

Biden Describes Combating Corruption as National Security Priority, Orders Interagency Review to Bolster Anti-Corruption Tools including Private Sector Partnerships

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On June 3, 2021, President Biden issued his first National Security Study Memorandum, announcing that “countering corruption [is] a core United States national security interest.” It describes corruption as a threat to our “national security, economic equity, global anti-poverty and development efforts, and democracy itself.”

President Biden orders National Security Advisor Jake Sullivan, in coordination with Brian Deese (Assistant to the President for Economic Policy) and Susan Rice (Assistant to the President for Domestic Policy), to conduct a wide-ranging assessment of anti-corruption strategy across federal agencies, from traditional anti-corruption enforcement agencies like DOJ to the Departments of State, Defense, and Homeland Security. The memorandum instructs Sullivan to develop, by December 20, 2021, specific strategies to “significantly bolster the ability of the United States Government” to fight corruption through increased coordination across agencies as well as with like-minded foreign governments and private sector partners.

Some objectives encourage improving our existing methods to combat corruption, including: modernizing and increasing coordination across government agencies; encouraging and demanding more transparency in global financial systems and beneficial ownership structures; and coordinating with global partners to identify and prosecute corruption, money laundering, and election interference. President Biden also encourages additional investments in the “coordinated effort” to combat corruption, including more staffing and better interagency coordination, and developing new enforcement structures.

But other objectives reflect new, expansive ways of looking anti-corruption policies. For instance, Section 2(e) suggests:

Support[ing] and strengthen[ing] the capacity of civil society, media, and other oversight and accountability actors to conduct research and analysis on corruption trends, advocate for preventative measures, investigate and uncover corruption, hold leaders

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accountable, and inform and support government accountability and reform efforts....

This suggests a larger role for non-governmental actors to partner with government enforcement agencies to advocate for anti-corruption measures. Section 2(i) and 2(j) similarly stress developing “partnerships with the private sector and civil society” and best practices for “foreign assistance or security cooperation activities.”

President Biden through this memorandum is directing a whole-of-government and public-private approach to fight corruption, including potentially establishing grants and partnerships with the private sector, non-profit entities, and other accountability actors to expose and fight domestic and global corruption. The critical question for U.S.-based companies is how their domestic and international operations will be impacted by this holistic approach, including how it may change enforcement priorities and compliance expectations.