

Investigations, Compliance, and Defense

President Biden Declares Fight Against Corruption as Core US National Security Interest and Directs 200-Day Interagency Review to Develop Anti-Corruption Strategy

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On June 3, 2021, President Biden issued a [National Security Study Memorandum](#) declaring the fight against corruption as a core US national security interest. To develop a presidential strategy to bolster existing anti-corruption efforts, the memorandum directs the National Security Advisor, in coordination with the Assistants to the President for Economic and Domestic Policy, to conduct a 200-day interagency review and submit a report with recommendations to the President. The release of this memorandum portends active enforcement of the Foreign Corrupt Practices Act (FCPA) and other anti-corruption laws and regulations by the Department of Justice, the Securities and Exchange Commission, and other agencies. Although FCPA enforcement efforts remained quite active during the prior administration, the memorandum suggests a possible uptick in FCPA enforcement activity under this administration, as well as a renewed commitment by the United States to serving as a global anti-corruption leader, including as part of the Organisation for Economic Co-operation and Development, where the United States has traditionally played an active role.

The memorandum identifies a series of general goals, and the resulting interagency report will likely provide additional detail regarding what specific steps the Biden Administration intends to take with respect to combating corruption, which may include proposing new legislation, ramping up enforcement, or taking additional steps to promote international cooperation in the fight against cross-border corruption. Companies and individuals should expect a renewed commitment to FCPA enforcement and the use of financial sanctions to promote accountability and deter wrongdoing, and the potential implementation of enhanced requirements for transparency and oversight in a variety of areas, including with respect to the movement of assets and the identification of beneficial owners of corporate entities. It is critical, therefore, for companies to continue to ensure that they have strong anti-corruption programs in place to identify and address risk areas and prevent and detect misconduct.

The memorandum makes clear that the Biden Administration views the fight against corruption as a key priority. It argues that corruption causes serious harms, including by corroding public trust, undermining governance, distorting markets, deepening inequality, undercutting development, and exacerbating extremism. Financially, it states that corruption comes at a staggering cost, having been estimated to sap between 2 and 5 percent from global gross domestic product. As a result, the memorandum asserts, corruption threatens US national security, and by fighting against it, the United States can secure a critical advantage for itself and other democracies committed to the rule of law.

To address these issues, the memorandum mandates an interagency review, the purpose of which will be to develop a presidential strategy to achieve key anti-corruption objectives, including the following:

- **Modernization**: Modernize and improve the ability of key executive departments and agencies to promote good governance and prevent and combat corruption, including by, as needed, proposing relevant legislation to the US Congress.
- **Transparency**: Combat illicit finance in the United States and internationally, including by robustly implementing federal law requiring US companies to report their beneficial owners to the Treasury

Department, reducing offshore financial secrecy, improving information sharing, and identifying any necessary additional reforms.

- **Enforcement:** Hold accountable corrupt individuals and transnational criminal organizations, as well as their facilitators, including by identifying, freezing, and recovering stolen assets through increased information sharing, intelligence collection and analysis, criminal or civil enforcement actions, and sanctions, and by returning recovered assets to the citizens harmed by corruption.
- **Institutional Support:** Bolster the capacity of domestic and international institutions and multilateral bodies focused on establishing global anti-corruption norms, asset recovery, promoting financial transparency, strengthening financial institutions' frameworks to prevent corruption in development finance projects, and combating money laundering, illicit finance, and bribery, including by addressing the demand side of bribery, where possible.
- **Oversight:** Support and strengthen 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 unearth corruption, hold leaders accountable, and inform and support government accountability and reform efforts.
- **International Cooperation:** Work with international partners to counteract corruption by foreign leaders, entities, and individuals, as well as by their domestic collaborators, including by closing loopholes that such actors have exploited to interfere in democratic processes in the United States and abroad, and enhance efforts to quickly and flexibly increase US and partner resources to assist foreign countries that show a desire to reduce corruption.
- **Accountability:** Assist and strengthen the capacity of domestic authorities and institutions (including at the state and local levels), and international partners, to implement transparency, oversight, and accountability measures to counter corruption and provide citizens with accessible and usable information regarding government programs, policies, and spending.
- **Private and Civil Society Partnerships:** Promote partnerships with the private sector and civil society to advocate for anti-corruption measures and take action to prevent corruption.

The interagency review to develop a strategy for achieving these goals will be led by the National Security Advisor, together with the Assistants to the President for Economic and Domestic Policy, and will include representatives from various agencies and offices, including the following: the Office of the Vice President; the Departments of State, Treasury, Defense, Justice, Commerce, Energy, and Homeland Security; the Office of Management and Budget; the US Mission to the United Nations; the Office of the Director of National Intelligence; the Central Intelligence Agency; the Office of the Chairman of the Joint Chiefs of Staff; the US Agency for International Development; and the National Security Agency. The interagency review must be completed within 200 days of the issuance of the memorandum, and upon its conclusion, the National Security Advisor shall submit a report and recommendations to the President regarding how to enhance the US government's anti-corruption efforts.

In the meantime, companies should continue to ensure that they maintain or develop robust compliance programs that continuously adapt to evolving risks and factual circumstances, and that they stay tuned in to regulatory and enforcement developments.

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