver accountability, nothing else it does will be sufficient to overcome the sense of impunity and generate the faith in government that is necessary to achieve a virtuous circle. This is particularly challenging in environments where the administration of justice itself—which is at the heart of sovereignty—has long been manipulated by autocrats to serve their own corrupt interests. The adaptive work is made even harder by the risk that purges of the political class—as in Brazil’s Lava Jato scandal—could have the unintended consequence of increasing public cynicism and paving the way for new autocratic populists who promise to end corruption in exchange for infringements upon essential democratic freedoms. As such, bringing the public along as old systems of accountability are reformed or replaced is some of the trickiest work of dekleptification. It is central to the rule-of-law work pursued under USAID’s Global Accountability Program, announced at the 2021 Summit for Democracy.

- Specialized anti-corruption institutions:** The corruption of law enforcement is so fundamental to kleptocratic systems, that this sector tends to be thoroughly penetrated and compromised. While a multi-year reform process gets underway, quickly delivering accountability for salient corruption crimes often requires standing up from scratch—sometimes not even hiring from the existing enforcement agencies—new independent bodies. These specialized institutions have exclusive jurisdiction over criminal proceedings into grand corruption schemes perpetrated by senior officials. In some cases, these institutions collectively cover the complete rule-of-law process, meaning they include

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Member of the National Anti-Corruption Bureau of Ukraine in uniform. Photo by [NABU](#).

investigative agencies, prosecutors' offices, specialized courts, asset recovery management, and other agencies. For example, USAID, State-INL, and U.S. law enforcement were actively involved in helping Ukraine establish its National Anti-Corruption Bureau (see image), Specialized Anti-Corruption Prosecutor's Office, National Agency on Corruption Prevention, High Anti-Corruption Court, Asset Recovery and Management Agency, and other agencies (see Annex I). Leaving out any one of these institutions could risk undermining the work of the others (as Ukraine learned from the absence of convictions until it created the High Anti-Corruption Court), while the leadership of some agencies may need to be reconstituted if they get co-opted by corrupt elements (as happened to Ukraine's National Agency on Corruption Prevention). Together with civil society monitors and other U.S. government partners, Missions should actively support the swift establishment and implementation of these independent institutions, with strong underlying policy details. That means offering technical advice, programming assistance, and informal connections to get outside experts involved in the legislative drafting, day-to-day political advocacy, high-level political interventions, leadership selection processes, training of new staff, and other steps in the institution-building process.

- Judicial reform:** While reforming the existing judicial system takes time, it cannot be put off for too long. Seeing Ukraine learn this lesson the hard way (see Annex I), Moldovan President Maia Sandu made it one of her signature early initiatives to eliminate corrupt figures from the judicial system by establishing an extraordinary process of external pre-vetting to conduct integrity reviews of candidates to be judges and prosecutors. USAID quickly became the primary donor supporting this effort (see text box on page 29). Beyond vetting, USAID and State-INL can support training programs for judges and prosecutors that focus on how corruption takes place, teach trainees how to respond when it emerges, warn of the severe consequences for infractions, and culminate in rigorous integrity assessments.

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Ahead of a 2017 election after the IMDB scandal, Malaysian protestors display placards reading “Love Malaysia and Destroy Kleptocracy.” Photo by AFP.

Trainees that pass such assessments could be granted pay raises and special recognitions, while those who fail should be removed from public service.

- International enforcement:** Windows are often too brief for domestic authorities to resolve complicated criminal cases. That is because judicial reform and legal proceedings take years, stolen assets are often held offshore, and specialized anti-corruption agencies risk being undermined in the future.⁹¹ As examples of the latter risk, see Romania’s 2018 firing of its chief anti-corruption prosecutor or Guatemala’s 2019 termination of its anti-corruption commission known as CICIG. Given these delays, another important tool is to externalize investigations and prosecutions by sending cases to foreign jurisdictions, where authorities can freeze assets and start building cases quickly. They can continue prosecuting and recovering assets even after a country’s window closes. In Malaysia, U.S. prosecutions and confiscations related to the IMDB scandal proceeded even after a window of opportunity closed in less than two years (see image). The U.S. government can help partner governments quickly set up information sharing protocols and other tools to facilitate legal collaboration. USAID and State-INL can connect partner governments with international networks of law enforcement specialists that share information around alleged grand corruption. Examples include the World Bank’s International Corruption Hunters Alliance, Norway’s Corruption Hunter Network, and the U.K.’s Anti-Corruption Coordination Centre.⁹² Civil society can also play a crucial role in facilitating international accountability, whether it comes in the form of reputational costs, sanctions, or legal actions. With the French prosecution of Equatorial Guinean kleptocrat Teodorin Obiang, civil society organizations not only conducted the investigation but also won legal standing to initiate civil proceedings that culminated in conviction and confiscation.⁹³ Anti-corruption activists also join forces with international media outlets and

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diaspora communities to get the story out in developed countries where the stolen assets are located and professional enablers are based. USAID partners in Ukraine such as the Anti-Corruption Action Center have excelled at this kind of research and advocacy, particularly during moments when notorious kleptocrats are widely covered in the international press, such as Yanukovich’s facilitators in 2014 and Putin’s wallets in 2022.⁹⁴ Bill Browder—a prominent investor who led an international campaign to punish corrupt Russian human rights abusers—spurred criminal proceedings by hearing from whistleblowers, following the money, making complaints to legal authorities, and sharing law enforcement findings across jurisdictions.⁹⁵ USAID and other donors looking to hold kleptocrats and their accomplices accountable can support outsiders—from governments to prosecutor networks to civil society advocates—who help investigate, prosecute, freeze, and confiscate the proceeds of kleptocracy.

- **Police reform:** In many countries, the most common citizen experience of corruption is being shaken down or extorted by the police. Sometimes police officers have to pay a bribe to get the job in the first place. Once on duty, they have to pay kickbacks to superiors that go all the way up the chain of command to ministers and regime insiders. Meanwhile, with state coffers depleted by graft, there is insufficient budgetary allotment to pay official salaries. Thus, kleptocratic systems pressure police officers to spend their workday collecting bribes or taking a cut from illicit trafficking. In such environments, a credible dekleptification campaign must undertake muscular police reform. Moreover, dekleptification often begins in situations of political factionalization, violent conflict, entrenched oligarchy, economic dislocation, and other severe challenges, leaving the reform of discredited police as the most viable, salient, and timely win available to reformers.⁹⁶ For example, the 80 percent decline in bribery within a year of Georgia’s Rose Revolution was led by reforms to street policing, where a purge in corruption was accompanied by a tenfold increase in salaries.⁹⁷
- **Strategic pacing and communication:** Thoughtfully and clearly bringing the public along is crucial to accountability efforts. Windows often open with unrealistic expectations that the oligarchs will be thrown in jail and their billions quickly returned to state coffers. This presents an adaptive challenge around public education and a glaring risk of pacing the work too slowly. But at the other extreme, sweeping prosecutions of an entire class of corrupt officials can backfire if they fuel public fatalism about corruption and civic apathy. In addition to appropriately pacing the work, reformers need to be ready to mitigate these risks through the following activities: communications campaigns offering examples of officials acting with integrity; civic engagement campaigns focused on the vital importance of preserving democracy; and support for political party development that opens the door to participation by civic-minded parties and candidates at a time when people will be looking for alternatives.

INCLUSIVE GROWTH

It is not enough to make the political-economic system transparent and to hold some kleptocrats and their criminal associates accountable. The third equally important priority during a dekleptification window is to stimulate “inclusive growth,” defined as broad-based economic growth that reduces poverty and increases access to productive opportunities while ensuring markets are competitive.⁹⁸ In dekleptification windows, USAID is often particularly focused on fostering competitive markets, which requires breaking up the monopolistic hold of oligarchs over key sectors and proactively helping honest businesses fill that vacated space. Succeeding in this aim requires working with governments to institutionalize competitive market policies and with private-sector associations and networks of entrepreneurs to foster a business culture that prizes integrity, ethics,



On August 30, 2022, a vessel chartered by the UN and supported by USAID departs Ukraine carrying grain that will feed four million vulnerable Yemenis. Photo by USAID.

and compliance. Instilling competition throughout the economic sectors that are most severely captured by kleptocratic networks also requires integration of anti-corruption objectives across health, infrastructure, energy, and other sectors.⁹⁹ And delivering basic services without money getting siphoned off by corrupt officials often calls for thoughtfully decentralized governance, digitized services, and citizen participation.

Finally, USAID and its partners focus not solely on the traditional lanes of development assistance but also on other pragmatic approaches to stimulate inclusive growth.¹⁰⁰ In some countries, for example, the most urgent need may not be technical assistance but rather access to specific export markets, debt relief, logistics support (see image), or bureaucratic expertise.¹⁰¹ The key to determining inclusive priorities is dialogue with local reformers and engaged citizens. They will be closely attuned to the wins that would most saliently improve people’s everyday lives. And that is what’s needed for citizens to become sufficiently attached to the new inclusive institutions that they would defend them whenever and wherever they come under attack.

- Business competition:** Central to dekleptification is reclaiming captured sectors from oligarchs and creating a level playing field for competition among a wide range of independent businesses. That includes both existing local companies and new market entrants, as well as foreign direct investment by international companies with strong anti-bribery compliance practices. In CIPE’s terminology, displacing “corrosive capital” requires crowding it out with “constructive capital.”¹⁰² Breaking up the monopolies that enrich oligarchs will inevitably draw them out for a fierce struggle. This contest must be won on behalf of competitive market interests. That means not just small and medium business *owners* but also *employees* and *customers* who demand better wages, choices, and prices. Success requires proactively assembling a similarly broad-based advocacy coalition throughout the country, backed by

government officials at the highest levels and the full range of international donors and political powers. And beyond just pushing oligarchs out of captured economic spaces, assuring that corrupt figures do not fill those vacated spaces requires proactively helping ethical businesses and entrepreneurs compete for strong market positions. All this requires a sophisticated program of inclusive growth programming to build well-functioning market infrastructure, reform state-owned enterprises, establish sound economic governance, and improve access to productive opportunities. USAID's convening power among investors and its seat on the board of the Development Finance Corporation can help drive transparent, high-quality investment toward countries undertaking dekleptification. The convening power of USAID and that of business-oriented allies such as CIPE's

Anti-Corruption & Governance Center and the Basel Institute's B2B Collective Action Hub also help local actors build cultures of trust between the private sector and civil society advocates dedicated to clean capitalism.¹⁰³ There is often animosity between private and civic actors, particularly after high-level corruption scandals or long-standing corrupt relationships between businesses and government officials. This underscores the importance of growing a management class of private sector professionals who participate in a progressive business civil society. That community can be populated with networks of independent directors, corporate secretaries, and compliance officers. In priority countries such as Ukraine, USAID has collaborated closely with the Commerce Department to bring delegations of business executives to work with the host government on market reform roadmaps that help attract foreign direct investment. Meanwhile, Treasury helps align priorities with structural reforms recommended by the international financial institutions. Graduating to a virtuous circle of clean competition requires building trust through these reform processes and communicating positive changes. The ultimate goal is to shift public expectations from a cynical belief that everyone is corrupt to a new social equilibrium featuring confidence that it is possible to conduct business honestly and not pay a steep price for it.

- Inclusive growth diagnostics, jobs diagnostics, and related aid programming:** When a USAID Mission is analyzing what programmatic priorities would provide the strongest support to inclusive growth, they will ask questions like whether it is more critical to invest in the primary education system, or to improve the quality of rural infrastructure. As an example within a single sector, finance, it is important to understand whether the broadest economic benefits would come from private equity to fund entrepreneurs, commercial banking to lend to small and medium enterprises, or capital markets to funnel constructive capital. To analyze these issues, Missions can work through USAID's Center for Economics and Market Development (EMD) to conduct an "inclusive growth diagnostic" (see image). That is an evidence-based approach to identifying the most important



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September 2019

ARMENIA INCLUSIVE GROWTH DIAGNOSTIC

Source: USAID, *Armenia Inclusive Growth Diagnostic*, September 2019.



Local government officials and Women's Development Committee members in Maldives participate in a vote on which issues to bring forward in a presentation to President Solih and cabinet ministers and the Decentralization Policy Coordination Conference. Photo by IRI/ Aiman Rasheed.

constraints preventing a country, region, or sector from achieving faster, poverty-reducing, economic growth.¹⁰⁴ Similarly, Missions can work with EMD to conduct a jobs diagnostic, which is a quantitative examination to identify primary constraints to job creation. Missions can also build programs dedicated to working with the public and private sectors to enhance economic governance, grow open and transparent markets, and facilitate trade for broader-based growth.¹⁰⁵

- Integration across offices, agencies, and donors:** When government ministries are known to be controlled by powerful corrupt interests, development practitioners often work *around* the corruption, sidestepping the problem in order to achieve sectoral outcomes. That approach does not work for dekleptification, a mission that calls for seeking out and *dismantling* kleptocratic power centers and returning captured revenues to their rightful owners. As such, USAID officers across all sectors are encouraged to reflect on how their work can advance dekleptification (e.g., through investing in transparent procurement of health commodities or breaking up monopolistic control in the energy sector). Leveraging USAID expertise, resources, and relationships across sectors can help maximize windows of opportunity for change and catalyze development progress. Doing this requires collaborating across offices within USAID, departments of the U.S. government, and other bilateral and multilateral donors.¹⁰⁶ For example, integrating dekleptification programs across the Ukrainian sectors of health, land, state-owned enterprises, finance, education, and energy involved close coordination across several U.S. departments and agencies. It also involved collaboration with non-U.S. donors such as the IMF, World Bank, European Bank for Reconstruction and Development (EBRD), European Investment Bank, and the EU. When designing conditionality under a lending arrangement such as a U.S. loan guarantee, the National Security Council would coordinate with USAID, State, Commerce, Treasury, Energy, and other U.S. departments and agencies to ensure that the conditionality reflected the most important reform deliverables prioritized by the United States and other donors (see Annex I).
- Decentralization:** One way to increase the ability of local governments to provide public services is to decentralize the political, fiscal, and administrative dimensions of national governments to subnational governments (see image).¹⁰⁷ In some instances, this can increase

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accountability through greater community-level oversight. In countries with entrenched kleptocratic structures at the levels of municipal and regional governance, it may be necessary to create new territorial units and transfer resources and responsibilities to them and away from the old clientelistic power centers, a novel approach to decentralization that USAID has helped pioneer in Ukraine (see Annex I).¹⁰⁸ USAID is now supporting Zambia as they decentralize procurement to accountable local actors so that money meant to hire rural teachers or restock remote health clinics does not get skimmed off the top in the capital.¹⁰⁹

- Digitized services:** Services through which citizens commonly interact with their government—from property registration to business licensing—are frequently the locus of administrative corruption and a constraint on growth. Political analysis should use data on grievance submissions, polling, personal interviews, and other sources to identify the corrupted services that are most salient to citizens. With that information in hand, reformist governments can show the public tangible improvements and support inclusion by automating aspects of those services, while remaining conscious of the digital divide. According to a non-profit business association that tracks bribery risks around the world, digitalization of public services is one of the easiest ways governments can reduce bribery.¹¹⁰ For example, USAID implemented two projects in Albania that streamlined and digitalized the processes required for businesses to declare and pay taxes, register businesses, receive business license applications, obtain a construction permit, and conduct public procurement. Together with an information campaign among businesses and engagement with civil society monitors, these efforts in Albania cut corruption at least in half on all of these processes and eliminated bribery entirely for some processes such as business registration.¹¹¹
- Citizen participation:** While kleptocracy is backed by deep financial resources, the power of reform is that it can marshal overwhelming numbers of people. Tapping into people power is key to sustaining reform movements and it requires active recruitment and clear pathways for civic participation.¹¹² One of the most effective ways USAID supports inclusive growth—and helps reformers in dekleptification windows lift up the lives of the brave individuals who risked everything to put them in office—is through thoughtful and innovative programming dedicated to women’s economic empowerment and gender equality.¹¹³ USAID also helps countries establish legal aid centers to help families access legal rights (see image),



Left: Tadessech Abebe (left), a beneficiary at Debre Berhan’s legal aid center speaking to Mr. Daniel Birkneh (right), a Legal Aid Provider, who helped bring her family case to resolution. Photo by Legal and Academic Institutions/Hilina Abraham. Right: Somali women learn, decide, and plan the future of their district in November 2017. Photo by Mohamed Abdullah Adan, PACT.

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Apple growers in Moldova. Photo by USAID.

citizen advocate offices to take supportive legal actions on behalf of citizens seeking redress from their government, ombudsman offices to take reports about corruption and act on them, legislation to protect whistleblowers who report cases of corruption, freedom of information laws to provide citizens with access to public documents, laws and regulations requiring government meetings be open to the public, tools around participatory budgeting and social auditing, and other institutions to build citizen oversight into efforts to improve service delivery and root out kleptocracy.¹¹⁴ Participation in accountability can also be facilitated by online systems that engage citizens in registering bribe requests. Complaint registries can be administered by either an NGO (like “IPaidABribe.com,” run by Janaagraha in India) or by the government (like “Pay No Bribe,” run by Sierra Leone’s Anti-Corruption Committee). These have been shown to reduce the frequency of bribery by as much as three quarters.¹¹⁵

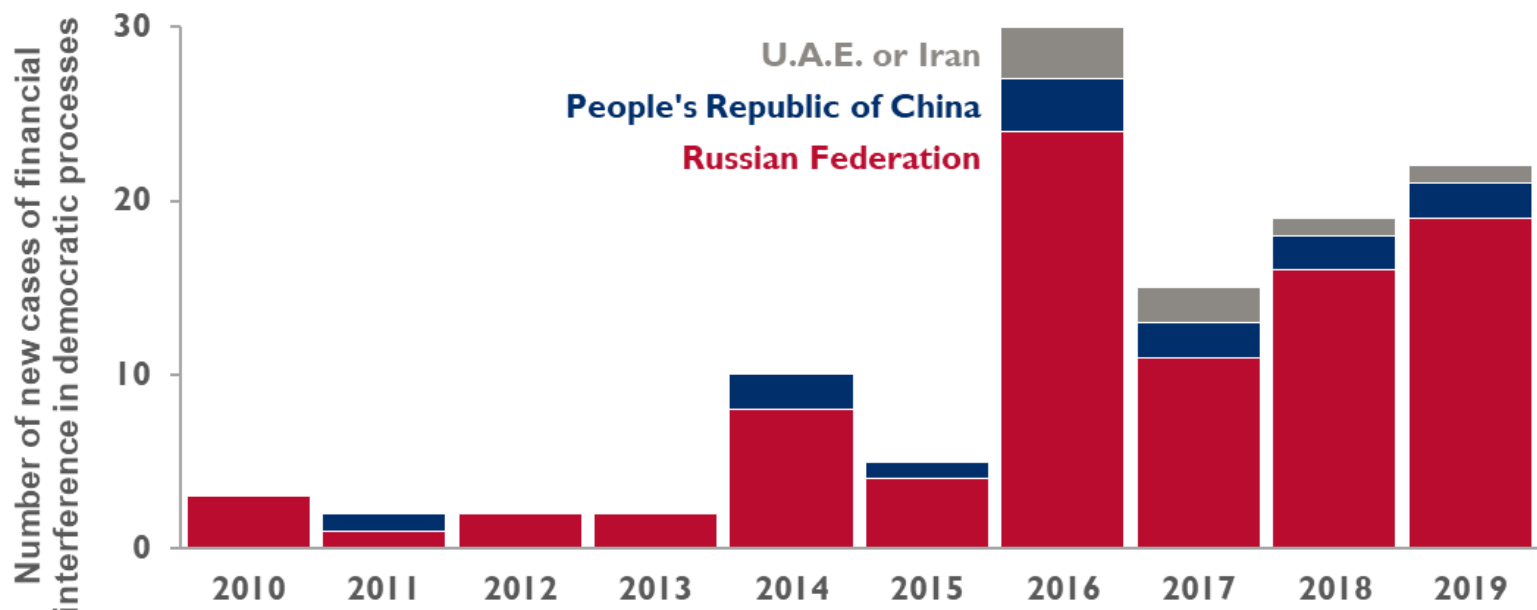
- Progress beyond programs:** Windows of dekleptification come with sky-high expectations that citizens will quickly start experiencing tangible improvements in their day-to-day lives. To jumpstart progress (and contend with budget constraints), the U.S. government can complement its programming with targeted diplomatic engagement, donor coordination, and problem-solving support.¹¹⁶ For example, in addition to helping Moldova seize its current window through media and rule-of-law programming, USAID is helping reduce Moldova’s dependence on Russian energy and reroute exports originally due for Minsk and Moscow to European and global partners.¹¹⁷ That has included advocating for EU trucking permits and collaborating with José Andrés to help Moldova find a home for tens of millions of dollars’ worth of apples that were stuck in cold storage due to the Ukraine war and the Kremlin’s blockade of Black Sea ports (see image).¹¹⁸ Creative efforts to support livelihoods are essential for sustaining dekleptification.

by launching an anti-corruption campaign, which in both cases ended up being a pretense to consolidate power.¹²² Even what started out as genuine anti-corruption windows in Brazil, Angola, Egypt, and other countries have been co-opted by a new generation of politicians purporting to fight corruption while instead consolidating power. In many instances, the gradual closing of a window is accelerated by strategic corruption, such as the People’s Republic of China’s use of opaque infrastructure loans paired with widespread bribery, off-book campaign donations, and the absence of independent oversight.¹²³

The Kremlin’s most common method of closing other countries’ reform windows is covertly bankrolling opposition political parties. The Russian Federation has gotten caught deploying financial interference in elections more than 100 times over the past decade.¹²⁴ Until 2014, the targets were mostly limited to the former Soviet bloc. For example, Ukraine became increasingly prone to corruption under Yanukovich, a candidate who ultimately chose to align Ukraine with Russia. In Georgia, the Rose Revolution lost its luster as the ruling United National Movement party increasingly sought to entrench its power, limit electoral competition, and limit freedom of the press and other individual freedoms. While the coming to power of Georgian Dream in 2012-2013 reopened a window for more open governance for several years, stagnation of some reforms and democratic backsliding over the last few years have caused many to perceive this window as closing again.¹²⁵ Over the decade ending in 2014, Putin felt increasingly rebuffed by Western politicians who would not stand for his violations of the sovereignty of neighboring countries.¹²⁶ His relations with the West came to a head when Ukrainians opened their dekleptification window in 2014. Since then, the Kremlin has dramatically expanded the target surface of its financial interference in elections, deploying covert foreign money all over the world, often to close windows or prevent them from opening (see Figure 7).¹²⁷

Programming and policy objectives when a window is closing will depend on the suddenness of the closure. In cases of gradual backsliding, a key goal may be avoiding the frog-in-boiling-water syndrome by raising awareness within the country, internationally, and throughout the U.S. interagency. There may still be opportunities to defend wins and get dekleptification back on track by working with key stakeholders and strategically escalating pressure on the regime. By contrast, drastic militarized backlashes will immediately elevate the country’s issues on the international

Figure 7: Global Surge of Financial Interference in Democracies



Source: Josh Rudolph and Thomas Morley, *Covert Foreign Money: Financial Loopholes Exploited by Authoritarians to Fund Political Interference in Democracies* (Washington: The German Marshall Fund’s Alliance for Securing Democracy, August 2020), pages 1, 54-59, and 64-65.

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agenda. In those cases, objectives will involve harnessing attention toward constraining the kleptocratic regime and defending vulnerable reformers and change agents. As such, political analysis is a crucial starting point.

- Conduct political analysis:** Some topics of political analysis will be similar to before the window opened, including sensitive questions about corrupt actors. But new questions will also arise, centered around why the window is closing, the means through which spoilers are resourcing their efforts, new threats facing partners on the ground, retrospective lessons about missed opportunities to sustain the window, and potential moves to defend wins secured during the window and to prepare for future windows. The public, reformers, and the international community may all be suffering from disappointment and disillusionment. That should be acknowledged in order to develop programming and messaging options that mitigate the risk of spiraling apathy and impunity. Anti-corruption capacities that were built up within the government may need to be absorbed into civil society at a time when donor interest may be waning. Lingering reformers in government may provide openings for measures to defend wins, and political analysis can help spot these opportunities, as well as risks. Corrupt elements will be learning how to reverse progress made during the window and prevent it from happening again, so the U.S. government and its partners must similarly analyze developments and plan a new course of action.¹²⁸ For example, the study commissioned by USAID in 2022 about how the Sudanese military recaptured kleptocratic revenue streams recommended that sanctioning authorities target key financial nodes, the private sector and aid providers disengage from business with state-controlled enterprises, and the international community support civilian organizations pursuing justice and accountability in Sudan.¹²⁹
- Support and defend change agents:** Times when windows close can be dangerous for anti-corruption change agents who worked boldly during the window and may now face grave threats of retribution and repression. When a window closes, it can be easy for the international community to simply move on, rather than creatively devising new strategies to protect reform allies. They should prepare to quickly respond if a reformer needs specialized security services to protect against legal, digital, physical, psychological, and other threats, or alternatively, needs to flee the country or seek other forms of safe haven. With corrupt elements now controlling and likely abusing the judicial system, harassing reformers and journalists with groundless criminal prosecution may become common. The persistence of bureaucrats administering reforms such as disclosure systems (which may have been initiated during the window but need sustained multi-year efforts to bear fruit) will become crucial and tenuous. The remaining prominent officials with independence and integrity may come under attack, like prosecutors and judges recently in Guatemala.¹³⁰ Missions can be in contact with State-DRL about the Lifeline Embattled CSO Assistance Fund and avenues for political asylum.¹³¹ USAID’s Empowering Anti-Corruption Change Agents Program could be used to provide new services to existing partners, such as support to relocate operations to safer jurisdictions. Missions should continue providing safe spaces for dialogue among reformers, including engagements with broader societal elements to consolidate and sustain new coalitions that formed during the window. And even though the window has closed, Missions should consider how to sustain and potentially grow investments in activists advocating for the preservation of reforms and journalists exposing corruption and autocracy.
- Shift resources away from increasingly corrupt governments:** As windows close, Missions should consider redirecting assistance away from an increasingly autocratic

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government and toward civil society, and requesting support from Washington to do so if needed. In cases of windows slamming shut suddenly or experiencing major flashpoints in the closure process, this may involve a freeze on programming with the government and an assessment of how U.S. assistance can avoid indirectly enabling public corruption. In more gradual cases, there may be greater opportunity for influencing government calculations. In either case, programmatic pivots should include pointed public explanations of the problematic backsliding and changes that the U.S. government would like to see before turning back toward support for the government. USAID took these steps in 2021 with regard to El Salvador and Guatemala.¹³²

- Ratchet up public diplomacy to call out rekleptification:** The need to publicly criticize the rise of corrupt autocracy will extend well beyond justifying a reallocation of resources. In coordination with State and other U.S. government actors, public diplomacy will become an essential tool for mobilizing public attention and raising pressure on the regime. From references to corruption in readouts of meetings with government officials to social media spotlighting of changemakers (where welcome), public messaging can both highlight corruption trends and provide a modicum of support to embattled reformers. This can also involve amplifying the messages of local researchers and reformers seeking to break through to an international community that may be losing interest.
- Support corruption sanctions by deepening engagement with interagency and civil society partners:** When corrupt actors retake power, one important U.S. government tool Missions may or may not have experience leveraging is strong sanctions on corrupt individuals. Sanctions and other deterrence measures can include either Treasury Department asset freezes or State Department visa bans. Administrator Power announced in June 2022 that USAID is embracing a new role of partnering with other agencies across the U.S. government to support corruption sanctions against bad actors and kleptocrats.¹³³ Whereas USAID’s history with U.S. sanctions regimes has primarily been oriented toward working with interagency partners to secure licenses for humanitarian partners who provide lifesaving support to people living amidst sanctioned terrorists, USAID has a whole array of partners. These include investigative journalists, activists, and civil society actors who often have unique insights into where and how illicit gains are stashed away, and they are eager to pass that information to sanctioning authorities. After President Biden established the KleptoCapture task force, USAID worked with civil society partners in Ukraine and other partner countries who track, for example, yachts owned by Russian oligarchs and moored in Western ports, passing this information along to colleagues at the Department of Justice and Treasury. Missions can connect local civil society actors with NGOs that chair expansive networks of human rights and anti-corruption activists around the world that submit evidentiary packages for sanctions, such as Human Rights First, REDRESS, and the Open Society European Policy Institute.¹³⁴ These NGOs teach local activists about the process of securely submitting evidence and help them build and advocate for cases by providing submission templates, primers, FAQs, training, and other resources. Missions can also work with USAID-Washington and interagency colleagues to share insights from local partners about corruption networks and in-country context about how sanctions would best advance a holistic, sustained anti-corruption strategy. More than just low-level “bag men” who carry out financial crimes, targets for consideration should include high-level figures orchestrating influence trading, abuse of power, obstruction of justice, and other schemes that perpetuate grand and strategic corruption.

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CONCLUSION

The ultimate objective of dekleptification is to help nations that endeavor to adapt their social contract away from kleptocracy and toward new social norms about the government's duties and the public's intolerance for corruption. Such adaptations take many years or decades, sustained by virtuous circles of institutions that prove effective and popular enough to withstand efforts to undermine them and restore kleptocratic rule. Exceptional institutional and societal resilience is needed in strategically contested countries, where the influence of foreign kleptocracies and the pathways of transnational corruption provide enormous resources to corrupt elements seeking to undermine reform.

The most important and essential precondition for a virtuous circle is very broad and highly mobilized demand throughout the society, driving powerful domestic political action that ushers in a window of opportunity to roll back kleptocracy. Amid those pivotal openings, reformers urgently call for rapid responses from the international donor community. They need everything from fast-moving funding to targeted communications to in-kind technical expertise. When deciding how to build cutting-edge institutions to deliver transparency, accountability, and inclusion, reformers benefit greatly from lessons learned during similar windows in other countries.

This guide captures those insights. It draws from USAID experts who were on the ground during the windows of Georgia (2004-Saakashvili's second term), Romania (2004-2018), Egypt (2011-2013), Brazil (2013-2019), Ukraine (2014-present), Guatemala (2015-2017), Armenia (2018-present), South Africa (2018-2019), Malaysia (2018-2020), Moldova (2021-present), Bulgaria (2021-present), the Dominican Republic (2020-present), and Zambia (2021-present). USAID partnered with reformers who forged inclusive institutions that were radically transparent and aggressively accountable, generating models for other countries confronting kleptocracy and strategic corruption. These reformers tried to establish anti-corruption institutions rapidly enough to seize and sustain fleeting windows of political will. And they scoped the policy details to be far more transparent, independent, and inclusive than is common elsewhere. This is not apolitical and technocratic work; it requires overwhelming public demand, timely political analysis, vibrant civil society, well-coordinated donors and interagency partners, and Missions highly attuned to the fluid and intense political dynamics of dekleptification.

This comprehensive approach to rolling back kleptocratic structures is central to the modern pursuit of development, democracy, and peace.



The USAID-supported Anti-Corruption School empowers young people to combat corruption in their communities, and in the society at large. Photo by USAID.

ANNEX I: UKRAINE CASE STUDY, 2014-PRESENT

The window of opportunity that opened with Ukraine’s 2014 Revolution of Dignity is the clearest model of inclusive institutions developing into a virtuous circle. Eight years later, Ukrainian dekleptification has been effective and popular. It continues to not only help repel kleptocracy and strategic corruption, but also help equip and motivate Ukrainians to defend their sovereignty with historic valor on the battlefield.

As Ukraine looks ahead to rebuilding from the devastation of Russia’s brutal war, it faces both an urgent need to restart anti-corruption progress that remains halted—reportedly due to the war—and a historic opportunity to consolidate its gains in democratic governance and make Ukraine a regional model for evolving past a post-kleptocratic legacy. Dekleptification is a generational project. Mistakenly viewing the mission as having now been accomplished would invite risks of backsliding and rekleptification, which can still happen years into a window, as demonstrated by nearby Georgia. Ukraine’s system of governance still suffers from concentrated power and informal decision-making that often bypasses democratic accountability and favors powerful interests.¹³⁵ Costs for large state construction projects are reportedly inflated by 30 percent, including a 10 percent kickback for policy makers.¹³⁶ Even after the recent appointment to head the Specialized Anti-Corruption Prosecutor’s Office, another three of the five specialized anti-corruption bodies lack permanent leadership.¹³⁷ Several sectors remain monopolized by oligarchs, such as media, energy, construction, and transport. These and other transparency and accountability vulnerabilities were glaring before 2022 and some have worsened during the war.¹³⁸ Integrating Ukraine’s anti-corruption achievements into its wartime and rebuilding processes would require utilizing its world-leading systems of transparency like ProZorro, empowering the specialized anti-corruption bodies with needed

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resources and permanent leadership, and giving Ukraine’s vibrant civil society a prominent role in planning and overseeing the flow of funds.

USAID and the international community can learn a great deal from this case. It’s based on the current status, as of September 2022, of a highly dynamic situation in Ukraine. The trajectory of this window remains fluid as Russia deploys unprecedented brutality to try to break Ukraine’s virtuous circle of dekleptification.

STRATEGIC CONTEXT

For almost as long as Putin has been in power, he has tried to control Kyiv by covertly funding pro-Russian political parties and manipulative news platforms in Ukraine. It started back in 2004, when the Kremlin secretly arranged for Russian state-owned energy conglomerate Gazprom to enrich corrupt intermediaries such as oligarch Dmytro Firtash.¹³⁹ Together with \$10 billion in loans from bankers close to Putin, Firtash reportedly funded the 2010 election bid of pro-Russian Ukrainian presidential contender Viktor Yanukovich, who went on to win.¹⁴⁰ Russia also used corruption to fund pro-Russian separatists in regions of the Donbas in eastern Ukraine, pay for online disinformation, and control half of Ukrainian television news channels through oligarchs such as Viktor Medvedchuk (Putin’s top proxy in Ukraine who was also reportedly enriched by sweetheart deals from Moscow).¹⁴¹

But by the time of Ukraine’s 2019 presidential and parliamentary elections—five years into the window—Putin’s corrupt gas scheme in Ukraine had diminished. The pro-Russian candidate it funded got less than 12 percent of the vote (although the pro-Russian party did win the second most number of seats in the 2019 parliamentary election, enabling it to continue to delay and kill reform bills). Landslide victories by Volodymyr Zelenskyy in the presidential election and his upstart reform allies in the parliamentary election sustained the window through a democratically legitimate transition and replenished the public mandate for dekleptification. Transatlantic resolve and bipartisan U.S. support for Ukraine—and its two-front war against Russia and corruption—persisted through political volatility in Western democracies.¹⁴² Ukraine sanctioned Medvedchuk’s close associates and forced their three pro-Russian news channels off the air on February 2, 2021, and followed up by seizing assets owned by Medvedchuk and his family on February 19, 2021.¹⁴³ Less than two days later, the Russian military started building up on Ukraine’s borders as an alternative means to subvert Ukrainian sovereignty now that funding political parties and manipulating television news with the proceeds of corruption had become less effective. Putin sees the effectiveness of Ukrainian dekleptification and democracy as grave threats to both his imperial ambitions and his kleptocratic authoritarianism at home. That is primarily because dekleptification could inspire the Russian people to reform their own social contract. It also closes channels of strategic corruption flowing from Moscow to Kyiv, prepares Ukraine for integration into Euro-Atlantic institutions, and strengthens Ukraine’s defensive capabilities.

Dekleptification makes a country and its fighting force stronger on several levels. In early 2014, Russia was able to take over most of the Ukrainian navy without firing a shot, partly by bribing Ukrainian sailors and commanders.¹⁴⁴ A separate example of corruption undermining a government’s defenses was the Taliban’s ability to waltz into Kabul in August 2021 after having reportedly paid off rural leaders and government officials who did not want to fight for a corrupt regime.¹⁴⁵ The sides are flipped today in Russia’s war on Ukraine: The forces of kleptocracy struggle in their military invasion against a great power of dekleptification. Compared to 2014, Russian subversive activities in Ukraine are now less effective, with bribe money for a coup d’état reportedly either stolen by Russian intelligence services or pocketed by Ukrainian targets who remained loyal.¹⁴⁶ Rampant corruption throughout the Russian armed forces has undermined the military modernization process

underway since shortly after Russia’s 2008 invasion of Georgia.¹⁴⁷ But Ukraine’s most powerful advantage over Russia is public confidence that the country is defending an open democracy worth fighting for, rather than taking orders from an authoritarian kleptocracy organized around prolonging the rule of thieves.

The heroism, courage, and morale of Ukrainians in the war against Russia is the ultimate evidence of a virtuous circle. It would not be possible without eight years of hard-fought work building the institutions of dekleptification. Ukraine had plenty of missteps and tough lessons along the way, and still has extensive work to do on corruption challenges that will take a generation or more to overcome. The risk of backsliding remains and deoligarchization has not yet been really undertaken, so Ukraine must use the current moment of unity to press forward with dekleptification. The approaches and lessons of this guide and case study will remain as important as ever for Ukraine as it sets out to safeguard the billions of foreign aid that will have to be spent rebuilding the war-torn country. But while its domestic challenges are a long journey and the country continues to be a testing ground for all manner of Kremlin aggression, Ukrainians are also rightly proud of having built the world’s boldest laboratory for approaches to combating corruption that exceed even Western standards.¹⁴⁸ Ukrainian dekleptification is organized around four pillars that are mirrored by sections of this guide: civil society and media support, transparent mechanisms, accountability institutions, and inclusive growth.

PRE-WINDOW SUPPORT FOR CIVIL SOCIETY AND MEDIA

Before Ukraine’s window opened in 2014, USAID was already the largest international donor to Ukrainian civil society.¹⁴⁹ A single program, the 2008-2016 Ukraine National Initiatives to Enhance Reforms (UNITER) project, supported 412 Ukrainian NGO campaigns representing a wide variety of citizens’ interests.¹⁵⁰ These included democracy promotion, human rights, watchdog and monitoring functions, and policy advocacy. UNITER awarded more subgrants dedicated to anti-corruption than those focused on any other topic.¹⁵¹ And it brought the many disparate civic actors across Ukraine’s civil society together in voicing concerns about kleptocracy

Meanwhile, USAID’s flagship 2011-2018 Ukrainian media project (U-Media) was a crucial supporter of press rights under Yanukovich’s repressive rule.¹⁵² U-Media awarded subgrants to watchdogs who monitor threats to journalists, advocates for a free media enabling environment, providers of legal aid for journalists, professional associations and institutes that build outlets’ organizational capacity, and outlets that conduct investigative reporting. These partners played integral roles in supporting the investigative journalists behind the biggest pre-window corruption exposés, from Nashi Groshi’s probes into public procurement to Ukrainska Pravda’s investigation of Yanukovich’s luxurious Mezhyhirya residence.



Senator John McCain overlooks Independence Square from a suite in Ukraine’s Labor Center in December 2013. Photo by U.S. Embassy Kyiv.

USAID’s civil society partners dedicated to accountability—like Transparency International-Ukraine, the Anti-Corruption Action Center (AntAC), Center UA, the Media Law Institute, and others—would follow up on these investigative reports by going to court to challenge the corrupt deals and defend the journalists.¹⁵³ After compiling dossiers on Western enablers who handled the money stolen by Yanukovych and his cronies, AntAC traveled to those Western countries, connected with Ukrainian diaspora groups based there, and organized advocacy for sanctions and anti-money laundering enforcement actions.¹⁵⁴ When thugs hired by Yanukovych’s party beat up two journalists, multiple U-Media partners worked with journalists to organize a Stop Censorship! movement that successfully pressured the government to prosecute the assailants and got the parliament to enact a press freedom law.¹⁵⁵ Several of USAID’s partners worked on the CHESNO movement to advance a fair election process, which was inspired by a successful Romanian experience.¹⁵⁶ The U.S. Embassy in Kyiv hosted TechCamp trainings to help civil society activists make full use of social media.¹⁵⁷ State-INL also funded citizen groups and journalists who investigated grand corruption under Yanukovich.¹⁵⁸ All this civil society and media programming helped empower enthusiastic citizens trying to improve their own communities. When Yanukovych rejected a popular free trade agreement with the EU in favor of opaque dealings with Russia, an organic Ukrainian anti-corruption revolt (see image) ended up pressuring Yanukovych to flee to Russia in 2014, opening a historic window of opportunity for dekleptification reforms.

At that point, the six years UNITER had spent convening civil society experts and supporting network nodes paid off handsomely. One UNITER-supported coalition, the Reanimation Package of Reforms, organized 150 Ukrainian experts into thematic working groups and pooled their policy proposals into a reform roadmap (see images on page 28).¹⁵⁹ The power of so many NGOs speaking with one voice strongly legitimized the roadmap. The coalition used the 2014 parliamentary election as an opportunity to get the eight main political blocs to endorse it. They then continued advocating

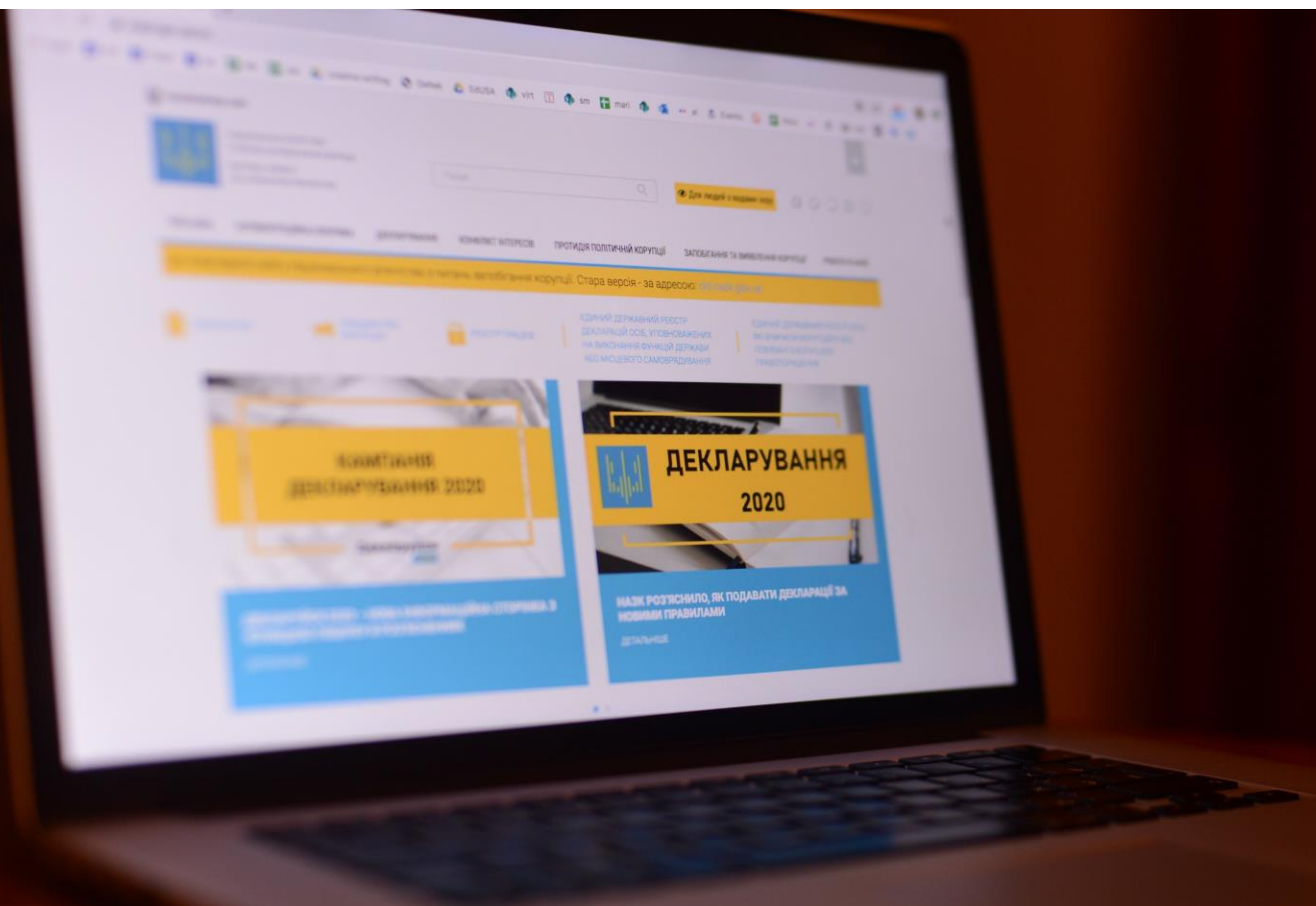
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even after more than 80 recommended laws were enacted.¹⁶⁰ As new specialized challenges arose, the working groups developed into permanent issue-based coalitions, each uniting roughly 20 NGOs.¹⁶¹ The result of this focused policy advocacy has been a sweeping reform program that offers a dekleptification model for other reformers in the region.

PUBLIC TRANSPARENCY

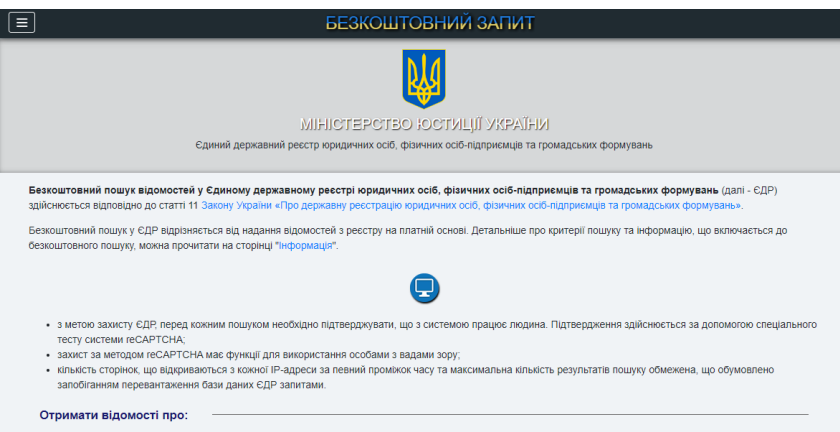
The most novel contribution of the Ukrainian model of dekleptification has been radically expanding the degree to which the government collects, and opens to the public, an expansive array of electronic data sources about who owns what in the country and how state resources are spent. This movement followed the pre-2014 years of watchdog probes and journalistic investigations into grand corruption invariably running into dead ends in the forms of anonymously owned shell companies, mansions with mysterious owners, obscure public procurement bulletins, politicians lying about their wealth, and banks turning a blind eye.¹⁶² Between 2014 and 2016, several groundbreaking transparency mechanisms shrunk the space for corruption:

- **Asset declarations:** As discussed in a previous text box, Ukrainian public officials must file annual electronic declarations of their income and assets that are sweeping in scope and strictly enforced. The National Agency on Corruption Prevention (NACP) was established to collect, verify, and publish asset declarations (see image). The idea is to catch and deter illicit enrichment by leaving corrupt figures who remain in public office only with options that could bring severe consequences: refuse to disclose, lie in disclosures, or submit disclosures about ill-gotten wealth or income. Legal and enforcement loopholes related to any of these options would undermine the entire system, so the devil was in the details. The lack of options for corrupt officials fueled monumental resistance, including more than ten ultimately unsuccessful attempts to postpone the legislation, water it down, block the issuance of security clearance certificates, co-opt the NACP, and get the Constitutional Court to legalize illicit enrichment and false statements.¹⁶³ After the asset declaration regime



was established, the NACP became a tool for political manipulation and persecution of opponents, while reform opponents enacted a law extending declarations to anti-corruption civil society activists. Throughout this struggle, USAID and other U.S. government partners engaged at all levels with Ukrainian government officials, lawmakers, local activists, and other donors. International donors coordinated to reinforce each other’s conditions and hold up loan processes until conditionality was met. That often meant delaying loans for many months to prove to Kyiv that the international community would not allow them to fudge this reform. As soon as loans would get disbursed, donor leverage would decline and the Ukrainian government would backtrack, causing the U.S. Ambassador to insist on upright follow through in urgent meetings with all relevant officials, from the head of the NACP to the Office of the President. USAID listened to key reformers share concerns about declarations becoming political weapons wielded by government actors resisting reform. That caused USAID to publicly withdraw its support for the NACP until new leadership was in place. The strongest leverage came from the EU-Ukraine visa free regime package. All this work paid off with Ukraine developing one of the world’s most comprehensive systems of asset declarations. AntAC says, “Among all transparency-related reforms which took place after the Revolution of Dignity, the system of electronic disclosure of assets and income of public officials is the most instrumental source of information to monitor the lifestyle of public officials. The information submitted there serves as the basis for multiple journalistic and official anti-corruption investigations.”¹⁶⁴ White Collar Hundred—originally known for enlisting volunteers to painstakingly restore tens of thousands of shredded documents discovered at Yanukovich’s Mezhyhirya mansion and elsewhere—created an integrated database of paper and electronic information about the income and property of public officials.

- **Ownership registries:** Ukraine built state-of-the-art government databases revealing the ultimate beneficial owners of Ukrainian properties, vehicles, land, and legal entities. For example, the real estate registry became one of the most advanced in the world, with user-friendly two-way functionality to look up either who owns a property or what properties are owned by a person.¹⁶⁵ In 2015, Ukraine became the first country in the world to launch a public registry of beneficial owners behind corporate entities registered in the country (see image).¹⁶⁶ Many EU countries either do not have public registries in place or keep them beyond paywalls, registration requirements, or cumbersome search parameters. By contrast, Ukraine made its beneficial ownership data easily accessible by making it available for bulk download through a dedicated API website, integrating the data into the Open Ownership register linking multiple countries (the first country to ever take this step), and enabling it to be combined with other data sources.¹⁶⁷ USAID provided core funding to the organizations involved in this effort, as well as NGOs like AntAC and others that have evaluated data



Ukrainian Ministry of Justice, *Unified State Register of Legal Entities, Individual Entrepreneurs, and Civic Formations.*

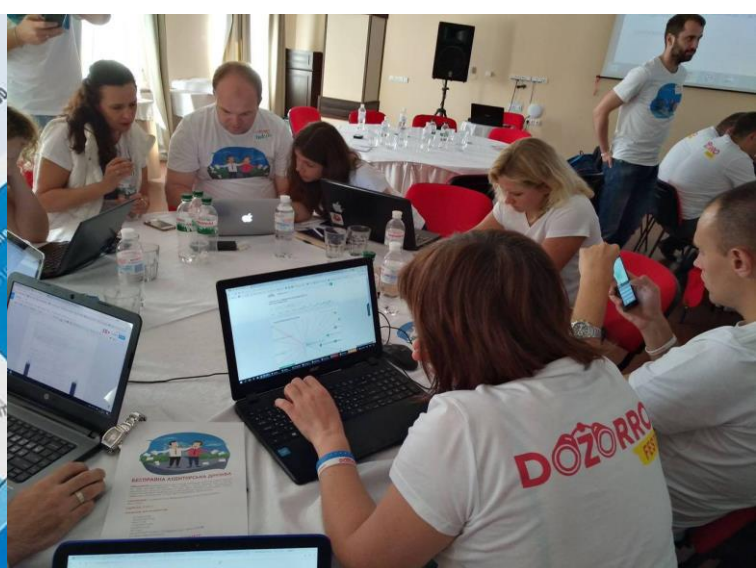
AntAC, *Public Register of Politically Exposed Persons of Ukraine.*

quality, integrated the beneficial ownership data into datasets of politically exposed persons and asset declarations, and used the combined sources to conduct investigations into oligarchic business empires that have resulted in criminal charges.¹⁶⁸

- PEP databases:** Some Ukrainian exposure and prevention innovations are not built by the government per se, just based on official data. AntAC used machine-readable state databases, including the entities registry and asset declarations, to create and maintain the world’s first-ever national public database of politically exposed persons (PEPs; see image on page 60).¹⁶⁹ AntAC’s PEP database includes dossiers on some 50,000 PEPs, as well as their family members and close associates.¹⁷⁰ It also includes records on 32,000 of their affiliated legal entities. The website is used monthly by more than 100,000 unique users worldwide (mostly bank compliance officers), while dozens of financial institutions and major compliance companies have subscribed for machine-readable access to the PEP database.¹⁷¹ Given that banks and other financial institutions need to conduct enhanced due diligence on PEPs and their source of funds, now that they have this easily accessible way to check whether a customer is affiliated with a Ukrainian political figure, it is harder to launder the proceeds of corruption out of Ukraine.
- Procurement:** Since the 2016 launch of the ProZorro (“transparency” in Ukrainian; see image) electronic procurement system, Ukraine has had the world’s most transparent system of public procurement.¹⁷² ProZorro was developed through an unprecedented collaboration between businesses, the government, civil society, and international donors such as USAID. This one-stop platform for the entire Ukrainian government publicizes procurement solicitations, shares requests for proposals, and allows reverse auctions (in which prices are bid lower and lower). ProZorro has been accompanied by DoZorro (“watchdog” in Ukrainian; see image), which was launched by Transparency International-Ukraine. DoZorro is a community of civic actors and public buyers who analyze state data, flag high-risk tenders and irregularities, and submit grievances to public authorities. This system of award-winning transparency, competitiveness, harmonization with the EU, and cancellation of illegal tenders has successfully helped expand the universe of Ukrainian government vendors from 14,000 to 200,000, defund corrupt patronage networks, and save the Ukrainian government some \$6 billion since 2017. USAID has been deeply involved in support for ProZorro and DoZorro, with substantial programming dedicated to providing expertise about enabling laws and implementing decrees throughout the development process, as well as ongoing support for hardware, software, and training.



ProZorro logo. Photo by USAID.



DoZorro Fest. Photo by USAID.



Ukrainian National Anti-Corruption Bureau officers. Photo by [NABU](#).

INDEPENDENT ACCOUNTABILITY

- Specialized anti-corruption institutions:** Drawing from Romania’s experience, a top priority of Ukrainian reformers after the Revolution of Dignity was the establishment of politically independent agencies responsible for the complete rule-of-law process as it relates to grand corruption. That spans prevention, investigation, prosecution, courts, and asset recovery. USAID, State-INL, and U.S. law enforcement were actively involved in helping Ukraine establish its National Agency on Corruption Prevention (NACP), National Anti-Corruption Bureau (NABU), Specialized Anti-Corruption Prosecutor’s Office (SAPO), High Anti-Corruption Court (HACC), Asset Recovery and Management Agency (ARMA), and other agencies.¹⁷³ But the most important lesson from the Ukrainian experience is that establishing these agencies is only the beginning. Their effective implementation depends greatly on the institution’s leader. Until the point when the broader public understands and believes in these institutions sufficiently to form a resilient virtuous circle, political elites will need constant monitoring and swift pressure from the international community. USAID-Ukraine assembled a well-informed and rapidly responding network of capable partners to safeguard the independence of these new anti-corruption institutions. Partners ranged from local NGOs operating on their own initiative to U.S. contractors providing specialized awareness, analysis, lobbying, and other support. They helped monitor and influence the whole cycle of institutional establishment and implementation: drafting legislation, advocating in parliament, participating in leadership selection, helping build capacity, warning about legal attacks, explaining the issues to the public, and otherwise protecting the specialized bodies from undue political influence.¹⁷⁴ An example of a positive result is NABU (see image). The bureau was established as an independent corruption investigative agency by a law enacted in October 2014, became operational in 2015 with the appointment of a director with integrity, received ample capacity development support from State-INL, and by the end of 2016 had hired a staff of 541 and sent more than 50 cases to court.¹⁷⁵ Ever since then, corrupt elements have relentlessly tried to remove NABU’s director and undermine the agency’s powers by advancing legislation (to limit its jurisdiction, cut its authorities in the criminal process, make it easier to fire the director without cause, expose it to political influence, etc.), use corrupt

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general prosecutors to flood NABU with thousands of cold cases, file groundless lawsuits against NABU’s director, and wage disinformation campaigns (which NABU cannot respond to because they involve ongoing cases).¹⁷⁶ These attacks only failed thanks to the day-to-day monitoring, vocal warnings, and quick interventions from USAID’s partners, as well as active and powerful backup from Washington and the broader international community.¹⁷⁷ There were other positive cases beyond NABU, such as SAPO, HACC, and the second composition of NACP.¹⁷⁸ For all these bodies, successful institutional establishment and leadership selection often only happened because of strict international conditionality, such as the EU-Ukraine visa free regime package or IMF loans. But there were also less successful cases, such as ARMA, the Supreme Court, and the first composition of the NACP.¹⁷⁹ Those implementation processes generally did not get sufficient attention from civil society and the international community, causing serious setbacks for Ukrainian dekleptification. USAID saw these uneven results and learned that the single most decisive factor is international involvement in leadership selection (given how dependent these independent institutions are upon the personality at the top and thus how easily they can be co-opted). In response, USAID tailored new programming to flexibly direct support to whichever new Ukrainian government anti-corruption institutions need it most at any point in time (see text box on page 64). The person who feels the most threatened by these independent dekleptification agencies and the civic actors who support them is Vladimir Putin. He took the time in his February 21 speech ahead of his unprovoked invasion of Ukraine to call out the key institutions by name (NABU, SAPO, HACC, and two judicial governance bodies) and air his grievances about their leadership selection processes and support from the United States and NGOs, betraying a granular degree of knowledge about Ukrainian dekleptification institutions that would certainly exceed that of the average Ukrainian citizen.¹⁸⁰ There is no better evidence that these institutions are an essential battlefield in the struggle between kleptocracy and independent sovereignty in Ukraine and beyond.



U.S. Embassy Kyiv hosts an anti-corruption roundtable in July 2021, noting significant recent progress on Ukrainian judicial system reforms and the importance of the integrity of Ukraine’s SAPO selection process. Photo by U.S. Embassy Kyiv.

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Support to Anti-Corruption Champion Institutions (SACCI) project

In 2015 and 2016, activists and donors were so focused on establishing NABU and SAPO that there was insufficient monitoring of the process of selecting leadership for the NACP, the agency responsible for setting anti-corruption policy and administering asset declarations. International organizations were only empowered to *observe* in the NACP leadership selection process, as opposed to the later HACC model of vetoing corrupt candidates. NGO representation was hijacked by government-organized non-governmental organizations (GONGOs).¹⁸¹ The result was that only one of five selected commissioners was independent. Due to that, the NACP was co-opted as a tool to persecute political opponents and sabotage reform efforts. This caused the U.S. government to withdraw assistance from the NACP. At that point, in 2017, USAID-Ukraine established SACCI as its flagship five-year anti-corruption program. Its goal is to “support anti-corruption champions,” and it can flexibly decide which of those champions need support throughout the duration of the project. When the NACP’s leadership model was reformed from a commission to an agency head, SACCI led multi-donor support for the selection process involving independent international and civil society experts on the selection commission.

The SACCI project also more broadly builds the institutional capacity of Ukraine’s specialized anti-corruption bodies by conducting monitoring, advocacy, analysis, and communications in collaboration with other USAID-supported partners. It often surges support toward whatever leadership selection process or institutional initiative is most critical for Ukraine’s dekleptification architecture. Since 2017, SACCI has supported the implementation of the asset declaration system, established Ukraine’s (and Eastern Europe’s) first anti-corruption master’s degree program with a local university to build a cadre of anti-corruption experts to staff the new specialized anti-corruption institutions, helped launch the PolitData political finance reporting portal in partnership with IFES, and developed the NACP’s cutting-edge whole-of-government unified whistleblower reporting portal. SACCI also brought new lessons learned, like how naming “corruption” so explicitly in a project title will make it a lightning rod that will be attacked by opponents of reform (a challenge avoided with other important USAID-Ukraine programs such as Transparency and Accountability in Public Administration and Services or TAPAS).

Most recently, SACCI is demonstrating the importance of having flexible programming in place when national crises transform dekleptification needs. When Russia invaded Ukraine in February 2022, SACCI’s project team leveraged its relationships with IT companies and the Ministry of Digital Transformation to help specialized anti-corruption agencies such as ARMA and the NACP upload their data to the cloud and buy IT equipment. That enabled them to secure their data and continue working outside of Kyiv. SACCI is helping the independent enforcement agencies develop authorities and capacities needed to pivot toward freezing and seizing Russian-owned assets in Ukraine. SACCI is similarly supporting Ukraine’s anti-corruption NGOs as they turn toward tabulating damaged infrastructure, advocating for international assistance, tracing and seizing assets of sanctioned individuals, and assessing corruption risks related to reconstruction of Ukraine. Finally, SACCI is working with a network of reformers—spanning civil society and public institutions—to start developing a common approach to setting up the infrastructure to handle billions in rebuilding aid without it being diverted into corruption, ensuring transparency, integrity, and accountability of the overall process.



Head of the NACP Oleksandr Novikov confers with Eka Tkeshelashvili, Chief of Party for SACCI, a USAID program. Photos by USAID.

- Judicial vetting:** Another lesson learned by Ukraine has been the risk of putting off for too long structural reforms to the bodies that govern the *ordinary* judicial system. Between 2014 and 2019, the international donor community concentrated their conditionality on the establishment of the parallel system of *specialized* independent agencies dedicated to grand corruption. That focus helped Ukrainians produce impartial results quickly and avoided accusations of infringements upon sovereignty. But it also overlooked the long and hard work of top-down reforms to the regular court system. That approach turned out to endanger those independent agencies when corrupt officials used ordinary courts to file venal lawsuits meant to obstruct NABU investigations and SAPO prosecutions.¹⁸² The high-water mark for that kind of sabotage came in 2019, when corrupt officials got the Constitutional Court of Ukraine to decriminalize illicit enrichment.¹⁸³ That got the attention of reformers in Kyiv and internationally, who belatedly made high-level judicial reform their top priority. This has required extending an approach that worked well with HACC selections to also apply to processes of vetting candidates to lead Ukraine’s judicial governance bodies (which select and oversee ordinary Ukrainian judges). The problem is that until courts are deeply reformed to be truly free and independent of corrupt judges, rule-of-law programming and judicial standards that work fine elsewhere are inappropriate for dekleptification.¹⁸⁴ Without proper safeguards, traditional rule-of-law assistance focused on technical capacity enhancements—training existing judges, providing codes of conduct, sharing software systems, paying for courtroom equipment, etc.—risks inadvertently strengthening judicial tools that get abused for corrupt purposes. Another risk is that the Council of Europe’s traditional principle that candidates to be judges should be vetted by bodies of their *peers* is not an approach that works when many of those peers are corrupt.¹⁸⁵ Instead, innovative Ukrainian laws require that judges who serve on the HACC are only selected by Ukrainian judicial governance bodies *after* the judicial candidates are vetted and approved by the Public Council of International Experts. That body is composed of six foreign experts with impeccable reputations, having been nominated by international organizations (including the Council of Europe, the EU, the European Anti-Fraud Office, the OECD, and the EBRD) and invited to weigh in by the Ukrainian government.¹⁸⁶ A Ukrainian judicial governance body provides these foreign experts with dossiers of candidates’ asset declarations and memos from NABU, which they can supplement from other documentary evidence and witness testimonies.¹⁸⁷ In addition to helping draft the relevant laws, USAID and other international donors helped write the rules and procedures, fund the work of the secretariats, and provide administrative and analytical assistance to the foreign experts.¹⁸⁸ If at least three of the six foreign experts have “reasonable doubt” about the integrity of a candidate, they can block their candidacy. Critically, the foreign experts have a decisive role with binding power, rather than a mere recommendation or observer status. To protect Ukrainian sovereignty, this novel approach to judicial vetting (authorized by Ukrainian law and compliant with Ukraine’s constitution) leaves it to purely *domestic* judicial governance

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bodies to decide which candidates to ultimately select from within the pool of high-integrity candidates vetted (and not vetoed) by the foreign experts. After a few years of mixed outcomes in Kyiv (with disappointments like the Supreme Court selections) and steadfast advocacy by Ukrainian reformers, the Council of Europe’s Venice Commission became open to these innovations. The Venice Commission positively evaluated the HACC’s approach to international involvement in judicial vetting as justified and consistent with European conceptions of national sovereignty.¹⁸⁹ Extending this approach to comprehensive reforms of the broader judicial system was a pledge made by President Volodymyr Zelenskyy in his 2019 election campaign. It was also a condition of IMF lending and a feature of both the EU-Ukraine macro-financial assistance agreement and the Ukrainian rule-of-law roadmap of the G7 Ambassadors Reform Support Group.¹⁹⁰ In 2021, Ukraine delivered by enacting laws applying the HACC approach (six-member vetting panels with three foreign experts who can block candidates on the basis of integrity) to Ukraine’s two judicial governance bodies responsible for selecting, overseeing, and dismissing Ukrainian judges: the High Council of Justice and the High Qualification Commission of Judges.¹⁹¹ These were the two judicial governance bodies that Putin named when criticizing judicial selection processes in his February 21 speech about Ukraine.¹⁹² Again, Putin’s attention to that degree of institutional detail suggests that he sees both geopolitical benefits to having corruptible judges in Ukraine and domestic political threats associated with Ukrainians proving that any country can build the rule of law.

- Police reform:** In late 2014, just months after Ukraine’s reviled Soviet-style police force shot and killed more than 100 protesters and Yanukovich fled the country, the new reformist government needed to start generating quick and salient results. So Ukraine granted citizenship to and hired the key Georgian officials who had successfully reformed the Georgian police force after the Rose Revolution. Kyiv empowered the Georgians to similarly overhaul the Ukrainian police system. State-INL, DOJ-ICITAP, and other U.S. departments and international donors dedicated extensive funding, training, equipment, and technical assistance to Ukrainian police reform.¹⁹³ Ukraine quickly built a new 16,000-strong Patrol Police across 26 cities. Police officers were hired almost exclusively from among educated, civic-minded, young Ukrainian speakers who had not previously served in law enforcement.¹⁹⁴ They wear uniforms donated by the United States and earn official salaries three times higher than Ukraine’s militsiya (legacy police who made most of their money through corruption). The new officers were trained by international instructors at Ukraine’s first Patrol Police Academy in Kyiv, which is currently expanding throughout the country. Existing police officers were subject to polygraph tests and investigations into their personal wealth, as well as a vetting process that included interviewing for their jobs before re-attestation commissions based in communities around the country and staffed by local anti-corruption and human rights activists.¹⁹⁵ About 10 percent of the police force was fired. Separately, hundreds of community police forces were trained and assigned to the territorial units created in the decentralization process.¹⁹⁶ In just three years, the public perception of corruption in Ukraine’s police force dropped from 90 percent to 7 percent, making police reform one of Ukraine’s most visible reforms since the Revolution of Dignity.

INCLUSIVE GROWTH

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LLC Prana Platinum, a Lviv-based company supported by USAID's Competitive Economy Program, produces a unique energy-efficient product. Photo by USAID.

- Market competition:** When observers from the U.S. Embassy in Kyiv walked into the Maidan and talked to protestors in December 2013, they met small business owners held back by corruption. As a typical example, an owner of a few auto repair shops in central Ukraine complained, “I spend most of my time trying to look unprofitable to ward off the racketeers and crooked tax guys. It’s not too hard—lots of the time, with all the bribes I pay, my business really is unprofitable. So what’s the business licensing process like in America? At how many points do American businessmen need to pay bribes for imports? I’d be happy just to have a single point at which to pay one bribe—that would be fine. It’s the different levels of bribes that really kill you. You pay off one guy, but somehow don’t realize that you later need to pay off his boss too, and you hadn’t budgeted for that.”¹⁹⁷ Since the Revolution of Dignity, while corruption has certainly not been eliminated, the Ukrainian private sector has thrived as the country has developed a business culture committed to market competition under the rule of law. Businesses take advantage of EU trade agreements, implement ESG (environmental, social, and governance) and CSR (corporate social responsibility) programs, build new business associations and issue advocacy groups, and even support genuine civil society organizations (beyond just creating astroturf organizations to serve their own needs). Several USAID programs help Ukrainian businesses achieve their potential. For example, the Competitive Economy Program helps business startups and small and medium enterprises become more competitive in domestic and international markets (see image). USAID has recently helped the Ukrainian government to: introduce an electronic disclosure and reporting system for publicly listed companies; create institutions to facilitate transparent and efficient asset trading; and develop a bond market. USAID has also worked with Ukrainians to build a well-regulated financial sector. And USAID’s Competitive Markets Program deploys advisors from the U.S. Federal Trade Commission and Justice Department to provide technical assistance to the Anti-Monopoly

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Committee (Ukraine’s antitrust body), as well as to support the enabling environment and address anti-competitive conduct.¹⁹⁸ In some cases, like the nationalization of Firtash’s stake in a titanium plant, SAPO has been able to take assets away from oligarchs.¹⁹⁹ But additional legal authorities could help deoligarchize more systematically. In 2021, Ukraine enacted a law aiming to curb the excessive influence of oligarchs in society. The law defined an oligarch as anyone who meets at least three of four conditions: they take part in political life, have assets worth more than \$87 million, have significant influence over the media, and are a beneficial owner of a Ukrainian monopoly.²⁰⁰ Under the 2021 law, oligarchs need to declare their assets and are prohibited from financing political parties or engaging in privatization (while government officials need to disclose their contacts with oligarchs). Ukraine could build on that helpful three-of-four definition to advance framework legislation that would truly help deoligarchize. Such legislation might require oligarchs to divest their ownership of Ukrainian monopolies and media assets—or face confiscation if their wealth is proven to have been obtained through corrupt means or otherwise involved in a criminal enterprise—until they no longer meet the definition of an oligarch. It could also reform the Anti-Monopoly Committee. And of course, any such laws should be constitutionally sound, conform with Venice Commission opinions, and bestow as little discretion as possible in the hands of political officials, lest they abuse power to target the interests of political rivals or their oligarchic patrons.

- Sectoral integration:** USAID funded many governance programs focused on the Ukrainian development sectors that were most egregiously exploited by Russian and Ukrainian oligarchs. This sectorally targeted yet cross-cutting approach to identifying development objectives broke new ground for USAID in two ways. First, corruption was named as an existential threat requiring an integrated response. Second, a third country (Russia) was named as a threat needing attention to achieve development results.²⁰¹ Integrating the Russia threat across sectors set up targeted USAID assistance, such as preparations that enabled Ukraine to successfully disconnect from the Russian power grid on the eve of the February 2022 invasion. In terms of Ukraine’s second existential threat, corruption, elevating it to a standalone development objective teed up USAID’s technical offices to contribute anti-corruption work. From there, USAID-Ukraine coordinated with offices beyond Democracy and Governance—to also include experts from USAID components ranging from Global Health to Economic Growth, Education and Environment—to further drive impactful systemic reforms that also touched on the everyday lives of Ukrainians. Key sectoral integration initiatives included usage of ProZorro for pharmaceutical procurement, transparency in land market transactions, reforms to state-owned enterprises, checks on insider abuse and opaque dealings in the financial system, e-governance at the Ministry of Education, and a comprehensive enabling environment for transparent competition in the energy sector (from ending hidden energy subsidies and dependence upon Russia to vigorously reforming corporate governance at Ukrainian energy giant Naftogaz).²⁰² These essential dekleptification reforms were closely coordinated with other U.S. departments and agencies, Ukrainian civil society, and other international donors such as the IMF, World Bank, EBRD, European Investment Bank, and EU. For example, when setting conditions for a U.S. loan guarantee, the White House National Security Council would convene the interagency to hear from USAID about reform deliverables sought by Ukrainian civil society, from the Commerce Department about reforms that would attract foreign direct investment, from State about diplomatic feasibility, and from Treasury about deliverables that the IMF or other donors were prioritizing. In some cases, such as Naftogaz corporate governance reforms, the Energy Department would bring specialized expertise and the U.S.

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government would work particularly closely with the European Union and other deeply engaged stakeholders to ensure donors were reinforcing each other’s initiatives.

- Decentralization:** One of Ukraine’s most important governance reforms since 2014 has been to shift power and resources away from the old regional and local administrative system inherited from the Soviet Union. The usual challenge with decentralization is that it is hard to safeguard funds and exercise oversight over so many localities with deeply entrenched corruption. Instead, Ukraine innovated a mode of decentralization fit for dekleptification by creating new territorial governance units. Communities voluntarily self-organized to merge small local municipalities into more responsive territorial units. These new units were allocated a higher share of tax revenues along with accompanying responsibilities such as education, health, and policing. Thus, decentralization reallocated resources and responsibilities toward local communities and away from legacy Soviet governance organs that were run as opaque fiefdoms controlled by oligarchs and mobsters through vast clientelistic networks. In addition to reducing opportunities for corruption and improving delivery of salient public services, decentralization deprives Russia of regional power centers in Ukraine it could target to take over an entire region, like the Simferopol, Donetsk, and Luhansk oblasts in 2014.²⁰³ Instead, where Russian forces have overtaken Ukrainian territorial units in 2022, they have continued to face guerilla attacks by volunteer resistance fighters defending their communities and civic protests by Russian-speaking locals who proudly rally to defend their mayors and other local elected officials. This demonstrates that Ukraine has paradoxically strengthened its state by devolving power.²⁰⁴ This more transparent, accountable, participatory, communal, responsive, legitimate, sovereign, and secure governing system could serve as a model for other post-Soviet countries. USAID has funded several programs dedicated to supporting the entirety of Ukrainian society as it makes decentralization work throughout the country. This has included helping the federal government adopt and implement the enabling legislation based on local input, increasing the resources and capacity of territorial units to carry out their responsibilities, and increasing the involvement of local residents and NGOs in decision-making and oversight.²⁰⁵ Decentralization has also highlighted the need for the international community to protect civil society in the ways described in this guide, as the old guard—which has much to lose from decentralization—has sometimes responded by attacking exposed activists outside of Kyiv.²⁰⁶
- Digitization, e-services, and open data:** A salient way to reduce opportunities for corruption and deliver tangible benefits to everyday citizens is to digitize state services. USAID’s TAPAS activity is jointly funded by UKaid and implemented by Eurasia Foundation (see image on page 70). It has partnered with the Ministry of Digital Transformation and other social and economic sector line ministries to launch 28 e-services in Ukraine.²⁰⁷ These have simplified and digitalized the processes of obtaining pandemic relief payments, unemployment benefits, disability certificates, fire safety certificates, vehicle registration and license plates, water usage permits, certain medical licenses, construction permits, and other government services.²⁰⁸ TAPAS also works with all 18 Ukrainian central government ministries and at least 35 large municipalities to make hundreds of government datasets publicly available. Supporting the digital transformation of Ukraine’s historically most corrupt sectors has been an effective way for USAID to help reduce corruption during moments of lower political will. When government support for hallmark anti-corruption reforms was lacking, USAID was able to support non-political, technical IT interventions, including e-Services, digital registries, and open data, which boosted public sector inclusivity and reduced corruption in public administration.

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USAID helped Ukraine launch the Diia digital services portal, including services such as the Driver's Web Portal, which reduces opportunities for corruption. Photo by USAID.

- Continued investments in civil society and media, who need protection:**

Throughout Ukraine's window of opportunity, USAID continued to roll out a steady stream of new projects dedicated to civil society and media. Picking up where UNITER left off in 2016, USAID's Enhance Non-Governmental Actors and Grassroots Engagement (ENGAGE) project inspires greater local-led anti-corruption initiatives and provides stable, multi-year core funding to key USAID civil society partners fighting against corruption. Other new projects improve the social and political environment for civil society, strengthen the role of media in democratic processes, increase awareness among Ukrainian media professionals about the Ukraine-EU Association Agreement, and help expand citizens' access to quality information to counter malign influence and support European integration.²⁰⁹ But anti-corruption change agents need more than funding and technical advice, particularly in the context of dekleptification. Unlike anti-corruption in consolidated democracies—where corrupt officials can be peacefully voted out of office—kleptocrats and oligarchs often see dekleptification as a threat not only to their ill-gotten fortunes and business empires but also to their lives. Ever since around 2016, courageous Ukrainian anti-corruption activists have been targeted in a series of dangerous attacks.²¹⁰ The worst incident was the violent acid attack that ended up killing Kateryna Handzyuk, an activist who had exposed corruption in her hometown of Kherson. The home of Vitaliy Shabunin, the head of AntAC's executive board, was burned down by arsonists when his parents were in the house. Separately, explosives were later left outside his parents and in-laws' houses. Phone calls to USAID's partners have threatened them, their families, and their businesses. Other attacks have taken the form of smear campaigns, cyber attacks, vexatious lawsuits, unfounded criminal charges, and physical intimidation. These represent threats and attacks that endanger not only specific individuals and their families, but also the entire enterprise of a free world where societies can peacefully pursue their sovereign destinies without fear of bullies. As discussed previously in this guide, building out a stronger protective ecosystem for activists and

journalists is a major objective of USAID’s new Empowering Anti-Corruption Change Agents Program.

- **Recovery and reconstruction:** As of this writing, in September 2022, U.S. wartime assistance for Ukraine makes the United States the country’s top donor for security assistance, humanitarian aid, food security, and direct budget support. At the same time, USAID is also investing in the development of a strategic framework to support a recovery and reconstruction process that is transparent, accountable, and inclusive. Such a framework will aim to do the following: integrate rebuilding with Ukraine’s transparency mechanisms and anti-corruption institutions built over the past eight years; consolidate these gains in democratic governance reform; incorporate the lessons learned through the process of implementing Ukrainian dekleptification; empower civil society to play a strong role shaping and overseeing the flow of funds; prioritize Ukrainian-owned approaches and institutional capacities; avoid creating parallel structures to local systems; avoid enriching new or existing oligarchs; support small and medium enterprises; create local middle-class jobs; build a digital economy; deliver services essential to dignity and wellbeing such as health care; update Ukrainian energy and industrial infrastructure for low-carbon competition in Europe; and prioritize transformational opportunities for leapfrogging, catalytic, or last-mile interventions. USAID is collaborating on this work with U.S. interagency partners, the Ukrainian government, civil society, international donors, the private sector, and other key contributors. Together, the international community must deploy the full breadth of aid modalities, diplomacy, entrepreneurship, policymaking, and other resources toward supporting a historic process that recovers not just from a brutal war but also from a legacy of kleptocracy. This work is essential both to safeguarding U.S. tax dollars and to the very democracy for which Ukrainians are sacrificing.

CONCLUSION: THE UKRAINIAN MODEL

Dekleptification is not for the faint hearted. The world’s most powerful kleptocrats and oligarchs fight back as if their lives and fortunes are on the line. Combatting kleptocracy requires monumental support before and during a historic window of opportunity, unprecedented reforms that show the world what responsive governance can look like, a vigilant network of partners monitoring day-to-day implementation, and concerted diplomatic pressure as corrupt elements endlessly try to thwart reforms. American leadership might even have to culminate in rallying the free world to stand by the country when it faces existential threats meant to forcefully restore the corrupt system. But if done well, dekleptification is not only the way to reclaim sovereignty and pursue an independent destiny. It also builds a great power that soon grows fierce enough to stand its ground on the battlefield against a larger neighboring kleptocracy.

The Ukrainian model of dekleptification involves 13 steps taken by USAID, its Ukrainian reform partners, and other development practitioners:

1. **Invest heavily in media and civil society before the window:** Fund, train, assist, connect, and otherwise support expansive networks of journalists, activists, lawyers, experts, and other enthusiastic citizens trying to free their communities from kleptocracy through courageous reporting, monitoring, oversight, advocacy, and other forms of civic participation.
2. **Lay the groundwork for a sweeping and radical roadmap of legislative reforms:** Cultivate civil society coalitions that rapidly assemble a platform of dekleptification reforms incubated over the years by reform experts throughout the country (like the Reanimation

Package of Reforms), as well as the advocacy infrastructure to get the roadmap endorsed and adopted as soon as the window opens.

3. **Support police reform to immediately begin showing the public results:** Bring in accomplished police reformers from similar front-line countries to build an entirely new force of street police—with new hires, academies, community policing systems, and more—and institute exacting re-attestation throughout the rest of the country’s police system.
4. **Build the most transparent political-economic system in the world:** Innovate and institutionalize the world’s first public beneficial ownership registry, most transparent public procurement system, most comprehensive and well-enforced asset declarations, first public database of politically exposed persons, and other cutting-edge digitalization—all with active collaboration across civil society, international donors, business leaders, government reformers, and other actors.
5. **Stimulate inclusive growth by fostering competitive markets:** Build a new progressive business culture dedicated to market competition under the rule of law. Help honest entrepreneurs fuel broad-based economic growth by opening access to the EU and other markets, designing reforms and commercial diplomacy meant to attract foreign direct investment, developing well-functioning market infrastructure, reforming state-owned enterprises, and establishing sound economic governance.
6. **Focus on the most corrupt sectors:** Together with a broad coalition of U.S. and international agencies, integrate sweeping anti-corruption overhauls in the economic and social sectors most abused by oligarchs to enrich themselves and fund political projects. These may include energy, health, education, land, customs, and finance. Build new decentralized territorial governance structures that put authority and resources in the hands of local elected officials.
7. **Stand up specialized anti-corruption institutions covering the whole rule-of-law process as it relates to grand corruption:** Authorize, establish, empower, fund, staff, train, safeguard, defend, and promote a specialized independent judicial system comprised of an investigative bureau, prosecutor’s office, high court, and other bodies with exclusive jurisdiction over cases of grand corruption. Simultaneously initiate reform of the ordinary courts.
8. **Thoughtfully welcome international involvement in the vetting of judges and the leadership of independent agencies:** Set up a legitimately sovereign system (authorized under domestic law and leaving final selections to domestic authorities) of inviting foreign experts with impeccable reputations to evaluate the integrity of candidates to become judges or leaders of specialized enforcement agencies. Empower these foreign experts to block candidates whose integrity they reasonably doubt.
9. **Concentrate informed rapid-response networks and flexible civil-society programming on new challenges that arise:** While continuing to support journalists and activists, assemble well-informed networks of highly capable NGOs, consultants, and new program partners. Surge their monitoring, analysis, advocacy, lobbying, communications, and other work toward whatever parts of the new institutional architecture become most vulnerable to lackluster implementation or other dangers.
10. **Use international conditionality to continually pressure the government to fulfill its commitments:** Informed by the day-to-day monitoring of civil society and local insights from USAID, coordinate across the interagency and donor community to continually condition international benefits (IMF loans, U.S. loan guarantees, EU financial assistance, EU

Summary	Strategic Context	Purpose and Approach	Constant Needs	Window of Opportunity			Conclusion	Ukraine Annex
				Before	During	After		

visa liberalization, etc.) upon delivery of concrete and durable milestones. Withholding loans until reforms are delivered will be necessary regularly.

11. **Be ready for corrupt elements at home and abroad to endlessly fight back with every trick in the book:** Build the local monitoring and diplomatic pressure tools to rapidly and decisively respond when corrupt officials advance poison-pill legislation, file vexatious lawsuits, weaponize corrupt general prosecutors, block administrative processes, order physical or cyber attacks, propagate disinformation, and wield other subversive or menacing tactics against reformers.
12. **Stay the course through U.S. political transitions:** Amid shifts in the prioritization of anti-corruption and democracy by different U.S. administrations, insulate dekleptification efforts by integrating them into sectoral programs and new priorities, structuring long-term programming cycles, lashing up with reliable allies and multilateral bodies, and relying upon strong bipartisan support in Congress.
13. **Lead the free world to provide unprecedented support if a foreign kleptocracy invades:** Be prepared to rally the international community to the country's side with unprecedented military, humanitarian, and financial support in the event that a hostile foreign power makes the grave mistake of underestimating the fortitude of a country that is achieving a virtuous circle of dekleptification.

These lessons would be important for any Mission operating before or during a window of opportunity. But they will also remain as essential as ever in Ukraine itself as it prepares for the journey of rebuilding its war-torn country. Billions in foreign assistance will need to be safeguarded from corrupt actors. Rather than letting recovery assistance recapitalize old oligarchs or seed new ones, Ukraine has an opportunity to do far more than reconstruct physical infrastructure. Rebuilding offers a new window of opportunity to make history. Seizing it would require reprising the strategies that made the first eight years of this window successful: strong civil society, well-informed political analysis, restructured sectors, inclusive growth through competitive markets, empowered territorial units, digitized transparency, independent enforcement, international involvement in leadership selection, and strict international conditionality on funding. This next stage of Ukrainian dekleptification offers a chance to fully deoligarchize the political economy, build a modern state unrecognizable from its Soviet legacy, teach the world new lessons in fields like urban planning, initiate a historic inbound flow of foreign direct investment, maintain broad societal cohesion within Ukraine, realize the civic dreams of the Revolution of Dignity, and inspire peoples everywhere to relegate kleptocracy to the dustbin of history.

¹ See Oliver Bullough, *The Rise of Kleptocracy: The Dark Side of Globalization*, *Journal of Democracy*, 29, no. 1 (January 2018)

² IMF Staff, *Corruption: Costs and Mitigating Strategies*, Washington, D.C., May 2016, pages 5-10.

³ IMF Staff, *Corruption: Costs and Mitigating Strategies*, Washington, D.C., May 2016, page 5.

⁴ In the 90 countries ranked among the top half of Transparency International's Corruption Perceptions Index (i.e., the half of the world perceived to be less corrupt), the average level of GDP per capita is more than 7.5 times as high as GDP per capita in the 90 countries ranked in the bottom (perceived to be more corrupt) half. See *Corruption Perceptions Index 2021* (Berlin: Transparency International, January 2022), pages 2-3.

⁵ See Bo Rothstein, "Anti-Corruption: The Indirect 'Big Bang' Approach," *Review of International Political Economy* 18, no. 2 (2011): 228-250; Ronald A. Heifetz, *Leadership Without Easy Answers* (United Kingdom: Harvard University Press, 1994), pages 22-23, 35-40, 73-76, and 99-100.

Summary	Strategic Context	Purpose and Approach	Constant Needs	Window of Opportunity			Conclusion	Ukraine Annex
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UNITED STATES STRATEGY ON COUNTERING CORRUPTION

PURSUANT TO THE NATIONAL SECURITY STUDY
MEMORANDUM ON ESTABLISHING THE FIGHT AGAINST
CORRUPTION AS A CORE UNITED STATES NATIONAL
SECURITY INTEREST

DECEMBER 2021



THE WHITE HOUSE
WASHINGTON



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UNITED STATES STRATEGY ON COUNTERING CORRUPTION

Pursuant to the National Security Study Memorandum on Establishing the Fight Against Corruption as a Core United States National Security Interest

INTRODUCTION

When government officials abuse public power for private gain, they do more than simply appropriate illicit wealth. Corruption robs citizens of equal access to vital services, denying the right to quality healthcare, public safety, and education. It degrades the business environment, subverts economic opportunity, and exacerbates inequality. It often contributes to human rights violations and abuses, and can drive migration. As a fundamental threat to the rule of law, corruption hollows out institutions, corrodes public trust, and fuels popular cynicism toward effective, accountable governance.

Moreover, the impacts of corruption frequently reverberate far beyond the immediate environment in which the acts take place. In today's globalized world, corrupt actors bribe across borders, harness the international financial system to stash illicit wealth abroad, and abuse democratic institutions to advance anti-democratic aims. Emerging research and major journalistic exposés have documented the extent to which legal and regulatory deficiencies in the developed world offer corrupt actors the means to offshore and launder illicit wealth. This dynamic in turn strengthens the hand of those autocratic leaders whose rule is predicated on the ability to co-opt and reward elites.

On June 3, 2021, President Biden established the fight against corruption as a core national security interest of the United States. As he wrote in National Security Study Memorandum-1 (NSSM-1), “corruption threatens United States national security, economic equity, global anti-poverty and development efforts, and democracy itself...[B]y 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.”

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. In parallel with this review, departments and agencies have begun to accelerate and amplify their efforts to prevent and combat corruption at home and abroad; bring transparency to the United States' and international financial systems; and make it increasingly difficult for corrupt actors to shield their activities.

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 Strategy places special emphasis on the transnational dimensions of the challenges posed by corruption, including by recognizing the ways in which corrupt actors have used the U.S. financial system and other rule-of-law based systems to launder their ill-gotten gains.



To curb corruption and its deleterious effects, the U.S. Government will organize its efforts around five mutually reinforcing pillars of work:

- Modernizing, coordinating, and resourcing U.S. Government efforts to fight corruption;
- Curbing illicit finance;
- Holding corrupt actors accountable;
- Preserving and strengthening the multilateral anti-corruption architecture; and,
- Improving diplomatic engagement and leveraging foreign assistance resources to advance policy goals.

By pursuing concrete lines of effort that advance strategic objectives under each of these pillars, and integrating anti-corruption efforts into relevant policy-making processes, the United States intends to lead in promoting prosperity and security for the American people and people around the world.



THE IMPACTS OF CORRUPTION

From the small-town hospital administrator who demands bribes in exchange for life-saving services, to the globe-trotting kleptocrat who offshores an embezzled fortune, corruption harms both individuals and societies. The effects of corrupt acts are frequently both direct and indirect. When government officials steal from public coffers or fix a contract to reward a political crony, these actors directly transfer funding from essential services to private interests. Corruption also indirectly contributes to reduced public trust in state institutions, which in turn can add to the appeal of illiberal actors who exploit popular grievances for political advantage.

Illustrative Types of Corruption

Corruption takes on many forms and is used to further various illicit behaviors. Illustrative types of corruption include, but are not limited to:

Grand corruption: when political elites steal large sums of public funds or otherwise abuse power for personal or political advantage.

Administrative corruption: the abuse of entrusted power for private gain—usually by low to mid-level government officials—in interactions with citizens and the private sector, including to skirt official regulations and extort citizens in exchange for their basic services.

Kleptocracy: a government controlled by officials who use political power to appropriate the wealth of their nation. Can include state capture.

State capture: when private entities improperly and corruptly influence a country's decision-making process for their own benefit.

Strategic corruption: when a government weaponizes corrupt practices as a tenet of its foreign policy.

Whether grand corruption perpetrated by powerful elites, or administrative corruption carried out by lower-level officials interacting directly with the public, corrupt acts harm the public interest, hamper countries' development, and diminish state capacity. Corruption has been shown to significantly curtail the ability of states to respond effectively to public health crises and to address climate change, migration, and inequities of all forms, while contributing to state fragility. Countries with high levels of corruption are more likely to have populations that suffer from human rights abuses, and are less likely to address those abuses. And states with endemic corruption are more vulnerable to terrorist networks, transnational organized and gang-related criminals, and human traffickers.

Corruption's increasingly globalized nature—fueled in part by transnational illicit finance and criminal networks, as well as exploitation of the licit financial system—imposes steep costs on ordinary citizens and good governance alike. In particular, transnational corruption driven by political and economic elites with the aid of complicit financial and legal service providers undermines lower income countries' ability to advance the welfare of their citizens and perpetuates aid dependency. According to the United Nations Conference on Trade and Development's Economic Development in Africa Report 2020, for example, every year an estimated \$88.6 billion—equivalent to 3.7 percent of Africa's GDP—leaves the continent in the form of illicit capital flight.

Corrupt actors exploit deficiencies in anti-money laundering and countering the financing of terrorism (AML/CFT) systems and processes—as well as in other critical transparency,



reporting, business, real estate, and tax regimes—to use public contracting, concessions, and procurement processes for personal enrichment. Corrupt elites and non-state armed groups enrich themselves through illicit proceeds and trade of high-value commodities, including gold, wildlife, timber, petroleum, and other natural resources. Across an ever-more connected and digital world, corrupt actors exploit oversight and regulatory weaknesses in jurisdictions around the world to divert and hide the proceeds of their acts. And by leaving their financial systems vulnerable to illicit assets—through anonymous shell companies, opaque transactions, and under-regulated professional service providers—rule-of-law-based societies continue to provide entry points for corrupt actors to launder their funds and their reputations. Such activity negatively impacts average citizens in the United States, tilting the economic playing field against working Americans, enabling criminals to flourish and foreign adversaries to subversively peddle their influence, perpetuating growth-dampening inequality, and contributing to pricing out families from home ownership through real estate purchases.

In parallel, authoritarian regimes and their proxies have been shown to engage in bribery and other corrupt acts as a means to advance their strategic goals, while exploiting the international financial system to offshore illicit gains, and influence elections and policies in democratic states. Corruption in the form of state-directed cross-border investments from authoritarian states, for example, has had a corrosive effect on institutions in developing countries. Such practices harm the competitive landscape of financial markets, and often have long-term corrosive impacts on governance and human rights standards. The U.S. Government will continue to study the weaponization of corruption to understand its use and impacts on the United States, other democracies, and countries around the world, as well as how to thwart and build resilience against this evolving threat.



OUR APPROACH

While the U.S. Government has long recognized countering corruption as an important foreign policy goal, a growing understanding of corruption's strategic impact and the increasing interconnectedness of the global economy underscores the need for a new approach. For the U.S. Government to effectively counter contemporary corruption, we must recognize the transnational dimensions of the challenge, and respond in a manner that is both systemic and tailored to local conditions. Doing so will require addressing vulnerabilities in the U.S. and international financial systems; bolstering international best practices, regulations, and enforcement efforts; supporting the role of non-governmental actors; building political will and recognizing when it is absent; and consistently pursuing accountability through a combination of diplomatic engagement, foreign assistance, and enforcement actions.

The United States will continue to evaluate and implement measures as needed to further safeguard our financial system, and will work with likeminded partners and relevant multilateral institutions to do the same. We will make it harder to hide the proceeds of ill-gotten wealth in opaque corporate structures, reduce the ability of individuals involved in corrupt acts to launder funds through anonymous purchases of U.S. real estate, and bolster asset recovery and seizure activities. We will innovate, adapt, partner, and learn, so as to maximize the potential for diplomatic tools, including foreign assistance and targeted sanctions, to stem corruption and to hold corrupt actors accountable, while expanding efforts to ensure that foreign assistance and engagement do not inadvertently contribute to corrupt practices. And we will continue to vigorously enforce the Foreign Corrupt Practices Act (FCPA) and other statutory and regulatory regimes via criminal and civil enforcement actions.

Countering corruption is not a simple task. Changing embedded cultures of corruption requires significant political will, and achieving sustained progress can take decades. Positive change requires consistent leadership, public accountability, an empowered and impartial judiciary, and a diverse and independent media. Mindful of these realities, the United States will increase support to state and non-state partners committed to reform, boost the capacity of other governments to tackle corruption, and empower those, including activists, investigative journalists, and law enforcement on the front lines of exposing corrupt acts. We will bolster and promote public-private partnerships to more consistently bring in the private sector as critical actors in the fight against corruption, help level the playing field and improve the international business climate, and lead in international fora as we work to curb the ability of actors to hide ill-gotten wealth behind anonymity. Our closest engagement will be with our most committed allies and partners, including with respect to the influence of strategic corruption deliberately employed by authoritarian governments.



STRATEGIC PILLARS

The United States Strategy to Counter Corruption rests on five distinct, mutually-reinforcing strategic pillars. Supporting each pillar are enumerated strategic objectives and specific lines of effort (LOEs), which are detailed in the attached appendix. As part of the implementation of this strategy, the Biden-Harris Administration will develop metrics to measure progress against each strategic objective, which will inform an annual report to the President.

Across all five strategic pillars, the United States will:

- ***Consult and Coordinate.*** To effectively counter corruption, the U.S. Government will consult and coordinate with representatives of civil society, the private sector, international and multilateral organizations, government partners, researchers, and the Congress.
- ***Elevate and Engage.*** Consistent with NSSM-1, the U.S. Government will prioritize efforts to reduce corruption as a national security concern within all relevant policy-making processes; elevate anti-corruption efforts through bilateral and multilateral diplomatic engagements; and encourage U.S. states and local jurisdictions, and state-regulated professionals, to redouble their efforts in parallel with federal action.
- ***Continuously Assess and Refine Our Approach.*** The U.S. Government will foster a culture of innovation that takes managed risks, assesses impact, and learns from setbacks, adjusting our approach to respond to new challenges and opportunities—especially as corrupt and illicit actors may change tactics in response to our actions.

PILLAR ONE:

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

Although the United States has historically been a leader in the global fight against corruption, further prioritizing and amplifying anti-corruption efforts will require changes to the way the U.S. Government does business. We will therefore adapt our approaches to address the many ways that corruption manifests in the globalized economy. Departments and agencies will devote additional human resources to synchronize anti-corruption work as a core domestic and foreign policy priority, including by ensuring coordination with global partners to magnify our efforts. We will seek to foster and learn from governmental and non-governmental partners pioneering innovative solutions. And we will dedicate and steward financial resources by matching appropriate means to critical ends.

To do so, we will **enhance corruption related research, data collection, and analysis** (Strategic Objective 1.1), seeking to use information more effectively to understand and map corruption networks and related proceeds, and dynamics, and tailor prevention and enforcement-related actions, as well as build the evidence base around effective assistance approaches. We



will **improve information sharing domestically and internationally** (Strategic Objective 1.2), coordinating efforts across federal, state, tribal, and local governments, as well as with international allies and partners. We will **increase focus on the transnational dimensions of corruption** (Strategic Objective 1.3) throughout our foreign assistance programming, diplomatic engagement, and partnerships. We will **organize and resource the fight against corruption** (Strategic Objective 1.4) more effectively in order to institutionalize this work as a long-term priority. And we will **integrate anti-corruption considerations into regional, thematic, and sectoral priorities** (Strategic Objective 1.5), including through new guidance, engagement in planning and budgetary processes, assistance reviews, strategic communications, and integration across other sectors.

Example LOEs that will advance these strategic objectives include:

- Increasing intelligence prioritization, collection and analysis on corruption, corrupt actors, and their networks;
- Creating a new anti-corruption task force at the Department of Commerce, alongside the recently-established task force at the United States Agency for International Development (USAID), the recently established anti-corruption coordinating body at the Department of the Treasury, and in the Department of State, adopting new measures to enhance coordination and elevate diplomatic outreach, multilateral engagement, and alignment of policy, diplomacy, and foreign assistance;
- Increasing law enforcement resources, and bolstering information sharing between the Intelligence Community and law enforcement;
- Engaging with the Congress to encourage adequate resourcing of the anti-corruption agenda through assistance and operational budgets;
- Developing anti-corruption action plans for the U.S. Government to use in priority countries as part of existing or new country and regional strategies;
- Enhancing interagency capacities to respond to windows of opportunity to address corruption, as well as emerging corruption threats; 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.

PILLAR TWO: Curbing Illicit Finance

For too long, corrupt actors and their financial facilitators have taken advantage of vulnerabilities in the U.S. and international financial systems to launder their assets and obscure the proceeds of crime.¹ Similarly, corrupt actors amass ill-gotten wealth through illicit gains of other resources,

¹ See Department of the Treasury, National Money Laundering Risk Assessment, December 20, 2018, *available at*: https://home.treasury.gov/system/files/136/2018NMLRA_12-18.pdf.



including minerals and wildlife. To counter corruption effectively around the globe, the U.S. Government must, at home and abroad, combat money laundering, illicit trafficking, and other forms of criminal activity that fuel corruption and allow criminal actors to launder and shelter the proceeds of their illicit activities.

As the largest economy in the international financial system, the United States bears particular responsibility to address our own regulatory deficiencies, including in our AML/CFT regime, in order to strengthen global efforts to limit the proceeds of corruption and other illicit financial activity. We will therefore **address deficiencies in the U.S. anti-money laundering regime** (Strategic Objective 2.1), including by effectively collecting beneficial ownership information on those who control anonymous shell companies, and by increasing transparency in real estate transactions. Recognizing how quickly money and other commodities move across borders, we will also **work with allies and partners to address governance weaknesses and other deficiencies** (Strategic Objective 2.2), tighten global regimes, increase information sharing and law enforcement cooperation, and prevent the establishment of new safe havens as we work to close old ones.

Example LOEs that will advance these strategic objectives include:

- Finalizing effective beneficial ownership regulations, and building a database of the beneficial owners of certain companies, in order to help domestic and international partners identify bad actors;
- Promulgating 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;
- Using existing authorities, and working with the Congress to expand authorities where necessary, to make sure that key gatekeepers to the financial system—including lawyers, accountants, and trust and company service providers—cannot evade scrutiny;
- Bringing aggressive enforcement action, including relevant tax enforcement, against money launderers and those who enable launderers as appropriate, considering new legislation expanding criminal substantive law as needed, and expanding investigative tools as well as new information generated by whistleblower programs and enhanced beneficial owner information disclosure obligations; and,
- Working with partner countries, through diplomatic engagement, law enforcement cooperation, and capacity building, to strengthen their regimes.

PILLAR THREE: Holding Corrupt Actors Accountable

As the U.S. Government works to address deficiencies and decrease the ability of corrupt actors to launder the proceeds of their activities through global markets, we will also hold accountable



those who choose to engage in corruption. As part of this effort, the U.S. Government will enforce existing rules using proven tools, while also working with the Congress on new authorities to take on the corruption challenge as it stands today.

To do so, we will **continue and enhance our strong enforcement efforts** (Strategic Objective 3.1), applying existing laws with vigor and expanding our cooperation with additional jurisdictions. We will **update the tools available to hold corrupt actors accountable at home and abroad** (Strategic Objective 3.2), including by working with the Congress to criminalize the demand side of bribery by foreign public officials. We will **work with partners to create complementary regimes and amplify our efforts** (Strategic Objective 3.3), coordinating and cooperating on tax enforcement, sanctions, visa restrictions, and other effective authorities and tools. We will **strengthen the ability of foreign partner governments to pursue accountability in a just and equitable manner** (Strategic Objective 3.4), enhancing support to international partnerships and transnational initiatives, and working with partners to incentivize and enhance their capacities to pursue reform. And we will **bolster the ability of civil society, media, and private sector actors to prevent corruption and push for accountability** (Strategic Objective 3.5), growing collaboration and communication with a wide range of partners.

Example LOEs that will advance these strategic objectives include:

- Continuing to vigorously pursue the enforcement of foreign bribery cases through the FCPA, money laundering charges, and forfeitures for promoting corrupt schemes and laundering corruption proceeds as appropriate;
- Establishing, through the Treasury, 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;
- Launching an interagency Democracies Against Safe Havens Initiative, led by State, that will engage partner countries to coordinate actions on law enforcement, sanctions, and visa restriction implementation, and on detecting and disrupting kleptocracy and foreign bribery;
- Enhancing the capacity to identify, track, and disrupt illicit finance and other illicit activity, kleptocracy, and strategic corruption in priority countries through USAID's Global Accountability Program and other programs;
- Working 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,
- Elevating diplomatic and development efforts to support, defend, and protect civil society and media actors, including investigative journalists.



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

The United States remains committed to strengthening the international architecture in which multilateral initiatives, agreements, and standards magnify and give legitimacy to anti-corruption efforts around the world. Only by doing so will we decrease the prevalence of corruption and lower rewards for engaging in corrupt behavior. By leading within existing institutions and, in consultation with partners, building new fit-for-purpose platforms, 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.

To do so, we will **bolster anti-corruption institutions and implementation of existing frameworks** (Strategic Objective 4.1), including by implementing existing agreements, pushing partners to live up to their obligations, and holding accountable those who fail to do so. We will also **redouble our efforts in multilateral fora** (Strategic Objective 4.2) to push for anti-corruption measures, advocate for strong corruption controls in any multilateral assistance, and expand and enhance our engagement in key venues.

Example LOEs that will advance these strategic objectives include:

- Preserving and strengthening 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);
- Expanding NATO's Building Integrity Program to target corruption in finance, acquisition, and human resources functions;
- Pushing the G20 and G7 to implement strong transparency and anti-corruption measures across all ministerial tracks; and,
- Reinvigorating U.S. participation in the Open Government Partnership and Extractive Industries Transparency Initiative.

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

Diplomatic engagement, foreign assistance, including security sector assistance, and multilateral lending are central to the United States' approach to countering corruption. Collectively, these activities can bolster partner government will and capacity to foster ethical behavior, strengthen legal regimes and ensure enforcement of anti-corruption measures, and organize effective mitigation of, and responses to, the use of strategic corruption, among other actions. They can



also support civil society in spotlighting corruption, engaging in advocacy and action, and building support for anti-corruption reform.

However, in the absence of nuanced analysis of local political, economic, and social dynamics, adequate risk management measures, and alignment with other U.S. Government priorities, foreign assistance can be diverted or inadvertently reinforce corrupt power structures. To safeguard its assistance dollars, the U.S. Government must therefore assess the absorptive capacity of prospective partners, rationalize investments across the interagency, operate its programming with the utmost transparency, and ensure that its assistance efforts fully align with broader policy goals.

To address the global reach of corruption and its pernicious effects, we will **elevate and expand the scale of diplomatic engagement and foreign assistance** (Strategic Objective 5.1), including by enhancing partner governments' capacities to fight corruption in cooperation with U.S. law enforcement authorities and bolstering the prevention and oversight capacities of willing governments.² We will **protect anti-corruption actors** (Strategic Objective 5.2) and defend the freedom of expression of anti-corruption activists, whistleblowers, and investigative journalists. We will **leverage innovation in the fight against corruption** (Strategic Objective 5.3), applying new approaches and technological tools to promote transparency and detect fraud and illicit finance. We will **improve consistency and risk analysis across foreign assistance** (Strategic Objective 5.4), ensuring joint analysis to better understand corrupt networks, the likely impact of U.S. assistance on corruption dynamics, and best practices for mitigating risk in particular contexts. And we will **improve security assistance and integrate anti-corruption considerations into military planning, analysis, and operations** (Strategic Objective 5.5) and develop new protocols for assessing corruption risk.³

Example LOEs that will advance these strategic objectives include:

- Elevating corruption as a diplomatic priority in a manner tailored to local conditions;
- Developing U.S. embassy-specific strategies for bilateral and public diplomacy to support local and U.S. Government-funded anti-corruption initiatives, and to protect reformers;
- Substantially expanding anti-corruption focused U.S. assistance, and monitoring the efficacy of this assistance;
- Building additional flexibility into anti-corruption initiatives and assistance efforts to respond to unexpected openings or backsliding;
- Surging support to civil society and investigative journalism coalitions to ensure safety and greater collective action;

² Technical edit on December 20, 2021, to align numbering of Strategic Objectives in the Strategy with the Appendix.

³ Any new initiatives and expansions of existing efforts requiring additional financial resources included as part of this Strategy and associated Appendix are dependent on available funding.



- Bolstering public sector anti-corruption capacity, including through transparency and open government approaches, enhanced governance, and support for independent audit and oversight institutions;
- Developing anti-corruption integration tools and resources for practitioners in technical sectors;
- Re-evaluating the criteria for government-to-government assistance, including around transparency, accountability, opportunities for successful outcomes, and building successful relationships with U.S. law enforcement partners in anti-corruption efforts; and,
- Strengthening analysis of corruption risks in security cooperation and military operations.



THE WAY FORWARD

Corruption carries enormous costs, whether one measures in dollars, livelihoods, or faith in accountable governance. The scale of the problem is formidable. But so too is the global commitment to preventing and otherwise combatting it, which brings together governments, frontline activists, researchers, investigative journalists, members of the business community, and everyday citizens. Together with these partners, the U.S. Government will lead in advancing the fight against corruption, including through the power of our example at home.

The U.S. Government has already begun to implement actions under each of this Strategy's Strategic Objectives. To hold ourselves accountable, Federal departments and agencies, coordinated by the National Security Council, and in consultation with the National Economic Council and Domestic Policy Council, will report annually to the President on progress made against the Strategy's goals. By elevating our efforts, coordinating with partners, and learning as we move forward, together we will counter a crime that robs individuals and rots societies. Together, we will create a safer, more equitable, and more prosperous world.



APPENDIX: Lines of Efforts to Effectively Counter Corruption

The first United States Strategy on Countering Corruption provides a comprehensive roadmap for how the United States will amplify its efforts domestically and internationally, with governmental and non-governmental partners, to prevent, limit, and respond to corruption and related crimes. The U.S. Government will organize its anti-corruption work under the following five, mutually-reinforcing pillars:

- Modernizing, coordinating, and resourcing U.S. Government efforts to fight corruption;
- Curbing illicit finance;
- Holding corrupt actors accountable;
- Preserving and strengthening the multilateral anti-corruption architecture; and,
- Improving diplomatic engagement and leveraging foreign assistance resources to advance policy goals.

This Appendix outlines the key lines of effort falling under each of the five pillars' strategic objectives.

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

Strategic Objective 1.1: Enhance corruption related research, data collection, and analysis

- The Intelligence Community (IC) will work to increase intelligence prioritization, collection and analysis on corrupt actors and their networks.
- The U.S. Government will augment and improve analysis and understanding of how corruption threatens the United States, its partners, and allies across the political, social, and economic spheres. Departments and agencies will work toward a more comprehensive understanding of this threat picture, including by sharing information and data with the appropriate parts of the Federal Government, as well as with state, local, tribal, and territorial partners.
- Departments and agencies will work to support and better make use of analysis conducted by external partners, including academia, the private sector, civil society, and media.



Strategic Objective 1.2: Improve information sharing within the U.S. Government, with non-U.S.-Governmental entities, and internationally

- Departments and agencies will improve their communication efforts, information exchange, and public awareness campaigns related to the fight against corruption, including by increasing focus on corruption’s lesser-understood dimensions. These include the ways that corruption impacts vulnerable groups at a disproportionate rate, the impact of corruption as a transnational phenomenon, and the role of illicit finance in enabling corrupt acts. Departments and agencies will communicate the hazards posed by corruption and the need to address this threat comprehensively.
- Departments and agencies will promote information sharing internally as appropriate, as well as with governmental and non-governmental partners, in order to curb illicit finance, hold corrupt actors accountable, and bolster international partnerships.

STRATEGIC OBJECTIVE 1.3: Increase focus on the transnational dimensions of corruption

- The United States will increase its focus on the transnational aspects of corruption, including kleptocracy and the use of corruption by state actors and their proxies to advance national policy aims, through human and financial resourcing, information and intelligence collection and analysis, and through foreign assistance, information sharing, and robust partnerships with the private sector, multilateral institutions, civil society, and media actors.
- The United States will continue to link its anti-corruption efforts with those designed to tackle transnational organized crime, including understanding and disrupting networks, tracking flows of money and other assets, and improving information and intelligence sharing across U.S. departments and agencies, and, as appropriate, with international and non-governmental partners.

STRATEGIC OBJECTIVE 1.4: Organize and resource the fight against corruption, at home and abroad

- Law enforcement will be provided with the independence and resources necessary to investigate and prosecute domestic crimes involving abuses of the public trust. The Administration will advocate for greater transparency in the U.S. campaign finance system, and to strengthen prohibitions on foreign nationals attempting to influence federal, state, or local elections.
- Departments and agencies will support cross-cutting teams designed to combat corruption, and will launch new initiatives for the same:
 - The Department of the Treasury has established an Anti-Corruption team to develop and support the implementation of current and new initiatives to address corruption and corrupting influence on the U.S. economy. This team works across all elements of the Treasury, including financial crimes and financial intelligence, economic sanctions, financial transparency policy, criminal tax investigations, tax policy, and international finance.



- The Department of State will adopt new measures to enhance coordination, multilateral engagement, and alignment of policy, diplomacy, and assistance, and will further integrate anti-corruption efforts on a priority basis into a wide range of foreign policy issues.
- In June 2021, the U.S. Agency for International Development (USAID) created an agency-wide Anti-Corruption Task Force (ACTF), led by an Executive Director who reports directly to the Administrator. The ACTF works across all of the Agency's Bureaus and Independent Offices, and in partnership with Missions, to: (1) develop ambitious and innovative anti-corruption programs and partnerships; (2) update relevant strategies, enhance communications, and forge new policy directions; (3) promote the integration of anti-corruption across all foreign assistance sectors, including health, education, climate change, infrastructure, and humanitarian response—and develop tailored safeguards against corruption risk in U.S. assistance; and (4) build additional long-term anti-corruption capacity, tools, and resources at USAID.
- The Department of Commerce has established an Anti-Corruption Working Group of internal experts to exchange information about ongoing departmental anti-corruption efforts and mutually reinforce this work across different offices within Commerce.
- The FY 2022 President's Budget Request included a significant increase in resources in support of Financial Crimes Enforcement Network (FinCEN) authorities to build a new beneficial ownership data system for use by qualified law enforcement, consistent with efforts the United States has supported globally at the Financial Action Task Force (FATF). The Administration will continue to work with the Congress to adequately resource FinCEN and those departments and agencies who identify, investigate, and take enforcement actions against fraud, money laundering, terrorist financing, and proliferation financing.
- The United States will focus on law enforcement, including by aiming to deploy resources to, among other actions, investigate entities that appear to facilitate the most egregious activities, including those individuals facilitating money laundering for drug trafficking organizations, kleptocrats, and terrorist financing.

STRATEGIC OBJECTIVE 1.5: Integrate an anti-corruption focus into regional, thematic, and sectoral priorities

The U.S. Government will integrate anti-corruption considerations into the full range of its foreign policy-making, including, but not limited to:

- **Regional:** Departments and agencies will incorporate anti-corruption objectives into country-level and regional strategies, as well as through anti-corruption action plans for priority countries.
- **Strategic communications:** Departments and agencies will use existing and new platforms to convey both how and why the United States is expanding its anti-corruption efforts. Messaging around anti-corruption will be incorporated into public engagements, both in the United States and abroad, as U.S. officials seize opportunities to advance anti-corruption priorities.



- **Integration of anti-corruption considerations across foreign assistance:** The United States will support the integration of anti-corruption goals into the strategies, implementation, and learning of non-democracy sectors (e.g., health, education, economic growth) to improve sectoral outcomes and tackle corruption from multiple angles. As part of this commitment, we will consider establishing targets for the proportion of assistance that advances anti-corruption integration, and track progress meeting those targets over time.

Spotlight: Curbing Corruption Related to COVID-19 Response

In Peru, USAID leveraged citizen engagement to improve public integrity and reduce government corruption in disaster response efforts, including for COVID-19. Building off a platform established to observe flood relief funds, USAID trained civil society leaders to use virtual platforms to oversee public works and budget execution as “citizen watchdogs” for COVID relief. USAID supported 95 citizen monitors in observing the use of the \$27.5 million “Getting Going, Peru!” COVID economic recovery initiative, which is investing in housing, jobs, agriculture, and roads. Citizen monitors also supervised and reported on irregularities in the distribution of COVID food aid in 139 municipalities in Peru.

- **Infrastructure:** As part of the Build Back Better World (B3W) agenda, the United States will work with allies and partners to provide billions of dollars in transparent, high-quality infrastructure investment. B3W infrastructure projects will be developed in consultation with relevant stakeholders, spanning governments, civil society, non-governmental organizations, and the private sector. Additionally, the United States will provide government-to-government technical assistance to ensure partners are able to complete B3W infrastructure projects efficiently and accountably.
- **Climate:** The United States will work to integrate anti-corruption considerations into its activities to provide \$11 billion in climate finance to support climate action in developing nations, to ensure that those funds achieve their intended purpose.

PILLAR TWO: Curbing Illicit Finance

STRATEGIC OBJECTIVE 2.1: Address Deficiencies in the Anti-Money Laundering Regime

- **Beneficial ownership transparency:** The United States will publish regulations and build a beneficial ownership database to implement the Corporate Transparency Act (CTA). Corrupt actors frequently use opaque legal structures—such as shell companies—to hide and launder the proceeds of their crimes. In the U.S. anti-money laundering (AML) regime, the lack of timely access to adequate, accurate, and current beneficial ownership information has been identified as a gap. The 2018 U.S. National Money Laundering Risk Assessment⁴ found that misuse of legal entities to hide a criminal

⁴ See Department of the Treasury, National Money Laundering Risk Assessment, December 2018, *available at*: https://home.treasury.gov/system/files/136/2018NMLRA_12-18.pdf.



beneficial owner or illicit source of funds had been reported by law enforcement as a common feature of money laundering and corruption schemes, that criminals consistently use shell companies to disguise criminal proceeds, and U.S. law enforcement agencies have had no systematic way to obtain information on the beneficial owners of legal entities.⁵ The CTA requires the Treasury to create a beneficial ownership registry that collects information of the true owners of certain companies—and to make that information accessible to Federal agencies engaged in national security, intelligence, and law enforcement activity; state, local, and tribal law enforcement; Federal functional regulators; appropriate foreign authorities; and financial institutions, with the consent of the company, to facilitate compliance with their due diligence obligations.

Spotlight: Procurement Collusion Strike Force

Initiated in November 2019, the Procurement Collusion Strike Force (PCSF) leads a coordinated national response to combat antitrust crimes and related schemes in government procurement, grant, and program funding at all levels of government—Federal, state, and local. The PCSF is comprised of the Antitrust Division of DOJ, multiple U.S. Attorneys’ Offices around the country, the Federal Bureau of Investigation (FBI), and the Inspectors General for multiple Federal agencies. Since its inception, the PCSF has expanded international collaboration and is engaging foreign partners in bid rigging, collusion, and market manipulation schemes negatively impacting government spending.

• Transparency in government

procurement: Section 885 of the FY21 National Defense Authorization Act (NDAA) requires prospective Federal contractors and grantees to disclose beneficial ownership, i.e., the true owners of the contracts, as information for inclusion in the Federal Awardee Performance and Integrity Information System database. The United States will publish effective regulations implementing the legislation. It is imperative that the U.S. Government, and our partners and allies, are open and transparent regarding the people and entities with which they are contracting.

Departments and agencies will also work with interested domestic and international stakeholders to leverage increased global interest in environmental, social, and governance investing as part of broader discussions on gatekeeping and encouraging clean corporate governance. This includes, among other things, improving organizational

transparency in corporate decision making, board makeup, and executive compensation.

⁵ See also FATF mutual evaluation of the United States, December 2016, *available at*: <https://www.fatf-gafi.org/media/fatf/documents/reports/mer4/MER-United-States-2016.pdf>.



- **Real estate:** The Treasury will issue regulations that will include reporting requirements for those with valuable information regarding real estate transactions. The U.S. real estate market has become a significant destination for the laundered proceeds of illicit activity, including corruption. According to analysis conducted by Global Financial Integrity, more than \$2.3 billion was laundered through U.S. real estate between 2015 and 2020.⁶ Further, an assessment by the Treasury of Federal cases involving real estate forfeited during a three-year period found that complicit professionals and the use of legal entities and nominees were often involved in aiding all manner of illicit actors, to include corrupt officials, in purchasing U.S. real estate with criminal proceeds.⁷ In addition to providing corrupt actors a means to launder ill-gotten gains, a lack of transparency in real estate purchases imposes tangible costs on average Americans in the form of artificially inflated real estate prices. Such regulatory action will greatly diminish the ability of corrupt and other illicit actors to launder their proceeds through real estate purchases in the United States.

- **Investment advisers and other private equity funds:** The Treasury will re-examine the 2015 Notice of Proposed Rule Making (NPRM) that would prescribe minimum standards for anti-money laundering programs and suspicious activity reporting requirements for certain investment advisers. Certain types of investment professions and entities do not have comprehensive anti-money laundering obligations. This may allow corrupt actors to invest their ill-gotten gains in the U.S. financial system through hedge funds, trusts, private equity funds, and other advisory services or vehicles offered by investment advisers that focus on high-value customers. The lack of regulatory oversight of these industries means that, as the Treasury stated in its 2015 NPRM, “it [is] possible for money launderers to evade scrutiny more effectively by operating through investment advisers rather than through broker-dealers or banks

Spotlight: Geographic Targeting Orders

Certain types of real estate transactions are vulnerable to abuse by illicit actors seeking to launder criminal proceeds, including the proceeds of corruption. For example, many real estate transactions involve the use of shell companies, all-cash purchases, purchases by international wire from countries with strict banking secrecy regimes, processes that limit transparency, and the use of intermediaries without AML/CFT obligations. These vulnerabilities are exacerbated by a perception that real estate can be a safe way to park value and obfuscate the source of illicit funds.

Since 2016, FinCEN has issued geographic targeting orders (GTO) to title insurance companies, most recently requiring them to identify the natural persons behind legal entities used in all-cash purchases of residential real estate exceeding \$300,000 in 12 U.S. metropolitan areas. The GTOs have provided greater insight into illicit finance risks in the residential real estate market, but are only a temporary solution.

⁶ See Acres of Money Laundering: Why U.S. Real Estate is a Kleptocrat’s Dream by Lakshmi Kumar & Kaisa de Bel, August 2021, *available at*: <https://gfintegrity.org/report/acres-of-money-laundering-why-u-s-real-estate-is-a-kleptocrats-dream/>.

⁷ See Department of the Treasury, National Strategy for Combatting Terrorist and Other Illicit Financing, January 2020, *available at*: <https://home.treasury.gov/system/files/136/National-Strategy-to-Counter-Illicit-Financev2.pdf> at Page 17.



directly.”⁸ In addition to re-examining the 2015 NPRM, the Treasury will further consider whether to cover private placement funds, including investments offered by hedge funds and private equity firms.

- **Key gatekeepers/facilitators:** Deficiencies in the U.S. regulatory framework mean various professionals and service providers—including lawyers, accountants, trust and company service providers, incorporators, and others willing to be hired as registered agents or who act as nominees to open and move funds through bank accounts—are not required to understand the nature or source of income of their clients or prospective clients. Yet, they help raise funds, provide advice on investments, structure transactions, and can serve as an access point to the U.S. and international financial systems, including by facilitating the creation of opaque corporate vehicles. Additionally, complicit professionals are often sought by criminal organizations to facilitate their illicit activities. While U.S. law enforcement has increased its focus on such facilitators, it is both difficult to prove “intent and knowledge” that a facilitator was dealing with illicit funds or bad actors, or that they should have known the same.

Cognizant of such constraints, the Administration will consider additional authorities to cover key gatekeepers, working with the Congress as necessary to secure additional authorities. Departments and agencies will also consider ways to increase penalties on gatekeepers who facilitate corruption and money laundering, including by working with states to levy professional sanctions. The United States will consider expanded engagement with key gatekeepers including, as appropriate, information and other data sharing.

- **Tax/offshore financial centers:** The Treasury will advance its efforts to tackle tax evasion and help American families by making the U.S. and global system of taxation more equitable. While tax crimes are thought to be different than corruption, the two are often interconnected. For example, a World Bank study of 25,000 firms in 57 countries found that firms that pay more bribes also evade more taxes.⁹
- **Digital assets:** The United States will continue to review the risk posed by digital assets, including the ways in which corruption contributes to those risks, and will continue to refine policies and regulations as needed. As appropriate, the United States will engage countries to help with the analysis and development of central bank digital currencies in a manner consistent with stability, consumer and investor protection, and countering illicit finance. Advances in digital technology have dramatically improved the efficiency, convenience, and reach of digital alternatives to cash, and accelerated the usage of and commercial trading in digital assets across the world. At the same time, digital assets have been used in support of a variety of illicit activities, including proliferation financing, ransomware attacks, human and narcotics trafficking, fraud, corruption, and sanctions evasion.

⁸ See Anti-Money Laundering Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers, Notice of Proposed Rulemaking, 80 Fed. Reg. 52,680 (Sept. 1, 2015).

⁹ See <https://www.oecd.org/tax/crime/improving-co-operation-between-tax-authorities-and-anti-corruption-authorities-in-combating-tax-crime-and-corruption.pdf> (page 14).



- **Art and antiquities markets:** The AML Act mandates that the Treasury conduct a study of the facilitation of money laundering, terrorism finance, and other illicit financial dealings through the trade in works of art, which will be sent to the Congress by the end of 2021. The markets for art and antiquities—and the market participants who facilitate transactions—are especially vulnerable to a range of financial crimes. Built-in opacity, lack of stable and predictable pricing, and inherent cross-border transportability of goods sold, make the market optimal for illicit value transfer, sanctions evasion, and corruption. In September 2021, FinCEN issued an Advance Notice of Proposed Rulemaking (ANPRM) to solicit public comment on questions related to Section 6110 of the AML Act, which amends the Bank Secrecy Act by including as a type of financial institution a person engaged in the trade of antiquities. The comment period for the ANPRM ended on October 25, 2021, and FinCEN will adjudicate the comments with a view to issuing an NPRM in 2022.
- **Assessing additional potential deficiencies:** In addition to those actions discussed above, the United States will continue to assess and seek to remedy identified vulnerabilities in its AML regime and, as appropriate, cover additional sectors. This includes considering further action based on the findings of studies mandated by the AML Act.

STRATEGIC OBJECTIVE 2.2: Work with Partners and Allies to Address Deficiencies

- **Law enforcement coordination:** The United States will expand its involvement in formal and informal networks like the Europe-based Camden Asset Recovery Interagency Network and its regional bodies, and the International Anti-Corruption Coordination Center, which has multi-country membership and observers. It will also engage directly to increase cooperation with other countries' law enforcement, particularly on investigations leading to asset recovery, and asset returns consistent with Global Forum on Asset Recovery principles. This includes work with countries where the corruption occurred and jurisdictions where the assets have been transferred. This also includes working with State and USAID to ensure that assistance in capacity building is consistent with U.S. law enforcement efforts and priorities to better ensure successful outcomes.
- **Proactive disruption:** The United States will increase cooperation with like-minded countries to prevent the establishment of new safe havens for corrupt actors and their ill-gotten gains. Further, the United States will redouble efforts to assist developed countries in providing financial information critical to asset recovery, and in providing preventative measures, enforcement of forfeiture or confiscation orders, and asset returns, consistent with our obligations under multilateral conventions and international standards.
- **Facilitators:** The United States will work with allies and partners to push key gatekeepers and facilitators to tighten ways in which corrupt actors move money. In addition to the facilitators mentioned under Strategic Objective 2.1 above, internationally key facilitators for illicit finance and commodity (e.g., gold and other natural resources) flows also include the transportation, logistics, and construction industries.



PILLAR THREE: Holding Corrupt Actors Accountable

STRATEGIC OBJECTIVE 3.1: Enhance enforcement efforts

- **Enforcement of anti-money laundering criminal and civil laws:** The United States will implement newly established tools for investigating and prosecuting money laundering offenses. For example, the Department of Justice (DOJ) and its investigative partners now have expanded subpoena power for certain financial records maintained abroad, and new disclosure requirements for beneficial ownership information, as well as financial rewards to incentivize reporting on Bank Secrecy Act violations in financial institutions and for information leading to the identification and seizure of illicit proceeds.

Case Spotlight: Yahya Jammeh

The U.S. Government most effectively counters corruption through a whole-of-government approach and collaboration with allies and partners. Actions taken against former Gambian president Yahya Jammeh exemplify the merits of this approach.

Jammeh obtained millions of dollars through embezzlement and bribes, and conspired with family members to use shell companies and overseas trusts to launder these illicit proceeds, including through the purchase of a multimillion-dollar mansion in Potomac, Maryland. In 2017, the Treasury and State used Executive Order 13818, which implements the Global Magnitsky Act, and Section 7031 (c) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, to designate Jammeh, thereby freezing his assets and blocking visas for him and his immediate family. Then, in 2020, drawing from the results of the ensuing investigation conducted by Gambian officials, DOJ filed a civil complaint seeking the forfeiture of Jammeh's Maryland property.

- **Cryptocurrency and corruption:** DOJ 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.

- **Foreign bribery:** The United States will continue to aggressively pursue foreign bribery cases, and will work with other governments to enact similar laws and regulations regarding enforcement.

- **Kleptocracy Asset Recovery Initiative:** The United States will continue to prioritize countering foreign bribery through key offices in DOJ, including U.S. Attorneys' Offices around the country. For example, since 2010, DOJ's Kleptocracy Asset Recovery Initiative—in implementing laws related to money laundering—has facilitated the recovery and return of more than \$1.7 billion in corruption proceeds to the benefit of people harmed by corrupt acts. Those returned funds have been put to use for numerous purposes, from repaying debts resulting from fraudulent bond financing deals in Malaysia, with over \$1.2 billion in

returned funds from 2018 to 2021, to supplementing major projects to build roads and bridges in Nigeria, with \$311.7 million in returned funds in 2020, to providing infrastructure for clean water access in rural areas and greater public access to court proceedings in Kyrgyzstan in 2019.



- **Kleptocracy Asset Recovery Rewards program:** In addition to strengthening the United States' existing asset recovery program, the Treasury is establishing a pilot Kleptocracy Assets Recovery Rewards program pursuant to the FY 21 NDAA. 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. Designed to complement the U.S. Government's other anti-kleptocracy efforts, the pilot program is intended to provide law enforcement an additional and effective avenue to obtain valuable information and evidence that could assist in their investigations and, where possible, assist in repatriating assets to the countries from which they were stolen. This pilot program will instruct future initiatives and complement State's Transnational Organized Crime (TOC) Narcotics Rewards Programs.
- **Suspension and debarment:** 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. Government contracts, subcontracts, grants and related business opportunities. The United States will protect U.S. taxpayer dollars from flowing to corrupt actors via such transactions by prioritizing the sharing of information across anti-corruption strategic goal activities with Suspension and Debarment Offices, in coordination with the Interagency Suspension and Debarment Committee. For example, the Department of the Air Force leads an Interagency Suspension and Debarment Subcommittee to focus on acquisition security, supply chain integrity, and information sharing.

STRATEGIC OBJECTIVE 3.2: Update tools available to hold corrupt actors accountable at home and abroad

- **Demand side of bribery:** Using a range of diplomatic and foreign assistance programming, the U.S. Government is committed to working with allies and partners on enacting legislation criminalizing the demand side of bribery, and enforcing new and existing laws, including in the countries where the bribery occurs. At the same time, U.S. law enforcement agencies will assist in capacity building for enforcement of such laws and in recovery of proceeds affecting the U.S. financial system.
- **Citizenship by Investment (CBI):** Departments and agencies will engage with foreign jurisdictions to address vulnerabilities created by Citizenship by Investment (CBI) programs. CBI programs attract investment by granting foreign investors citizenship rights in the country concerned—without requiring prior residency by the applicant. This additional nationality can undercut a cornerstone of AML/CFT regimes, as corrupt actors use CBI benefits to achieve enhanced access to the international financial system and visa-free mobility. Ineffective legal and regulatory oversight has led to the abuse of CBI programs by criminal actors, sanctions evaders, and corrupt officials. While we do not have a CBI program, the Administration is also committed to working with the Congress to enhance the process for vetting and granting visas under the U.S. EB-5 program.



STRATEGIC OBJECTIVE 3.3: Work with partner countries to bolster anti-corruption enforcement to amplify the use of tools

- **Sanctions and visa restrictions:** The United States will continue to engage relevant stakeholders in foreign governments, parliament, and civil society to advance efforts to multilateralize economic sanctions and visa restriction tools designed to curtail corruption. Advocating for stronger implementation of international commitments around the denial of safe havens is one of the most promising mechanisms to multilateralize visa restrictions measures. International coordination and cooperation can deny corrupt actors' physical access to key countries with sophisticated financial systems, as well as to globally-connected and lucrative markets. For example, the United States' strong coordination with the United Kingdom on their Global Anti-Corruption Sanctions (GACS) regime has successfully aligned our efforts against many of the same corrupt actors. Almost every designee under GACS is also designated under Section 7031(c) of the annual Department of State, Foreign Operations, and Related Programs Appropriations Act; the Global Magnitsky Act; or a country-specific sanctions program, denying these corrupt individuals access to both the U.S. and U.K. financial systems. Alongside this government-to-government engagement, the United States will also continue to expand partnerships with and leverage the contributions of non-governmental actors, such as civil society, investigative media, and the private sector in the fight against corruption and impunity, especially in countries where governmental cooperation is impractical.

Spotlight: Global Magnitsky and 7031(c)

Section 7031(c) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, and the Global Magnitsky Act sanctions program, as implemented by Executive Order 13818, have set the international standard for visa restrictions and economic sanctions regimes specifically focused on corruption. Taken together, these mechanisms have exposed corruption and blocked corrupt officials at all levels of government, including heads of state, members of parliament, governors, and mayors, from visiting and spending their ill-gotten gains in the United States.

On June 2, 2021, the United States executed the single largest anti-corruption action to date in the sanctioning of three Bulgarian individuals for their extensive roles in corruption in Bulgaria, as well as their networks encompassing 64 entities. The Treasury sanctions were complemented by actions taken by State to publicly designate two of the individuals, and three other Bulgarian public officials, under Section 7031(c), due to their involvement in significant corruption. This coordinated interagency action demonstrates the United States' commitment to hold accountable those involved in corruption and to impose tangible and significant consequences on those who engage in corruption as we work to protect the global financial system from abuse.

- **Launching the Democracies Against Safe Havens Initiative:** Via a new Democracies Against Safe Havens (DASH) Initiative, the U.S. Government, led by State, will work with foreign partners to prevent the establishment of financial safe havens for corrupt actors and increase the use of related enforcement tools. DASH will enhance the impact of the United



Spotlight: FBI International Corruption Unit

The FBI's International Corruption Unit, in conjunction with DOJ, has established squads in extraterritorial offices to investigate FCPA and kleptocracy cases. Since FY 2016, these squads have contributed to securing 172 convictions, 20 deferred prosecution agreements, and 13 non-prosecution agreements, and have collected over \$18 billion in criminal and civil monetary penalties.

States' anti-corruption visa restrictions and sanctions work by increasing pressure on corrupt actors through coordinated action spanning multiple countries. For governments that have such authorities, State, in partnership with the Treasury, will coordinate actions to amplify the impact of U.S. sanctions and visa restrictions. State will also engage in targeted outreach to specific countries with globally-connected financial systems that currently lack anti-corruption accountability measures, such as sanctions and visa restrictions, in order to encourage them to enact authorities similar to

Global Magnitsky and Section 7031(c).

Additionally, State, the Treasury, and DOJ will engage governments to detect and disrupt kleptocracy and foreign bribery, and to deny corrupt actors the ability to hide ill-gotten gains through the adoption of real estate transparency, beneficial ownership transparency, and other anti-money laundering measures. In line with U.S. interest and priorities, departments and agencies will work with partners in multilateral fora to push for ending offshore financial secrecy. Finally, the interagency will enhance efforts to build the capacity of foreign justice systems to issue and respond to formal evidence requests related to corruption under existing treaties and conventions, and to restrain and recover stolen assets, complementing the Treasury's implementation of the new Kleptocracy Assets Recovery Reward Program and State's ongoing implementation of the TOC Rewards Program.

- **Enforcing foreign bribery laws:** The United States will continue to assist partner governments seeking to enact and implement foreign bribery laws. Through the Organization for Economic Cooperation and Development (OECD) Working Group on Bribery, the United States will advocate for the full implementation of the Anti-Bribery Convention, ramped up enforcement, and improved and expanded international cooperation. With U.S. support, the Working Group on Bribery has concluded negotiations on a new Revised Recommendation for Further Combating Bribery in International Business Transactions, which will help to fulfil the goals of enhanced enforcement of foreign bribery laws and international cooperation in foreign bribery investigations and enforcement actions.

Spotlight: Billions in Public Funds Saved

In Ukraine, USAID has helped the government develop an electronic procurement system (PROZORRO, or "transparency" in Ukrainian), while also creating a community of civic actors and public buyers (DOZORRO, or "watchdog" in Ukrainian) to analyze state data, flag high-risk tenders and irregularities, and submit grievances to public authorities. Since October 2017, PROZORRO has helped save Ukraine nearly \$6 billion in public funds, including by cancelling illegal tenders.



STRATEGIC OBJECTIVE 3.4: Strengthen the ability of foreign partner governments to pursue accountability in a just and equitable manner

Spotlight: Asia-Pacific Economic Cooperation Forum (APEC) Business Ethics for Small and Medium Enterprises (SMEs) Initiative

Since 2010, Commerce’s International Trade Administration has led the APEC Business Ethics for SMEs Initiative, the world’s largest public-private partnership focused on strengthening ethical business conduct and enabling a level playing field in target sectors of major export interest to the United States. Funded by APEC, industry, and other member economies, this well-established initiative identifies and endorses best practices, undertakes in-person and virtual capacity-building programs, and monitors and evaluates changes in the business environment through substantial data generation. Its work has resulted in the near universal adoption of the industry association code of ethics and its implementation among business groups in the pharmaceutical and medical device industries, promoting high-standard business practices to over 18,000 companies. The Initiative has also supported the launch of eight national ethical consensus framework agreements that include nearly 150 stakeholder organizations spanning Australia, Canada, Chile, China, Japan, Peru, Philippines, and Vietnam. While this work operates within APEC, it also serves as a global model of public-private collective action, having facilitated advances in India, the United Arab Emirates, Europe, Latin America, and elsewhere. The Initiative has also published a guide to government strategies to encourage ethical business practices. Commerce will continue leading this effort and conducting outreach to U.S. industry on this work.

- **Strengthening investigatory and prosecutorial capacity:** Through DOJ, State, and USAID, the United States will deepen cooperation with and assistance to countries with the political will for meaningful anti-corruption efforts, including through the establishment of legal and regulatory frameworks, strengthening detection and capacity oversight, improving accountability institutions and processes, and strengthening justice and law enforcement, including, where appropriate, partnering with countries in joint investigations and prosecutions. For example, the United States is expanding the number of Resident Legal Advisors to provide capacity-building, training, and case-based mentoring to the Guatemalan Public Ministry, and making it easier to deploy U.S. prosecutors and law enforcement experts to help develop corruption cases, including cases that touch the United States.

- **Expand support for international partnerships:** The United States will link governmental actors with counterparts and willing partners at the regional and global levels in order to foster greater cooperation in detecting, tracking, and referring corruption cases. This can include facilitating the exchange of law enforcement information among like-minded countries, including the International Anti-Corruption Coordination Centre.

Through its Global Accountability Program, for example, USAID will undertake new programming aimed at linking government actors across countries and regions to strengthen the ecosystem needed to prevent, detect, and mitigate corruption in the long-term. DOJ will also focus on building partnerships with counterparts to address and counter transnational corruption.



- **Continued and deepened support to international partnerships and transnational initiatives:** The United States, through State, will continue to deepen support to initiatives and networks that facilitate the exchange of information and enhance foreign partners' capacity to pursue accountability at the transnational level, including to the OECD Working Group on Bribery Law Enforcement Officials, Asset Recovery Inter-Agency Networks, the Egmont Group, INTERPOL, and others.

STRATEGIC OBJECTIVE 3.5: Bolster the ability of civil society, media, and private sector actors to safely detect and expose corruption, increase public awareness, and pursue accountability

- **Civil society support:** The United States will boost its ongoing efforts to support, defend, and protect investigative journalists and other civil society and media actors on the front lines of the fight against corruption. In recognition of the critical role that private sector actors play in combating corruption, as well as of the economic leverage that the private sector brings to bear, the United States will seek to enlist the private sector as a full-fledged partner in the fight against corruption, stimulating business self-regulation, promoting anti-corruption compliance measures, and unleashing private sector advocacy for anti-corruption reform. State, USAID, and other foreign assistance providers will expand and leverage partnerships with the private sector to root out corruption and enhance information sharing, including on corruption-related best practices and typologies.

These efforts will benefit from several new and expanded programs, including USAID's Combating Transnational Corruption Grand Challenge and Empowering Anti-Corruption Change Agents Program; the Global Anti-Corruption Consortium; and the Global Initiative to Galvanize the Private Sector as Partners in Combating Corruption. Departments and agencies will coordinate the design and implementation of these programs. Additionally, State's launch of the new global Anti-Corruption Champions Award will reinforce diplomatic and foreign assistance efforts in these areas and illustrate high-level U.S. commitment to reform-minded individuals both within and outside of government.

Spotlight: Putting the Brakes on an Illegal Mine

The health and livelihoods of a farming community outside of Ciudad Juarez, Mexico, were under threat by companies seeking to exploit an illegally acquired mining concession within a protected wilderness area. After an extensive investigation, which uncovered a web of corrupt deals, USAID partner Mexicanos Contra la Corrupción y la Impunidad (MCCI) intervened with legal action. The citizens who inhabit the area near the protected Samalayuca biosphere raised concerns of the irreparable environmental and socio-economic harm the open pit mine would introduce, backed by expert assessments. In collaboration with other USAID-supported civil society and media organizations, MCCI helped elevate these voices by exposing the corrupt means by which the mining company acquired their permit, resulting in a temporary injunction on the mine construction to allow for further investigation, more robust impact studies, and a closer look at the underlying contracts. This key win for the local community demonstrates the power of citizen oversight and strategic legal interventions to curb corruption.



- **Regulatory action:** The United States will continue to expand and use existing regulatory authorities more effectively, including using Section 314 of the USA PATRIOT Act more robustly. Section 314(a) provides a mechanism for law enforcement to engage with points of contact at more than 14,000 financial institutions to locate accounts and transactions of persons who might be involved in money laundering and terrorist financing.¹⁰ Section 314(b) provides financial institutions with the ability to share information with one another, under a safe harbor that offers protections from liability, in order to better identify and report suspicious activities. Participation in information sharing pursuant to Section 314(b) is voluntary, and FinCEN strongly encourages financial institutions to participate to enhance compliance with their AML/CFT requirements.¹¹ Together, these information-sharing mechanisms provide a robust framework for public-private information sharing in the fight against illicit finance.
- **Priority setting:** Mirroring the Treasury’s 2018 National Money Laundering Risk Assessment,¹² which identified corruption as one of the highest money-laundering risks in the United States, on June 30, 2021, FinCEN, following consultation with other relevant Treasury offices, as well as Federal and state regulators, law enforcement, and national security agencies, issued priorities for AML/CFT policy (Priorities) as required by the AML Act¹³. The Priorities identify corruption as one of the most significant AML/CFT threats currently facing the United States. The establishment of these Priorities is intended to assist all covered institutions in their efforts to meet their obligations under laws and regulations designed to combat money laundering and counter terrorist financing. FinCEN will issue regulations at a later date that will specify how financial institutions should incorporate these Priorities into their risk-based AML programs.
- **Facilitate the sharing of information by non-governmental actors:** The United States will engage with non-governmental actors seeking to share actionable information with U.S. law enforcement and sanctions experts. The Administration is currently increasing support for civil society-led efforts to document and report on corruption in accordance with evidentiary support requirements for visa restrictions and sanctions mechanisms in the United States and internationally. The United States will provide a safe and enabling environment to those exposing, reporting on, and fighting corruption and, as appropriate, for their relatives and other close persons, and will support and protect any U.S. person who identifies, detects, or reports corruption and related offenses against any unjustified treatment. The United States will also continue to urge other countries to fulfill their own obligations and commitments to provide such protections.

¹⁰ See <https://www.fincen.gov/sites/default/files/shared/314afactsheet.pdf>.

¹¹ See <https://www.fincen.gov/sites/default/files/shared/314bfactsheet.pdf>.

¹² See Department of the Treasury, National Money Laundering Risk Assessment, December 20, 2018, *available at*: https://home.treasury.gov/system/files/136/2018NMLRA_12-18.pdf.

¹³ See Anti-Money Laundering and Countering the Financing of Terrorism National Priorities, June 30, 2021, *available at*: [https://www.fincen.gov/sites/default/files/shared/AML_CFT%20Priorities%20\(June%2030%2C%202021\).pdf](https://www.fincen.gov/sites/default/files/shared/AML_CFT%20Priorities%20(June%2030%2C%202021).pdf).



PILLAR 4: Preserving and Strengthening the Multilateral Anti-Corruption Architecture

STRATEGIC OBJECTIVE 4.1: Bolster existing anti-corruption frameworks and institutions

- **Effective implementation of international frameworks:** The United States will continue to provide financial support and expertise to the operation of international anti-corruption frameworks and their review mechanisms. Departments and agencies will place particular emphasis on pressing foreign partners to fulfill their obligations to criminalize and prosecute foreign bribery, given its effect on the ability of U.S. businesses to compete fairly overseas. The United States will also defend against attempts to weaken global anti-corruption norms regarding the provision of safe havens for corrupt actors or corrupt proceeds as well as attempts to exclude civil society from international fora. The United States is committed to implementing existing obligations and commitments under the UN Convention Against Corruption (UNCAC), the OECD Anti-Bribery Convention, the FATF, and regional treaties and frameworks. The United States is further committed to working with countries to accede to and abide by the relevant conventions.
- **Strengthening implementation of UNCAC:** The United States will work with partners to discuss ways to strengthen UNCAC implementation. An international framework is only as strong as its implementation, including at the country level, where operational, law enforcement, and legal components of an anti-corruption system must work together effectively to deliver results.
- **Building accountable, effective, and resilient security institutions:** The United States, led by the Department of Defense (DOD), will work towards elevating, prioritizing, and surging funds to institutional capacity building (ICB) activities to leverage DOD's significant history of, and expertise in, improving resiliency through support of democracy and anti-corruption efforts with our global partners. DOD's ICB efforts, which also align with NATO's Building Integrity program, are particularly well-placed to simultaneously integrate key principles of advancing democratic civil-military relations, building transparent and resilient security sectors, and strengthening civilian leadership across multiple institutional functional areas. In addition to continued support to NATO's Building Integrity program, DOD will coordinate with State and USAID and can adapt the approaches presently used in DOD ICB to apply them more comprehensively toward democratization and anti-corruption outcomes. This effort will nest with DOD's assessment, monitoring, and evaluation framework, as required by the FY17 NDAA. It will also advance DOD's use of learning agendas to create positive feedback loops and better identify new ways of establishing responsible defense governance and internal controls in order to help build more accountable, effective, and transparent defense institutions with partners.



Strategic Objective 4.2: Redoubling efforts at multilateral fora

The United States will continue to pursue its anti-corruption objectives in a range of international fora, including:

- **G7 and G20:** The G7 and G20 provide critical international leadership on anti-corruption. Working closely with allies and partners, the United States will continue to push G7 and G20 members to effectively implement strong transparency and anti-corruption measures, such as those put forth in the FATF standards, and to strengthen G7 and G20 engagement with non-governmental stakeholders to include the private sector, civil society, and other relevant actors have a voice in shaping these efforts. The United States will prioritize a focus on promoting transparency and good governance across all G7 and G20 tracks. The United States will pursue similar tracks, as appropriate, in other high-level political groupings, such as the FATF, with a focus on the role of new safe havens for corruption and other illicit proceeds.
- **Development finance and international financial institutions:** Although the international financial institutions (IFIs) and multilateral trust funds include safeguards on their own financial assistance, the United States, along with other donor countries, will continue to work and engage with these entities to align and strengthen anti-corruption guardrails and to enhance, when needed, oversight over procurement and overall use of funds. The United States will also advocate for greater attention on anti-corruption efforts in IFI programing, including stronger focus on anti-corruption reforms and capacity-building in IFI operations and allocation systems that reward good governance. This advocacy will be based on the United States' existing efforts to promote transparency and tackle corruption through its own official financing instruments, such as the Export-Import Bank of the United States and the United States International Development Finance Corporation.

Additionally, the United States will work with other donors to these multilateral institutions to increase assistance transparency, promote enhanced information sharing within countries, and to foster dialogues regarding heightened corruption risk or diminished will to combat corruption.

- **Global partnerships and platforms:** The United States will expand and enhance its engagement with and support for key global partnerships and platforms that aim to enhance transparency and combat corruption. As part of this effort, the United States will renew its commitment to the Open Government Partnership (OGP), which brings together civil society and governments to co-create and implement National Action Plans comprised of policy reform commitments. The United States, a founding member of OGP, will further institutionalize OGP implementation domestically, solidify channels of collaboration with civil society, and expand existing support both directly to OGP and to international partners working to advance OGP processes. The United States will also explore deepening its support for other key global platforms, such as the Extractive Industries Transparency Initiative—a critical tool for advancing accountability, countering strategic corruption, and promoting a fair playing field for U.S. businesses and other businesses around the world.



PILLAR 5: Improving Diplomatic Engagement and Leveraging Foreign Assistance Resources to Advance Policy Goals

Strategic Objective 5.1: Elevate and expand the scale of diplomatic engagement and foreign assistance that address corruption¹⁴

Spotlight: Anti-corruption Champions Award

The U.S. Government recognizes that we will only be successful in combating corruption by working in concert with committed partners, including courageous individuals who champion anti-corruption efforts and lead their countries in working to fulfill their commitments to international anti-corruption standards. For that reason, in 2021, Secretary of State Antony Blinken announced the creation of a new Anti-Corruption Champions Award, which will be conferred annually by the Secretary of State to honor courageous individuals in government and civil society working to prevent, expose, and combat corruption around the world.

- **Diplomatic engagement:** The United States will elevate anti-corruption as a priority within its diplomatic and public diplomacy efforts in a manner tailored to local conditions, and will support governmental and non-governmental actors combatting corruption through bilateral and multilateral contexts.

- **Expand assistance:** The United States will pursue a substantial expansion in anti-corruption focused U.S. assistance, and will monitor the efficacy of this assistance, including through external evaluations.

- **Anti-corruption considerations:** The United States will integrate anti-corruption considerations across other spheres of development assistance, including global health, anti-crime and rule of law, conflict and fragility, and humanitarian assistance.

- **Rule of law:** The United States will establish new and expanded foreign assistance programs to enhance the capacity and independence of oversight and accountability institutions, including legislatures, supreme audit institutions, comptrollers, and inspector generals. Additional programs will bolster investigation and detection tools and processes, and strengthen the capacity of countries to “follow the money.” These will supplement long-standing foreign assistance initiatives that strengthen public financial management, build justice sector institutions, and support e-governance and digitization, which can reduce opportunities for corruption.

STRATEGIC OBJECTIVE 5.2: Protect anti-corruption actors

When anti-corruption activists, whistleblowers, and investigative journalists challenge corrupt power structures, the corrupt often fight back with physical threats and legal harassment. The United States stands in solidarity with these reformers, and will take the following measures to protect their freedom of expression:

¹⁴ Any new initiatives and expansions of existing efforts requiring additional financial resources included as part of this Strategy and associated Appendix are dependent on available funding.



- **Support for journalists and other change agents:** The United States will deploy new and existing programming to respond to rapidly evolving threats to, and harassment of, reformers, journalists, and other anti-corruption change agents. For example, USAID is working on the creation of “defense-only” liability coverage to investigative reporters and their organizations in the event of defamation claims.
- **Increased education:** The United States will increase education in the anti-corruption community about existing global emergency assistance mechanisms, such as the Lifeline: Embattled CSOs Assistance Fund, which can provide short-term financial assistance to members of civil society who have been threatened or attacked for their work, including those engaging in anti-corruption or transparency efforts.
- **Countering Strategic Lawsuits Against Public Participation (SLAPP):** Departments and agencies will work to counter nuisance suits against journalists and activists, and will seek additional authorities, working with the Congress if needed, to advance anti-SLAPP programs and policies. When possible, the United States will coordinate actions with partner countries taking similar steps.

Spotlight: Safeguarding Journalists

USAID’s PROSAFE activity, implemented by the International Center for Journalists (ICFJ)/Connectas, supports investigative journalism in environments where they are under threat from criminal organizations and/or facing pressure and censorship. The target countries for the PROSAFE activity are Mexico, Nicaragua, Ecuador, Peru, El Salvador, Guatemala, Honduras, and Paraguay. PROSAFE trains journalists on the use of the digital platform tools, data analysis and data journalism, cross-border investigations, physical and internet security, and multi-media reporting, and supports regional exchanges. Beyond strengthening the investigative capacity of journalists, this activity has helped create a regional clearinghouse for investigative journalism that publishes on their behalf, providing an outlet for stories too dangerous to be published with an individual by-line, and providing an umbrella organization for security, mentoring, and collaboration among journalists.

STRATEGIC OBJECTIVE 5.3: Leveraging Innovation in the Fight Against Corruption

- **Use of innovation to prevent and combat corruption:** The United States will mobilize a diverse array of non-traditional partners and technologies, devote additional resources to pre-existing initiatives, and launch new initiatives intended to reduce transnational corruption. These include the Anti-Corruption Solutions through Emerging Technology program, which will engage diverse stakeholders—spanning government, civil society, and the private sector—to collaborate on tracking, developing, improving, and applying new and existing technological solutions to systemic challenges in preventing and detecting corruption.



Spotlight: Role of Technology-Focused Assistance and Programming in Combatting Corruption

The United States has increasingly incorporated technology into its criminal justice reform and anti-corruption programming. A case in point is State’s project to build a platform for countries to use distributed ledger technology to provide transparency and oversight in the return of stolen assets. The application of this existing technology in a new sphere leverages transparency and traceability to help governments where money is being returned by preventing returned stolen assets from being re-corrupted. Through State’s programming, anti-money laundering foreign assistance in priority jurisdictions leverages big data analytics and increases investigator capacity to use open-source intelligence data to detect and identify money laundering trends, check for anomalies to quickly identify suspicious transactions, bolster investigations and prosecutions, and identify sanctioned entities to more accurately freeze and confiscate assets.

State and its partners will help foreign governments implement and use existing technology to combat corruption while hosting “TechSprints” or “hackathons” to develop new and useful applied technologies. USAID will launch a new initiative to partner with diverse problem-solvers from across the globe, leveraging their strengths and networks to source tools and approaches that detect and disrupt the illicit finance and other resource flows that fuel corruption and crime. Additional new mechanisms and partnerships will include private sector actors from key industries, technologists, civil society and media, researchers and academics, philanthropists, and other donors to undertake collective actions, develop innovative tools and technologies, and launch groundbreaking programs.

- **Expanded agility and rapid response:** The United States will expand existing, and develop new, rapid response tools for emerging areas of

increased risk for corruption. Allowing for more agile response capabilities among partners will provide increased critical assistance, particularly to new democratic and reform-minded regimes and global civil society partners, as they more effectively investigate, prosecute, and adjudicate corruption and kleptocracy; and better address the role corruption plays in facilitating transnational organized crime and malign influence from state actors. In order to meet these needs, the United States will implement two new response funds. First, USAID’s Anti-Corruption Response Fund will support, test, and pilot evidence-based, responsive, and transformative anti-corruption programming. Additionally, the Fund will respond to the increasingly globalized nature of corruption and its linkages to transnational organized crime, kleptocracy, and strategic corruption. The second fund, the Global Anti-Corruption Rapid Response Fund, will be jointly managed and implemented by State and DOJ, and will enable expert advisors to consult with, mentor, and assist foreign anti-corruption counterparts around the world.

- **New domains of action:** Departments and agencies will consider how to further incorporate a transnational lens into its anti-corruption foreign assistance, including by expanding support for international networks of investigative journalists, civil society advocates, and criminal justice practitioners. In addition, the United States will seek to deepen its work at the sub-national level, given the importance of grassroots actors in driving lasting change, by expanding opportunities for small organizations to compete for U.S. funds and cooperating with social movements for positive change.



Strategic Objective 5.4: Improve coordination and risk analysis across foreign assistance

- **Establishing a common understanding:** The U.S. Government will prioritize the development of a common understanding of corruption risks through joint analyses that outline corruption dynamics, networks, and nodes; consider enablers and drivers of corrupt behavior; examine the potential impact of providing foreign assistance (including security sector assistance); and identify possible entry points or levers to shift the dynamics of corruption in order to incentivize reform. This common understanding will serve as a basis for consultations between Washington, U.S. embassies overseas, and the interagency to inform decision-makers as they weigh trade-offs associated with U.S. assistance and mitigate risks. As part of this work, foreign assistance agencies will strive to better “know their partner” and map the vectors of corruption in the benefiting country, including through consultation with intelligence, law enforcement, journalists, and civil society organizations. Relevant departments and agencies, including the Intelligence Community, USAID, State, the Treasury, DOJ, DOD, Commerce, and the Millennium Challenge Corporation will establish periodic information-sharing mechanisms to ensure a common understanding of the operating environment, and to facilitate interagency coordination on program design and implementation.
- **Improved risk mitigation measures:** Relevant departments and agencies, led by USAID, will review existing approaches to assessing and addressing corruption risk in development and humanitarian assistance, evaluating whether gaps exist in current frameworks; and whether those frameworks need to be more robustly implemented.
- **Pilot programs to effectuate change:** In order to help shape the above analyses, the U.S. Government will continue to pursue pilot programs in the Dominican Republic and the Democratic Republic of the Congo as a “proof of concept” to determine best practices for future interagency collaboration in using foreign assistance to combat corruption, and to pursue innovation, experimentation, adaption, and reflection on existing approaches. USAID has made funds available to missions in these two countries to explore joint analysis, design, and programming models in collaboration with on-the-ground interagency colleagues at State, the Treasury, DOJ, DOD, and Commerce, among others.
- **Criteria for government-to-government assistance:** The United States will consistently apply criteria across countries specifically related to transparency, accountability, and anti-corruption, including around the protection of journalists and whistleblowers.

Strategic Objective 5.5: Improve security assistance and integrate corruption considerations into military planning, analysis, and operations

Corruption poses inherent challenges to the success of U.S. and partner military missions. Unattended, corruption increases the risk that assistance will be diverted—wasting taxpayer dollars, empowering malign actors, undermining the mission writ large, and threatening the safety of U.S. service members. To better address these risks, the United States will:

- **Develop protocols for assessment of corruption risk:** The United States will strive to develop protocols for assessing corruption risk before new or large security assistance



activities are initiated, including via the interagency analyses described above. When a substantial corruption risk is identified, mitigation measures will be ascertained and senior leaders will weigh whether the benefits of proceeding outweigh the costs of doing so.

- **Assessment of political will:** The Administration will assess the extent, form, and causes of corruption in the security sector and the political will for anti-corruption reforms by the government, and leverage security assistance to help establish internal accountability mechanisms within the security sector.
- **Train-and-equip support:** The United States will consider how to incorporate standards for security governance into its review of security assistance programs and arms transfer decision-making, including greater transparency in military budgets, whistleblower protections, and oversight of the security sector.
- **DOD training:** DOD will strengthen defense training to incorporate considerations of how corruption can undermine U.S. objectives and will work to build partner capacity to address corruption.
- **Strengthen process planning:** The United States, led by DOD, will strengthen planning processes to include more deliberate considerations of security sector governance prior to the provision of assistance.
- **Security cooperation evaluations:** The United States will conduct more frequent security cooperation evaluations of the highest-cost efforts in countries with significant risks of corruption to determine the effectiveness of DOD security cooperation initiatives.
- **Continue security cooperation reforms:** DOD will continue implementation of the security cooperation reforms in the FY17 NDAA, particularly with regard to personnel, and training and assessment, and monitoring and evaluation, with a view towards incorporating anti-corruption efforts in DOD security cooperation initiatives.