

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3843
OFFERED BY MR. KEATING OF MASSACHUSETTS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

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

5 SEC. 2. FINDINGS.

6 Congress finds the following:

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

13 (2) Global corruption harms the competitiveness
14 of United States businesses, feeds terrorist recruit-
15 ment and transnational organized crime, enables
16 drug smuggling and human trafficking, and stymies
17 economic growth.

1 (3) Illicit financial flows often inconspicuously
2 penetrate a country through what appears to be le-
3 gitimate financial transactions, as kleptocrats laun-
4 der money, use shell companies, amass offshore
5 wealth, and participate in a global shadow economy.

6 (4) The government of Vladimir Putin in Rus-
7 sia is the leading model of this type of foreign
8 kleptocratic system, using corruption to erode demo-
9 cratic governance from within and discrediting de-
10 mocracy abroad, thereby strengthening his authori-
11 tarian rule.

12 (5) Russia uses stolen money to—

13 (A) purchase key assets in other countries,
14 particularly with a goal of attaining monopo-
15 listic control of a sector;

16 (B) gain access to and influence the poli-
17 cies of democratic countries; and

18 (C) directly fund political parties and orga-
19 nizations that advance Russian interests in
20 other countries, particularly those that under-
21 mine confidence and trust in democratic sys-
22 tems.

23 (6) Thwarting these tactics by Russia and other
24 kleptocratic governments requires the international
25 community to strengthen democratic governance, the

1 rule of law, and international cooperation in com-
2 bating illicit finance, especially by empowering re-
3 formers in foreign countries during historic political
4 openings for the establishment of the rule of law in
5 those countries.

6 (7) New reformers in foreign countries must act
7 quickly to seize political openings for anti-corruption
8 reform, but as these reformers are often outsiders
9 with little government experience, they may need sig-
10 nificant technical assistance to root out deep-seated
11 corruption.

12 **SEC. 3. DEFINITIONS.**

13 In this Act:

14 (1) **APPROPRIATE CONGRESSIONAL COMMIT-**
15 **TEES.**—The term “appropriate congressional com-
16 mittees” means—

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

21 (B) the Committee on Foreign Affairs, the
22 Committee on Financial Services, and the Com-
23 mittee on Ways and Means of the House of
24 Representatives.

1 (2) FOREIGN ASSISTANCE.—The term “foreign
2 assistance” means foreign assistance authorized
3 under the Foreign Assistance Act of 1961.

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

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

11 (5) PERSON.—The term “person” means an in-
12 dividual or entity.

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

17 (7) RULE OF LAW.—The term “rule of law”
18 means the principle of governance in which all per-
19 sons, institutions, and entities, whether public or
20 private, including the state itself, are accountable to
21 laws that are publicly promulgated, equally enforced,
22 and independently adjudicated, and which are con-
23 sistent with international human rights norms and
24 standards.

1 **SEC. 4. INTERNATIONAL STANDARDS.**

2 It is the sense of Congress that the foundation for
3 foreign countries to fight corruption, kleptocracy, and il-
4 licit finance include the following international standards:

5 (1) The United Nations Convention against
6 Corruption.

7 (2) Recommendations of the Financial Action
8 Task Force (FATF) comprising the International
9 Standards on Combating Money Laundering and the
10 Financing of Terrorism & Proliferation.

11 (3) The Organisation for Economic Co-oper-
12 ation and Development Convention on Combating
13 Bribery of Foreign Public Officials in International
14 Business Transactions (OECD Anti-Bribery Conven-
15 tion), the 2009 Recommendation of the Council for
16 Further Combating Bribery, the 2009 Recommenda-
17 tion on the Tax Deductibility of Bribes to Foreign
18 Public Officials; and other related instruments.

19 (4) Legal instruments adopted by the Council
20 of Europe and monitored by the Group of States
21 against Corruption (GRECO), including the Crimi-
22 nal Law Convention on Corruption, the Civil Law
23 Convention on Corruption, the Additional Protocol
24 to the Criminal Law Convention on Corruption, the
25 Twenty Guiding Principles against Corruption, the
26 Recommendation on Codes of Conduct for Public

1 Officials, and the Recommendation on Common
2 Rules against Corruption in the Funding of Political
3 Parties and Electoral Campaigns.

4 (5) Organization for Security and Cooperation
5 in Europe (OSCE) “Second Dimension” commit-
6 ments on good governance, anti-corruption, anti-
7 money laundering, and related issues.

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

11 **SEC. 5. STATEMENT OF POLICY.**

12 It is the policy of the United States to—

13 (1) leverage United States diplomatic engage-
14 ment and foreign assistance to promote the rule of
15 law;

16 (2) promote the international standards identi-
17 fied in section 4, as well as other relevant inter-
18 national standards and best practices as such stand-
19 ards and practices develop, and to seek the universal
20 adoption and implementation of such standards and
21 practices by foreign states;

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

24 (4) encourage and assist foreign partner coun-
25 tries to identify and close loopholes in their legal and

1 financial architecture, including the misuse of anon-
2 ymous shell companies, free trade zones, and other
3 legal structures, that are enabling illicit finance and
4 authoritarian capital to penetrate their financial sys-
5 tems;

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

10 (6) assist in the recovery of kleptocracy-related
11 stolen assets for victims, including through the use
12 of appropriate bilateral arrangements and inter-
13 national agreements, such as the United Nations
14 Convention against Corruption;

15 (7) make use of sanctions authorities, such as
16 the Global Magnitsky Human Rights Accountability
17 Act (enacted as subtitle F of title XII of the Na-
18 tional Defense Authorization Act for Fiscal Year
19 2017 (Public Law 114–328; 22 U.S.C. 2656 note)),
20 to identify and take action against corrupt foreign
21 actors;

22 (8) ensure coordination between the depart-
23 ments and agencies of the United States Govern-
24 ment with jurisdiction over the advancement of good
25 governance in foreign states; and

1 (9) lead the creation of a formal grouping of
2 countries to coordinate efforts to counter corruption,
3 kleptocracy, and illicit finance and strengthen collec-
4 tive financial defense.

5 **SEC. 6. ANTI-CORRUPTION ACTION FUND.**

6 (a) IN GENERAL.—There is established in the United
7 States Treasury a special fund to be known as the “Anti-
8 Corruption Action Fund” which shall be available to the
9 Secretary of State, without fiscal year limitation or need
10 for subsequent appropriation, to aid foreign states to pre-
11 vent and fight public corruption and develop rule of law-
12 based governance structures, including accountable inves-
13 tigative, prosecutorial, and judicial bodies, and supplement
14 existing foreign assistance and diplomacy with respect to
15 such efforts.

16 (b) FUNDING.—If, on or after the date of enactment
17 of this Act, total criminal fines and penalties in excess of
18 \$50,000,000 are imposed against a person under the For-
19 eign Corrupt Practices Act of 1977 or section 13, 30A,
20 or 32 of the Securities Exchange Act of 1934 (whether
21 pursuant to a criminal prosecution, enforcement pro-
22 ceeding, deferred prosecution agreement, non-prosecution
23 agreement, a declination to prosecute or enforce, or any
24 other resolution), the court in the case of a conviction or
25 otherwise the Attorney General shall in addition assess a

1 prevention payment equal to \$5,000,000 on that person,
2 which shall be deposited in the Anti-Corruption Action
3 Fund established under subsection (a).

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

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

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

16 (2) are important to United States national in-
17 terests; and

18 (3) could significantly increase the chance of a
19 successful transition described in paragraph (1).

20 (e) PUBLIC DIPLOMACY.—The Secretary of State
21 shall publicize that funds provided to the Anti-Corruption
22 Action Fund originate from actions brought under the
23 Foreign Corrupt Practices Act so as to demonstrate that
24 monies obtained under such Act are contributing to inter-
25 national anti-corruption work under this section, including

1 by reducing the pressure that United States businesses
2 face to pay bribes overseas, thereby contributing to greater
3 United States competitiveness.

4 **SEC. 7. INTERAGENCY TASK FORCE.**

5 (a) IN GENERAL.—The Secretary of State shall have
6 primary responsibility for managing a whole-of-govern-
7 ment effort to improve coordination among United States
8 Government departments and agencies, as well as with
9 other donor organizations, that have a role in promoting
10 good governance in foreign states and enhancing the abil-
11 ity of foreign states to combat public corruption.

12 (b) INTERAGENCY TASK FORCE.—Not later than 180
13 days after the date of the enactment of this Act, the Sec-
14 retary of State shall establish and convene an Interagency
15 Task Force composed of—

16 (1) representatives appointed by the President
17 from appropriate departments and agencies, includ-
18 ing the Department of State, the United States
19 Agency for International Development (USAID), the
20 Department of Justice, the Department of the
21 Treasury, the Department of Homeland Security,
22 the Department of Defense, the Department of
23 Commerce, the Millennium Challenge Corporation,
24 and the intelligence community; and

1 (2) representatives from any other United
2 States Government departments or agencies, as de-
3 termined by the Secretary.

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

7 (d) DUTIES.—The Interagency Task Force estab-
8 lished in subsection (b) shall—

9 (1) evaluate, on a general basis, the effective-
10 ness of existing foreign assistance programs, includ-
11 ing programs funded by the Anti-Corruption Action
12 Fund under section 6, that have an impact on pro-
13 moting good governance in foreign states and en-
14 hancing the ability of foreign states to combat public
15 corruption;

16 (2) assist the Secretary of State in managing
17 the whole-of-government effort described in sub-
18 section (a);

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

21 (4) recommend specific programs for foreign
22 states that may be used to enhance such whole-of-
23 government effort.

1 **SEC. 8. DESIGNATION OF EMBASSY ANTI-CORRUPTION**
2 **POINTS OF CONTACT.**

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

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

9 (1) with guidance from the Interagency Task
10 Force established under section 7, coordinate an
11 interagency approach within United States embas-
12 sies to combat public corruption in the foreign states
13 in which such embassies are located that is tailored
14 to the needs of such foreign states, including all rel-
15 evant United States Government departments and
16 agencies with a presence in such foreign states, such
17 as the Department of State, USAID, the Depart-
18 ment of Justice, the Department of the Treasury,
19 the Department of Homeland Security, the Depart-
20 ment of Defense, the Millennium Challenge Corpora-
21 tion, and the intelligence community;

22 (2) make recommendations regarding the use of
23 the Anti-Corruption Action Fund under section 6
24 and other foreign assistance related to anti-corrup-
25 tion efforts in their respective foreign states, align-

1 ing such assistance with United States diplomatic
2 engagement; and

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

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

13 **SEC. 9. REPORTING REQUIREMENTS.**

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

21 (1) summarizes any progress made by foreign
22 states to adopt and implement each of the inter-
23 national standards in combating corruption,
24 kleptocracy, and illicit finance listed in section 4;

1 (2) details the efforts of the United States Gov-
2 ernment to promote such international standards;

3 (3) identifies priority countries for outreach re-
4 garding such international standards; and

5 (4) outlines a plan to encourage the adoption
6 and implementation of such international standards,
7 including specific steps to take with the priority
8 countries identified in accordance with paragraph
9 (3).

10 (b) REPORT OR BRIEFING ON PROGRESS TOWARD
11 IMPLEMENTATION.—Not later than one year after the
12 date of the enactment of this Act and annually thereafter
13 for three years, the Secretary of State, in consultation
14 with the Administrator of the USAID, shall submit to the
15 appropriate congressional committees a report or provide
16 a briefing summarizing progress in implementing this Act,
17 including—

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

23 (2) information relating to the amount of funds
24 deposited in the Anti-Corruption Action Fund estab-

1 lished under section 6 and the obligation, expendi-
2 ture, and impact of such funds;

3 (3) the activities of the Interagency Task Force
4 established pursuant to section 7(b);

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

9 (5) additional resources or personnel needs to
10 better achieve the goals of this Act to combat cor-
11 ruption, kleptocracy, and illicit finance overseas.

12 (c) ONLINE PLATFORM.—The Secretary of State, in
13 conjunction with the Administrator of the USAID, shall
14 consolidate existing reports and briefings with anti-corrup-
15 tion components into one online, public platform, that in-
16 cludes the following:

17 (1) The Annual Country Reports on Human
18 Rights Practices.

19 (2) The Fiscal Transparency Report.

20 (3) The Investment Climate Statement reports.

21 (4) The International Narcotics Control Strat-
22 egy Report.

23 (5) Any other relevant public reports.

24 (6) Links to third-party indicators and compli-
25 ance mechanisms used by the United States Govern-

1 ment to inform policy and programming, such as the
2 following:

3 (A) The International Finance Corpora-
4 tion's Doing Business surveys.

5 (B) The International Budget Partner-
6 ship's Open Budget Index.

7 (C) Multilateral peer review anti-corrup-
8 tion compliance mechanisms, such as the
9 Organisation for Economic Co-operation and
10 Development's Working Group on Bribery in
11 International Business Transactions, the Fol-
12 low-Up Mechanism for the Inter-American Con-
13 vention Against Corruption (MESICIC), and
14 the United Nations Convention Against Corrup-
15 tion, done at New York October 31, 2003, to
16 further highlight expert international views on
17 foreign state challenges and efforts.

