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**The Global Magnitsky Human Rights Accountability Act
Committee on Foreign Affairs
Subcommittee on Africa, Global Health, Global Human Rights, and International
Organizations
U.S. House of Representatives
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Chairman Smith, Ranking Member Bass, and distinguished members of the Subcommittee, I appreciate the invitation to appear before you today to discuss Chairman Smith's bill, H.R. 624, the Global Magnitsky Human Rights Accountability Act, as well as the broader issue of corruption as an affront to human rights and a threat to U.S. national security.

Throughout the world, corruption undermines the rule of law, erodes confidence in democratic institutions, threatens representative government and thereby poses a challenge to human rights. Where corruption is highly entrenched, economies are plundered against the interests of the public, and repression is often brought to bear against citizens and civic organizations demanding accountable governance.

Corrupt regimes also often exert a destabilizing influence on international affairs. One needs only to rapidly review headlines to gain a sense of how politically motivated violence is fueled by profiteering and bribery on a national level. The turmoil following the Arab Spring and the war in Ukraine illustrate different facets of the danger that corruption poses to peace, prosperity, and freedom worldwide.

ISIS is running amok in Syria, Iraq, and Libya. More than a decade of international reconstruction efforts have been hamstrung by graft in Afghanistan. Battlegrounds in the Levant and Arabian Peninsula appear increasingly likely to erupt

into proxy wars between regional powers Iran and Saudi Arabia. One factor is common to all of these destabilizing conflicts. In every one of these countries, vast levels of graft and cronyism cripple both local and national governments. This Achilles' heel serves as both a rallying cry for extremist groups and an obstacle to countering them effectively on the battlefield.

Across Europe and Asia, authoritarian kleptocracy is a particularly dangerous manifestation of this phenomenon. Beyond internal oppression, these regimes are increasingly willing to export bribery and extortion to support client states, coopt foreign political factions, and undermine the advance of democracy abroad. Kleptocracies are also willing to employ appalling violence to preserve these parasitic arrangements.

In 2014, Ukrainian citizens took to the streets to oust Viktor Yanukovich, a highly corrupt patron of Moscow, despite a wall of batons and a hail of bullets that killed more than one hundred of their countrymen. As popular will for closer ties to Europe, democratization, and freedom prevailed, Russian authorities responded with invasion, annexation, and occupation. To the Kremlin, a free and democratic Ukraine is an unacceptable counterpoint to the corruption and authoritarianism of the Putin regime. As a result, a sovereign state at the heart of the European continent faces military aggression proscribed by the Budapest Memorandum on Security Assurances, the Helsinki Final Act, and Article Two of the United Nations Charter.

Meanwhile, fringe political parties throughout Europe, both East and West, are buoyed and bankrolled by the same corrupt government fueling the war in Ukraine. Veiled nuclear threats and provocative military maneuvers seek to rattle the nerves of our European partners while aggressive media and social media campaigns spread

disinformation, distract attention from the truth, and sow discord among the public. These operations divide our allies, discredit the NATO security compact, and call into question the values of the post-Cold War democratic order.

The inherent superiority of both the Western political and financial order grants the United States leverage to confront this complex national security threat. Corrupt officials often take advantage of open societies to shelter their assets and offer safe haven from political pressure at home. With apartments and villas of grand standing and bank accounts abroad, kleptocrats (and their cronies) can enjoy the benefits of the freedom and rule of law that they deny to their own citizens. This is especially the case when public officials, in collusion with private entities, are allowed to abuse their authority with impunity. Legislation like the Global Magnitsky Human Rights Accountability Act offers the United States an opportunity to close this escape valve and to refuse to serve the interests of kleptocrats and our strategic adversaries.

The Global Magnitsky Act should not be controversial. The bill is complementary to current U.S. policy, and can be narrowly and appropriately tailored.

The Obama Administration's 2014 fact sheet on "The U.S. Global Anticorruption Agenda," identifies corruption as "a growing national security threat to our country and allies around the world." Furthermore, the statement notes that "the United States continues to take action to prevent the U.S. legal and financial systems from being exploited by those who engage in, or launder the proceeds of, corruption." Government entities including the Federal Bureau of Investigation, the Department of Justice, the Department of State, and the Department of the Treasury are active in countering kleptocracy; this bill would complement their work by providing a mechanism for

congressional action to sanction specific individuals most responsible for human rights abuses and threats to U.S. national security.

The Global Magnitsky Act is neither a blank check to Congress nor an overreaching mandate imposed on the Executive Branch. Congress's authority respecting the application of the Magnitsky Act is sensibly balanced by the diplomatic and national security priorities set by Executive Branch. The bill provides the President with broad authority to determine the scope of sanctions and grant waivers as appropriate in the interests of national security. Conversely, the bill's reporting requirement encourages the President to seriously consider congressional recommendations and make scrupulous determinations based upon its findings.

Finally, the bill reflects beliefs shared broadly by the American public and by our partners in the international community. The U.S. is a world leader responsible in part for promoting the rule of law, good governance, human rights, and a peaceful international order. America is also a leader in confronting criminal regimes in the name of freedom. Global Magnitsky will continue this legacy, setting an example for others in refusing to lend legitimacy to human rights abusers by sheltering their stolen assets and welcoming them to our shores. The bill wisely sanctions only individuals: it leaves the important multilateral trade and cultural exchanges upon which citizens of all countries benefit untouched. The bill also expresses solidarity with those suffering under corrupt regimes, taking action against human rights abusers on behalf of those who cannot themselves. The Global Magnitsky Act represents an opportunity to take a stand against destabilizing public corruption in a conspicuous, visible and effective manner, thereby lending support to the fight for democracy, rule of law, and freedom throughout the world.

Last year, Hudson Institute founded the Kleptocracy Initiative, a program aimed at addressing the threats posed by corrupt authoritarian regimes to Western democracy and U.S. national security. We founded this initiative because of the clear and growing threat posed to Western democracies and Western alliances by the growing financial leverage of kleptocrats and their allies in the economies of the West. Given the threat that they pose to democracy in their own countries and to defense of freedom abroad, the individuals responsible for unconscionable acts of corruption should not be granted sanctuary on our soil or economic refuge in our financial sector. As such, I urge that you consider supporting the Global Magnitsky Act as an effective and appropriate countermeasure against these criminal regimes.

In conclusion, I encourage the honorable Members of Congress here today to support the Global Magnitsky Act. By refusing to allow abusers of human rights the privilege of access to our financial institutions and entry upon our soil, the Global Magnitsky Act represents a momentous opportunity to demonstrate continued American leadership on this most critical effort.

Thank you again for inviting me to testify. It is an honor to speak before this august committee on an issue of such consequence to our vital national interests.