

Uniting Against Corruption: Launch of the Inter-Parliamentary Alliance Against Kleptocracy



DECEMBER 7, 2021

**Briefing of the
Commission on Security and Cooperation in Europe**

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Commission on Security and Cooperation in Europe
234 Ford House Office Building
Washington, DC 20515
202-225-1901
csce@mail.house.gov
<http://www.csce.gov>
@HelsinkiComm

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ABOUT THE ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE

The Helsinki process, formally titled the Conference on Security and Cooperation in Europe, traces its origin to the signing of the Helsinki Final Act in Finland on August 1, 1975, by the leaders of 33 European countries, the United States and Canada. As of January 1, 1995, the Helsinki process was renamed the Organization for Security and Cooperation in Europe [OSCE].

The membership of the OSCE has expanded to 57 participating States, reflecting the breakup of the Soviet Union, Czechoslovakia, and Yugoslavia.

The OSCE Secretariat is in Vienna, Austria, where weekly meetings of the participating States' permanent representatives are held. In addition, specialized seminars and meetings are convened in various locations. Periodic consultations are held among Senior Officials, Ministers and Heads of State or Government.

Although the OSCE continues to engage in standard setting in the fields of military security, economic and environmental cooperation, and human rights and humanitarian concerns, the Organization is primarily focused on initiatives designed to prevent, manage and resolve conflict within and among the participating States. The Organization deploys numerous missions and field activities located in Southeastern and Eastern Europe, the Caucasus, and Central Asia. The website of the OSCE is: <www.osce.org>.

ABOUT THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The Commission on Security and Cooperation in Europe, also known as the Helsinki Commission, is an independent U.S. Government commission created in 1976 to monitor and encourage compliance by the participating States with their OSCE commitments, with a particular emphasis on human rights.

The Commission consists of nine members from the United States Senate, nine members from the House of Representatives, and one member each from the Departments of State, Defense and Commerce. The positions of Chair and Co-Chair rotate between the Senate and House every two years, when a new Congress convenes. A professional staff assists the Commissioners in their work.

In fulfilling its mandate, the Commission gathers and disseminates relevant information to the U.S. Congress and the public by convening hearings, issuing reports that reflect the views of Members of the Commission and/or its staff, and providing details about the activities of the Helsinki process and developments in OSCE participating States.

The Commission also contributes to the formulation and execution of U.S. policy regarding the OSCE, including through Member and staff participation on U.S. Delegations to OSCE meetings. Members of the Commission have regular contact with parliamentarians, government officials, representatives of non-governmental organizations, and private individuals from participating States. The website of the Commission is: <www.csce.gov>.

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Commission on Security and Cooperation in Europe Washington, DC

The event was held from 11 a.m. to 11:45 a.m. via videoconference, Senator Ben Cardin [D-MD], Chairman, of the Commission on Security and Cooperation in Europe, presiding.

Mr. MASSARO: Okay. Well, thank you all for joining the launch of the Inter-Parliamentary Alliance Against Kleptocracy. This event is getting started. We will go for one hour and end at one hour sharp and we are very happy to have all of these distinguished members with us today, a cross-border, cross-party alliance. We are going to start with opening remarks from Senator Cardin.

Therefore, please, Senator Cardin.

Chairman CARDIN: Well, Paul, first of all, thank you very much for getting us all together as we launch the Inter-Parliamentary Alliance Against Kleptocracy. It really is a pleasure to join my parliamentarian colleagues from the U.K. and from the EU. This is so exciting because we recognize that the only way that we can be effective in our policies is to have unity among those states that represent the democratic states of the world, and it is wonderful that we have this type of alliance to deal with this.

Make no mistake about it: This is a very timely event. Freedom House, once again, did their ratings of democratic states and it is shocking to see a decline of people in the world that are living under a free society. We are now down to less than 20 percent of the world's population that live in a fully free country. That is an alarming number, so we recognize we have a very critical role to play.

President Biden this week is starting his Summit for Democracy to try to develop a strategy in which we can advance democratic states. It is interesting, that the central theme on these discussions will be, how do we deal with kleptocracies, how do we deal with corruption? That is the key. Corruption is the fuel for autocratic societies, for societies that are oppressive against their own citizens, and they get that corrupt funding through the kleptocracy structure. Therefore, we are right in the thick of the most important discussions we are dealing with in preserving democracies.

Therefore, let me just underscore the importance of the role of parliamentarians. We lead. We are the ones who provide the policies to deal with this. We do not have to worry about the niceties of diplomacy that sometimes we see involved in the efforts to try to get countries to do certain things. Therefore, when I look back at some of the critical moments in the parliamentary history in the United States in fighting corruption, I see in 1977 the passage of the Corrupt Practices Act. Now, that act said that American companies could not take bribes in order to get work in other countries. In 1977, that was revolutionary. Our business community said, wait, you're going to penalize us? We are not going to be able to do business in other countries? That is the way things work. We said no. We have got to change that and it only can be changed if we show leadership among the democratic countries of the world. We passed that law, and other countries have followed suit, and guess what? Our American companies are doing business abroad and they are not paying bribes. We can make a difference.

Then we passed the Laundering Control Act of 1986 that said our banking systems need to be protected against the laundering of funds. Once again, we ran into resistance, but parliamentarians spoke out and we got things done. We changed the whole climate on the responsibility of institutions as it relates to laundering of money.

Then, in 2016 with the passage of the Global Magnitsky law—and I am so proud about that, and my partner on that was the late John McCain, a Republican. I am a Democrat. We do not agree on too many social policy issues—we did not agree on too many social policy issues, but we agreed that we have to stand up against the human rights violators of the world and those who perpetrate that through corruption, and we got that done.

Thank you, U.K., and thank you, EU. You have enacted your own Global Magnitsky laws and we appreciate that. Canada also followed suit. Australia's senate passed this month a Global Magnitsky bill. Japan and Taiwan are working on this. When we lead, other countries will follow and we can make a major difference.

Therefore, I want to promote three legislative initiatives that we are looking at right now in the United States Congress and I think Joe Wilson will be with you later. This is bipartisan. Joe's a Republican, I am a Democrat. My partner in the Senate is Roger Wicker on most of these bills. We chair and ranking Republican on the Helsinki Commission. However, we have legislation that would make permanent and expand the Global Magnitsky law.

Now, let me tell you something: We need to take Global Magnitsky to the next level, and that means dealing with the enablers. These are the accountants, the lawyers, the financial advisers. They allow kleptocrats to be able to do their corruption through the use of the rule of law of other countries. We have got to stop that, and if we can hit them with Magnitsky-type sanctions so they cannot use their banking system and they cannot travel, it will make a huge difference. Therefore, that is an important bill we need to get done.

We need to get the Combating Global Corruption Act—I am sorry, the Combating Corruption Act that I have introduced with Senator Young, a Republican from Indiana, that would use the model of Trafficking in Persons TIP reports for corruption so we evaluate every country in the world on how well they are doing in fighting corruption. If they are—if they have the right practices, they are Tier 1; if they are moving towards the right practices, that is Tier 2; if they are not, they are Tier 3, and there are con-

sequences to Tier 3, consequences in our bilateral relations, consequences in being able to participate in certain types of programs.

Then lastly I want to mention the CROOK Act, which would establish a fund available so that we could act quickly when there is an opportunity to enact reforms against kleptocrats. I use Ukraine as an example, and that may be a very sensitive issue at this particular moment knowing what Russia is doing, but Ukraine missed an opportunity to rid its society of the corruption that was systemic for many, many generations. We did not act fast enough as an international community. We are acting now. I have hope for Ukraine's future, but we need to have funds available to be able to act quickly when the opportunity presents itself internationally.

Therefore, I guess my message to this group is, thank you for joining this international effort for parliamentarians' alliance against kleptocracy. We can act as individual countries, and we need to do that; we can act through our regional organizations, and I am very proud of the work we are doing in the OSCE Parliamentary Assembly. We are taking leadership as a collective regional organization, and we can certainly work together in coalition with the Inter-Parliamentary Alliance Against Kleptocracy.

I am proud to be part of your group, and thank you for today's launch.

Mr. MASSARO: Thank you so much for those opening remarks, Senator Cardin.

We will now hear from six parliamentarians who are part of the U.S. Caucus Against Foreign Corruption and Kleptocracy, the U.K. All-Party Parliamentary Group on Anti-Corruption and Responsible Tax, and the EU Parliament Intergroup on Anti-Corruption. Therefore, to start that off, we will hear from Representative Malinowski.

After all parliamentarians have spoken, we will have an opportunity for questions. When you do ask a question, you think of a question, please think about the parliamentarian you would like to direct that question to.

Therefore, let us begin with Representative Malinowski. Thank you.

Representative MALINOWSKI: Thank you, Paul.

Great to see you, Senator Cardin, and all of the other members of parliament from the United States. Joe Wilson will be joining us, my Republican counterpart on many of these initiatives in the House, as well as our colleagues from the EU and the U.K.

I would start by saying that this kind of gathering is Putin's worst nightmare and the worst nightmare of every autocrat or kleptocrat around the world who operates in that mode. It is for a couple of reasons; one was mentioned by Senator Cardin, that corruption is the reason for being for most authoritarian regimes. It sustains them. It profits them. It is often the reason why dictators seize power. It is very often the reason why they cling to power long after their time has passed. However, I also think many of us have noticed that corruption is the greatest vulnerability of dictators like Putin and Xi Jinping and others around the world. Often these authoritarian leaders can use patriotism and nationalism to whip up support for their regimes, even when their regimes are repressive. However, there's one thing that people around the world, of every country, of every culture consistently refuse to accept and that is when their leaders steal from their own people. When I have spoken to dissidents in authoritarian countries and asked them how can the United States, can European countries help them, they often have a very long list, but at the top of the list is, at least do not help the people who are putting us in prison by allowing them to hide their money in your banks, in your real estate, as they have

unfortunately been doing all too easily in a number of European countries and, I am embarrassed to say, especially the United States over the last several years.

Therefore, this is a profoundly important tool in our effort to help democracy win the contest with dictatorship, which I think President Biden believes and many of us on this call believe is the defining contest of our time. When democracies come together to do this we are at our strongest. The dictatorships of the world like to deal with each of us individually. They like to divide and conquer, particularly when it is small countries; like Lithuania right now is undergoing tremendous pressure from China because this small European democracy has dared to take a principled stand on issues that the Chinese Communist Party would rather us be silent on. We have to stand in solidarity together, and when we join forces on anti-corruption, it becomes literally impossible for kleptocrats to hide anywhere.

Therefore, this week's Democracy Summit that President Biden is hosting is a very important step in that direction. As Senator Cardin mentioned, anti-corruption is a central theme of that meeting, and each of our parliaments has legislation that would move this agenda forward. Senator Cardin mentioned the problem of the so-called enablers, not just banks but the real estate firms, the accounting firms, the public relations firms, and the trust companies that have been set up to enable kleptocrats to more easily hide their money, even as we've made it harder to do so through the banking system. We have legislation in the U.S. Congress, the ENABLERS Act, that would close all of those loopholes in the United States, and this week, in the runup to the Democracy Summit, the Biden administration fully embraced that bill and committed to taking whatever steps it can on its own authority to close those loopholes and to work with us to pass the necessary legislation. Therefore, I look forward to working with all of my American colleagues on this call to make sure that we do that in partnership with President Biden.

With that, I will turn it back to you, Paul. Super grateful to everybody for your leadership in setting up this coordinated mechanism and look forward to working with you all to get some good laws passed in the next year.

Mr. MITCHELL: Paul, can I just interrupt, if I may? Andrew Mitchell speaking, from London. Margaret Hodge and I are on a very, very tight time limit. She has to go by 4:20 and I have to go by 4:25. Therefore, if you want three minutes, which I believe is what we have been asked to provide, from the British delegation, you are going to have to do it fairly soon.

Mr. MASSARO: Well, thank you very much for that intervention, and I think that we should make that happen. Mr. Freund, would it be okay with you to have the Brits make an intervention real quick before they have to go?

Thank you.

Therefore, let us go ahead and hear from Mr. Hodge—Ms. Hodge and Mr. Mitchell. Ms. Hodge, are you available?

Ms. HODGE: Yes, I was just unmuting myself. Apologies for that, and thank you so much. Thank you for taking us sooner, but we both have to go. We are both expected to vote in our Parliament.

Can I warmly, warmly welcome this initiative? It is a great initiative, so thank you to you for organizing it. Thank you to Ben Cardin. Thank you to Tom Malinowski and Joe Wilson for the initiative and leadership you have shown for this. We are, certainly from the British side, delighted to be with you.

I think I would make a number of points. First of all, illicit finance, dirty money, lies behind a lot of other crimes. Therefore, in tackling illicit finance and tackling the kleptocracy, we are also dealing with everything from people smuggling to money laundering, from drug smuggling to terrorism, and from fraud to corruption. Therefore, the work we are doing is absolutely, absolutely essential.

It is our responsibility as lead voices in Parliament, in the parliaments of the developed world, to tackle the evils of illicit finance and corruption. It is our enablers, our corporate structures, our property and luxury goods, and our services in the West that create the rabbit hole through which the world's crooks and kleptocrats take their stolen money and let it disappear. They then use their money to clean reputations and to buy influence in our democracies. I think that the final point is really important. I think the timing of this initiative is absolutely appropriate, with President Biden's summit starting in a couple of days, and also in the wake of the Pandora Papers, which again demonstrated the extent of the evil.

From the U.K. side, I work with Andrew Mitchell. We are both on different sides of the political divide, but we have worked incredibly well together. We have managed to get legislation, despite resistance from our government, on transparency in the U.K. off-shore tax havens, and that should be introduced in 2023. We are very vigilant to ensure that they do actually go ahead with that. I have spent the last decade in the U.K. fighting our role as a facilitator of tax avoidance and illicit finance. I think we can learn a lot from each other. I am delighted to tell you I worked with Deputy Prime Minister Dominic Raab on Magnitsky legislation. We took that through the U.K. Parliament, and we are now trying to see whether or not we can improve on the provision that we enacted there.

There are three bits of legislation that I want to share with you. Our group, with Andrew and myself at the helm, are arguing for a public register of the beneficial ownership of properties in the U.K. because it is—the properties that are owned particularly through the tax havens—because that is a mechanism that is used by kleptocrats and others to launder their money into the U.K. We are arguing—and that is a sort of transparency measure. Transparency is at the heart of what we need to do. We are arguing for tough relations with the reform of our Companies House, which is where companies can get registered for a mere 12 pounds. They then set up a network of companies worldwide to move illicit money into the legitimate system, and we are arguing strongly for that. We are arguing for the introduction of a corporate liability reform which will help us to get the enablers that my American colleagues have talked about.

Therefore, I am grateful to you. I really look forward to cooperating. If the democracies of the developed world cannot lead on this, you know, I do not know what we are in the business of doing. I am sure that we can share our experience, share our ideas, and actually pursue legislation in our own national legislatures that will make a difference and will clamp down on the growing kleptocracy that is infecting our world. Thank you, Paul.

Mr. MASSARO: Thank you so much, Ms. Hodge.

Mr. Mitchell.

Mr. MITCHELL: Paul, well, thank you very much. Margaret, my parliamentary colleague in London, has brilliantly set out the position, so I do not need to take too much time. Let me just add a couple of points. The first is that there is no question about the need for this group. I congratulate you and our colleagues, in the EU and in America on

the Hill, on setting it up. I think it is a great idea and I intend to play as full a part as you would wish in respect of that.

We, all of us, need, I think, to be quite self-reflective. You know, Britain probably, through its overseas territories and its crown dependencies and London, may be responsible for up to 40 percent of the money laundering that goes on in the world. Therefore, we have much to do to put our own house in order, and I had the great pleasure of visiting America and meeting a number of senators and congressmen and women, including your very powerful Senate Banking Committee, to talk about the work that Margaret Hodge and I have done, imposing, first on the British government through the majority in the House of Commons and then on the overseas territories and crown dependencies, these open registers of beneficial ownership.

It was very interesting to hear in America while you are not embracing that sort of transparency, you are at least looking at closed registers of beneficial ownership. For America to come on board that would be a very, very good start, indeed. Bill Browder and the Magnitsky Amendments—Bill is a good friend of many of us in the U.K. Parliament. I think it is been a wonderful initiative and has more steam in it not only in terms of other territories joining up but also in the way in which it can be used against villains and felons.

The final point I make is just this, I have seen from my work in international development, where I was the British Cabinet minister responsible for international development for nearly three years, I have seen the way money is stolen from the developing world, who need it so much, by bent politicians and corrupt businesspeople. The Paradise and Panama Papers showed us the extent of this web that the bad guys have got. We need to box more cleverly in order to ensure that we put a bit more heft on the side of the good guys so that we can really crack down and make a big impact on this. Because, as Margaret said, this money fuels the sex trade, it fuels corruption, and it is theft by any other name.

Therefore, all are part of this group. There is a lot to do, and I think within our own parliaments, we can try and make a difference.

Mr. MASSARO: Thank you very much, Mr. Mitchell.

Therefore, now we will hear from Mr. Freund.

Mr. FREUND: Well, thanks, Paul. Thanks, everyone, for coming together for this wonderful initiative. Very glad to be part of this on behalf of the Anticorruption Intergroup in the European Parliament. We are basically about 130 members of parliament from 23 different countries and six political groups. However, we all come together on the idea of fighting corruption.

We all know that unfortunately, the European Union is no longer a club exclusively composed of democracies. We have seen oligarchic structures having reached unprecedented levels, including inside the European Union. We have autocratic leaders, for example, in Hungary. My colleague, Katalin Cseh, will speak about that in a minute, I guess. All of this is actually fueled by EU money. Viktor Orbán and his immediate circles are taking a significant share of the 6 billion euros that the EU is funding every year, including in public investment, in Hungary to basically solidify their power structure and to enrich themselves.

The European Commission, so far—which is supposed to protect fundamental rights, democracy, also taxpayer money—is not taking decisive action against that. Thus far, we

do not—the commission—we, here in the parliament, do not even have an overview of who actually gets EU funds. We cannot see the benefits—the final beneficiaries of EU-funded projects. Now that the United States is back on the international stage, we welcome the signals that we got so far from the new administration and feel that we can really have an impact together—in the fight against corruption together with our international partners.

Let me give you one concrete example. I was in Sofia, in Bulgaria, in September. I met the interim government, including the finance minister, and they told us quite shocking stories, I have to say. Bags full of cash in the office of the finance minister, state assets being looted, criminals with direct access to the previous administration, the prime minister. In this political environment, well, the Americans, and I am quoting our Bulgarian partners here, “dropped the bomb,” the Magnitsky sanctions against three oligarchs, one of them Vassil Bojkov, known for bribing government officials and well-connected to Russia.

Therefore, I think the sanctions had a very desired effect—assets frozen, criminal businesses being blocked. Indeed, the sanctions were so successful that the interim government was telling us that they were very openly hoping for a second round. This also shows, however, that the Americans were doing it, but Brussels was not. Therefore, it once again confirmed the European Commission’s inaction. The democracy summit was already mentioned. One EU member state was not invited to the democracy summit, rightfully so. Orbán used the possibility then to veto a joint EU position sort of in retaliation. Therefore, commission president von der Leyen, who is going to participate in the summit, does not have a unified position of the 27 member states, because those 27 member states so far allow the autocrat in the room to call the shots.

Therefore, this is exactly why this alliance of parliamentarians is so much needed. I am very much looking forward to cooperating with all of you on things like sanctions, corruption, investigations, and so on. Because none of us can win this fight alone. Only if we work together I think we stand a chance. That is why I am delighted that we are founding this parliamentary alliance today. I hope that we can meet soon also in person to discuss what we can do together. Thank you very much.

Mr. MASSARO: Thank you so much, Mr. Freund. I just wanted to remind the audience to please put your questions in the chat and direct them to the parliamentarian you would like to ask the question of.

We will now hear from Mr. Wilson.

Representative WILSON: Thank you very much. Ladies and gentlemen, as the co-chair in the U.S. Congress of the EU Caucus and the U.K. Caucus, I am so grateful to be with you today, with our colleagues from the European Parliament and the British Parliament. Legislators have had the fight against corruption and dictatorship as they led for years in the past, and we need to continue. A new form of authoritarian rule based on corruption has risen from the ashes of the failed communist regimes. However, these dictatorships are, sadly, no less dangerous. They rule through left and patronage and seek to export these same systems abroad. During my numerous visits to Russia and China, I was so impressed by the inspiring people I met. I regret that the leadership of their respective countries has devolved into corrupt authoritarianism.

I particularly grew up with an appreciation of China, as my father served in the Flying Tigers in World War II and gratefully served with Chinese colleagues to protect

the cities of Kunming, Shantou, and Xi'an. These autocrats now use their corruption strategically to undermine our systems and pose a profound threat to all of our democracies. It is time that we harden our system against the scourge of corruption by crony capitalism. This is a bipartisan and cross-border problem. Corruption is not limited to a particular country but rather travels through networks across countries. That is why this alliance is important.

The only way we can successfully achieve corruption fighting is by harmonizing, as my predecessor MP Freund, mentioned. My colleagues and I have worked to innovate in this space. Helsinki Commission Co-Chair Steve Cohen and I have called for a polity of nonrecognition of leaders who hold onto power through corruption—leaders like Vladimir Putin. We have also pushed for legislation to counter Interpol abuse and the abuse of other law enforcement systems meant to pursue justice, but that are instead co-opted by dictators to pursue dissidents and political opponents. I have worked with my colleagues to develop tougher truth-in-testimony rules that will reveal the influence of dictator payments to congressional witnesses.

Finally, we have focused on those who enable corruption—the lawyers, the lobbyists, and others—who take the blood money of dictators to help them achieve their aims. These policies will work if we pursue them together. Russian oligarchs and Chinese Communist Party operatives will always seek out the weakest link. If the money laundering laws are strong in one country, they will go to where they are weak. If enforcement is aggressive in one country, they will go to one which is lax. However, if we work together to close the loopholes, we can deny autocrats and their cronies access to democracies and cut off this vector of influence.

I look forward to hearing from the colleagues about their initiatives and goals, and their vision on how legislatures can work together to curb corruption. The resiliency of our democracies relies on our cooperation. Thank you for your attention, and I yield back.

Mr. MASSARO: Thank you very much, Mr. Wilson.

Therefore, now we will hear from Ms. Cseh, please.

Ms. CSEH: Thank you very much. Thank you very much to all of your colleagues who made it possible to talk on this very crucial issue. I am very grateful to be able to address you today from the European Parliament in Brussels. I think it is high time for a meeting just like this to launch an Interparliamentary Alliance Against Kleptocracy and to join forces as a transatlantic—[inaudible]—of legislators.

I believe this is a truly unique chance to make real progress on this very global challenge because I believe that corruption and human rights abuses are just two sides of the same coin. The two are inseparable. Autocrats and oligarchs oppress their people so that they can enrich themselves. Then they are stashing money abroad so they can continue oppressing their people. This is a vicious cycle, and they are desperately grabbing onto power because they want to escape prosecution for corruption.

Therefore, we, as legislators, have to keep that in mind always, all the time. I strongly believe this is our only chance to effectively combat authoritarianism. This is on the rise, and I see that as a global trend. I am a first-term legislator in the European Parliament. I am an opposition politician from Hungary, and unfortunately, in my country the situation that happened under Viktor Orbán's government—basically, my country has become synonymous with democratic backsliding thanks to the leadership, that we hope

to change next year. I also witnessed firsthand how systemic corruption goes hand-in-hand with democratic backsliding.

Of course, the breakdown of the rule of law might be an abstract concept, but then again it is also something constituents can understand very easily. For a lot of people, it means that development funds never arrive in the poorest communities, but instead end up with a well-connected family member or maybe the prime minister's son-in-law. That happened in Hungary. It also means that jobs and life chances are decided upon political loyalty. This is not only deeply unjust, it also destroys economic growth in the long run.

Therefore, creating a rule of law sanctions mechanism on the European Union level was one of the top priorities of this parliament. However, I believe it has to go further, and we have to go further together. We need effective instruments, and we need to work together with like-minded democracies to also coordinate these tools. This is why this parliament was very happy to hear about President Biden's democracy summit, coming up this week. We also believe that the fight against corruption has to be front and center in this fight.

I, myself, am the European Parliament rapporteur on a set of recommendations on corruption and human rights in third countries. The parliament's priority in these recommendations is to create effective EU-level instruments and a strong sanctions framework that also includes corruption as a punishable offense. It is not widely known that it is still an important shortcoming. All of the major democracies sanction corruption. You all know that the U.S., Canada, and recently the U.K. Thus far, the EU are the only ones missing, and I believe this is not only a minor policy detail. If we continue this way, the EU is risking to become a safe haven for dirty money.

Autocrats and oligarchs who are fighting over sanctions in the city of London, for instance, basically see a billboard here saying: Bring you money here, and it is safe here. It is the only place in the West where they will not be sanctioned. This is absurd, and I think we need to change that. Coordinated sanctions are so much more efficient than each country going their own way. However, it is also a priority for the EU to create a strong corporate due diligence-type instrument to target the financial infrastructure that is underpinning global corruption, or, in other words, the enablers of global corruption.

It is clear that all parliaments and governments need to work together on this. If we improve the cooperation and the exchange of information between our law enforcement agencies, then we can fight crime more effectively. I hope that our alliance is the first step in that direction. Thank you very much, and I am very much looking forward to working together with you.

Mr. MASSARO: Thank you so much, Ms. Cseh.

Therefore, finally we actually have an additional guest, another European parliamentarian, Ms. Wolters. Therefore, we want to—we want to let you—give you a chance to speak. After that, we are going to see if we can get through some of these questions. Therefore, please put your questions in the chat. Then we will end either at one hour sharp, or when we run out of questions. Therefore, Ms. Wolters.

Ms. WOLTERS: That is very kind of you. I was not expecting to speak, but I am happy to. I will keep it brief. However, I think Daniel has described quite well that in the EU, of course, we are in a rather particular situation, in that I do not think the EU was ever designed with the idea that we would end up with strange bedfellows internally within our system. I think the EU system was built with the idea very much in mind that we

were a group of like-minded states that could depend on each other, that could depend on each other's democracies and rule of law being in order, and alas, we are not in that situation anymore.

As he said very aptly, and so did my colleague Katalin, who experiences results of this, you know, on a daily basis, we are in a situation not only where we have strange bedfellows internally, but where they are able to use the very money that is supposed to make our union more effective and better for citizens to enrich themselves and line their pockets. All of these issues, it was mentioned before, are very much interlinked. We have issues of subsidies, of rule of law, of corruption, and autocrats.

I think that—it was said by one of the previous speakers, as parliamentarians we have a role to lead, as difficult as it might be. Also to organize ourselves internationally. I think we need to lead on this and create—and explore creative avenues for doing that. Internally in the EU, given that we are a club of 27 member states that on these themes often have to agree with each other for there to progress, I think it is very welcome that we are exploring now how internationally we can tackle some of these things if internally things are proving to be difficult at the moment. After all, of course, if crime is internationally organized, so should we be.

I will leave it at that. I am very grateful to those who have organized this meeting. I look forward to cooperating with you, and I know also that with Daniel and with Katalin's lead on this, we will be in good hands from the EU side. Thank you.

Mr. MASSARO: Therefore, thank you very much. Therefore, we have now exhausted remarks, and we will move to questions. Therefore, please put your questions in the chat.

Our first question is from Maria A. Marquez. She has a question for Senator Cardin and Representative Malinowski. Therefore, we will start with Senator Cardin and Representative Malinowski. If, Senator Cardin, you are willing to take a question.

Therefore, this is—she is the founder of the initiative for the recovery of Venezuelan assets. She is asking: Are you working on bills that make it easier for victims, mainly the people of the countries where money has been stolen, to receive the benefit of recovered assets?

Chairman CARDIN: This is a continuing struggle. We have been trying to convince countries to have laws in regard to the recovery of funds that have been inappropriately taken within their own country. Therefore, we have been fighting this issue since World War II, in regard to recovered corrupt assets. That battle is still continuing, even dating back to World War II crimes. Therefore, the answer is, it is a continuing battle.

We do have some domestic laws that deal with assets that we have control over within our own country. We are trying to make those laws more easily available. We would like to—it would be best if we could work on a global response to try to develop international laws that deal with recovered properties, and that, to me, would be a major step forward. Clearly, we want to first trap those assets, be able to get those assets, and then have a system where they can be returned to their rightful possessors.

Tom may have some additional views on this. Let me—let me, if I might, Tom Malinowski brings to the House of Representatives an incredible wealth of experience working in the private sector, working in the executive agency, and now in the Congress of the United States. It really can, I think, give us some good guidance as to how we can work in an interparliamentary sense.

Mr. MASSARO: Thank you very much, Senator.

Representative Malinowski.

Representative MALINOWSKI: Thanks, Senator Cardin.

Therefore, in addition to what Senator Cardin said, which I wholeheartedly agree with, I would say that the U.S. government does work quite aggressively to freeze assets when they are linked to corruption. I think we could probably do a better job working in a multilateral way, sharing intelligence with our like-minded partners so that these are more often coordinated actions. I think we all agree on the importance of countries acting in unison.

Finally, we have a bill in the U.S. Congress called the Justice for Victims of Kleptocracy Act, a bipartisan bill that basically says that when the U.S. government does freeze a kleptocrat's assets, that this should be publicized so that the victims know. If we seize, you know, assets of a corrupt general in Nigeria or a kleptocrat in Russia, or what have you, we want the people of those countries to know that we have done it.

Again, that is a bipartisan bill. We do need to work a little bit harder to get it across the finish line. I am looking at my friend Joe Wilson on this one, who is a strong supporter and a co-sponsor of this bill. Joe, we need your help a little bit with some of our committees in the House, to get your friends to clear this bipartisan bill. Therefore, I am taking advantage of this call to try to move that good piece of legislation forward. Thanks.

Mr. MASSARO: There it is, folks. Politics in action, right here, live. Therefore, the second question we have is addressed to all panelists, but I am going to throw this one to Mr. Freund. That is, from James Cohen, the executive director of Transparency International—an organization I think we all know in the various chapters in different countries. However, this is Transparency International Canada.

ASKING: Are there goals to expand this network to other democracies, such as Canada?

Mr. FREUND: Well, I think our club is open to all parliamentarians who share the goals of this alliance. The more we are, the broader we represent democracies that want to fight corruption and money laundering and the tax on our liberal values, the stronger we are. Therefore, I would very much welcome our Canadian colleagues in the alliance as well. Good to see so many former colleagues from Transparency International—at this meeting.

Mr. MASSARO: Great. Thank you so much. Therefore, another TI guy and also former U.K. parliamentarian, Duncan Hames, policy director over at U.K. TI, asks another question.

Therefore, he asks: Anticorruption efforts too often assume no countermeasures from corrupt actors. Now we have this exciting international parliamentary alliance. How can we best ensure members of our legislatures are resilient to interference from kleptocratic regimes and their cronies? A good question, although Duncan did not specify a parliamentarian. Therefore, given that Representative Wilson and Ms. Cseh have not had a chance to respond yet, I just wonder if there is any interest from them to respond, or any interest from any parliamentarian to respond.

Representative WILSON: Indeed, Paul. I look forward to working with our colleagues across Europe. Particularly we certainly need to include our Canadian friends too, and neighbors. By working together and identifying efforts that can be successful—and we have had past success with the leadership of Senator Ben Cardin. I look forward to

working with Congressman Malinowski too as we identify legislation and/or initiatives, working with different federal agencies on every level. It will be a positive experience.

Mr. MASSARO: Excellent. Well, thank you, Mr. Wilson.

Therefore, that exhausts our questions. Any closing remarks? Ms. Cseh, yes?

Ms. CSEH: Yes. If I could just jump in for a last question. Just a brief comment. Therefore, I believe that interference is really something that we should take very seriously, no matter where we are in the world. I am more familiar with the EU context, but there may be some things that could be globally applicable. I believe that we should be much more vigilant when it comes to vetting, for instance, people who work for our members here in the parliament.

I am very saddened to see that—I am on the foreign affairs committee, for instance, and the human rights committee. The colleagues who work with us very often undergo almost no special vetting, even though they are dealing with highly specified documents. There were noted cases in kleptocratic governments that basically planted people in far-right populist politicians' offices here in Europe. I think this is something really, we have to take seriously.

Another thing is much, much higher transparency requirements regarding meetings, regarding declaration of interests, and more strict revolving door rules, applicable to those who work in institutions or work for parliamentarians. There are bodies in the European Union, for instance, such as the European Council, which is basically a black box. The meetings, not even the agenda of the meetings, are public very often. We do not know what happens there. Therefore, greater transparency can be a deterrent for those members who might be prone to interference, in a way.

However also, I think, cybersecurity is also another issue that we have to take very seriously about parliaments. Hacking, malware, phishing—these are practices that are very often run—being run by those governments who want to interfere with our democratic actions coming from kleptocratic governments. However, these are just some ideas to throw in. Maybe there are some more specific examples from others.

Mr. MASSARO: Okay. Well, thank you all so much for joining us this morning. The Interparliamentary Alliance Against Kleptocracy is now officially launched, and of course, now the hard work begins. Therefore, thank you again, and we will close there. Goodbye.

[Whereupon, at 11:45 a.m., the event ended.]





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