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A KICKOFF EVENT FOR THE SUMMIT FOR DEMOCRACY

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## P R O C E E D I N G S

MR. EISEN: Good morning, everyone. I'm Norman Eisen and I'm a Senior Fellow in Governance Studies here at Brookings and the chair of our leveraging transparency to reduce corruption, LTRC, initiative.

I'm delighted to welcome all of you to today's conversation on combating corruption to drive democratic renewal. I do so on behalf of our event cosponsors, Brookings, LTRC, the German Marshal Fund of the United States, the Center for European Policy Analysis, SEPA, and the Fact Coalition and last but far from least, the Transatlantic Democracy Working Group, which I also cochair. So I'm wearing a lot of hats today.

Today's discussion is part of the civil society kick off of this week's Summit for Democracy and it is also the occasion for the launch of our democracy playbook, 2021 edition. As we know all too well, democracies around the world are under stress with their institutions and norms challenged and in some cases undermined by illiberal actors. As TI notes, the failure to significantly control corruption is contributing to a crisis in democracy around the world since corruption undermines democratic institutions and in turn weak institutions are less able to control corruption.

The Summit for Democracy is an important step towards grappling with this issue and reversing that vicious interaction between corruption and democratic backsliding. Flipping it to a virtuous cycle of fighting corruption and advancing democracy. The months and years to come will be make or break periods of democracy both on the anticorruption front and on other main issues and we must all rise to the challenge.

That's why I'm so pleased we're launching our democracy playbook, the 2021 democracy summit edition. You'll hear much more about that from my fellow coauthors in the second half of the program. And having this event with our distinguished speakers today. Both our report and today's conversation will highlight concrete ways that government, civil society, and private sector actors can combat corruption and defend democracy.

I would also like to thank the coauthors of our democracy playbook. Susan Corke,

Jonathan Katz, Andrew Kenealy, James Lamond, Alina Polyakova and Torrey Taussig. Here in the U.S. the Biden administration has underscored its intent to combat corruption and promote democracy with President Biden stating that fighting corruption is not just good governance. It is self-defense. It is patriotism and it's essential to the preservation of our democracy and our future.

That includes cracking down on tax havens and illicit financing that contribute to income inequality, fund terrorism, and generate pernicious foreign influence. And today is also the occasion of the release of the United States government's comprehensive anticorruption strategy and you're going to hear more about that from our first speaker. The Department of the Treasury has an important role to play in tackling these issues. And we are so delighted to have with us today my friend, the Deputy Secretary of the Treasury, Wally Adeyemo.

Deputy Secretary Adeyemo will share remarks and join Brookings' President John Allen in conversation to further address anticorruption priorities. I will then moderate a panel discussion with a distinguished group of anticorruption and democracy experts through the lens of the upcoming Summit for Democracy and the release of our democracy playbook, 2021, which features 10 commitments like the 10 commandments. But they are the 10 commitments for fighting against democratic backsliding and promoting democracy so stay tuned for that.

But first, I'd like to turn to Brookings' President John Allen. John?

MR. ALLEN: Norm, thank you very much for those terrific introductory remarks. And if anyone who has been tuned in this morning has any doubt about who the secret weapon is at the Brookings Institution and to strengthen not just American but global democracy, it's Norm Eisen. And he has led a great team not just inside the institution, but a great team across other institutions and other elements of the government to deal with the issue of creating this virtuous cycle that he has talked about to strengthen democracy. And to have those components that may well, in fact, cause the deterioration or the backslide of democracy.

So, ladies and gentlemen, it's an honor to be with you this morning. I'm John Allen and I'm the President of the Brookings Institution. And I'm pleased to welcome you to this first event of

combating corruption to drive democratic renewal, a kickoff event for the Summit for Democracy.

And today's event will provide key insight into President Biden's Summit for Democracy, which is scheduled to happen later this week on December 9<sup>th</sup> and 10<sup>th</sup> for two days. Nations from around the world will discuss several important topics including the fight against corruption.

And with us today is someone most familiar with this issue, Deputy Secretary of the U.S. of the Treasury, Wally Adeyemo who was sworn into his current position on the 26<sup>th</sup> of March 2021, as the Deputy Secretary. And he has dedicated most of his career to public service. And, sir, we are honored and grateful for your dedication to our country, your dedication to our democracy.

He began a prolific career in government but was also a member of the Brookings' family before he went into government. And here, he served as the editor of the Brookings' Hamilton project, which produces evidence-based policy proposal and analyses to promote broad-based economic growth. So in some respects, Deputy Secretary, welcome home. It goes to the old Brookings' motto, once hired always hired.

Shortly after he joined the Obama administration serving in prestigious roles such as the Deputy of National Security Advisor for International Economics and the Deputy Director for the National Economic Council. A graduate of UC California or UC Berkeley and the Yale Law School. He is a world renown expert on such issues as international finance, trade investment, energy, and environmental issues.

We could not be more honored than to have Deputy Secretary Adeyemo engage with us today on these important topics and to help us to kickoff this critical issue. So with that, sir, let me turn the floor over to you for your opening remarks. I'll come back at the end, and we'll have about 20 minutes of questions and answers. So, sir, over to you.

MR. ADEYEMO: Well, let me say a word of thanks to General Allen and to Ambassador Eisen and the Brookings Institution for inviting me to speak today. It's great to be back home once again.

This week as General Allen mentioned, President Biden is hosting the inaugural Summit for Democracy. Representatives of 111 nations will discuss how we can collectively advance our system

of government that provides people with the right to define their destiny. Including efforts to fight corruption.

As those of you who work on these issues know well, there are good reasons to put anticorruption at the center of our efforts to promote democracy. Democracy depends fundamentally on institutions and on trust. Institutions perform the fundamental work of democratic government from faithfully representing the interest of people to ensuring everyone pays the taxes they owe.

Institutions in turn depend on trust. Trust between citizens to resolve their differences through democratic processes rather than outside it and trust in the government to provide effective leadership in times of calm and crisis.

Corruption unfortunately is corrosive to both. It siphons resources away from democratic institutions and erodes people's trust that these institutions will serve them in the first place. According to an IMF study, corruption cost governments around the world \$1 trillion in lost revenues each year. Though we know why corruption is such a problem how we combat corruption is often the challenge especially where it intersects with the U.S. and global financial systems.

Corruption thrives in the financial shadows. In shell corporations that disguise owner's true identities, in onshore jurisdictions with lax anti-money laundering regulations and in complex structures that allow the wealthy to hide their income from government authorities. This is not a problem that can be solved by law enforcement agencies alone. It is critical that the finance ministries around the world play a central role in rooting out corruption.

That is why Secretary Young has called on the Department of Treasury to focus on combating corruption as part of a whole of government strategy announced earlier today. Today, I'd like to share some of the nuts and bolts that Treasury has planned to combat corruption, promote democracy, and protect the integrity of the financial system.

Our approach is driven by three major lines of effort. One, improving transparency. Two, increasing enforcement. And three, deepening our partnerships.

Let's take transparency first. For too long corrupt actors have made their home in the

darkest corners of the global financial system. Stashing the profits of their illegitimate activities in our blind spots. A major component of our anticorruption work is about changing that. Shining a spotlight on these areas and using what we find to deter and go after corruption. Shell corporations and front companies are one of these corners.

Current U.S. law allows those seeking to hide their financial activities to form companies anonymously without disclosing who ultimately owns and profits from them. That makes moving illicit funds into the U.S. financial system especially enticing for criminals and corrupt actors. And it makes it even more important that the federal government has the tools to prevent and combat it.

Let me provide a quick example. In March, the Department of Justice unveiled charges against 10 Iranian nationals for a scheme involving more than \$300 million in illicit transactions on behalf of the Iranian government. That's scheme ran for nearly 20 years because its participants used U.S.-based front companies to hide the nature of their activities. This scheme was not only a crime, but it provided a state sponsor of terrorism with the resources to fund activities that put our national security at risk.

Over the last year, the Treasury Bureau charged with administering anti-money laundering laws and regulations, the Financial Crimes Enforcement Network or FinCEN have been working hard to change this by implementing the Corporate Transparency Act. This law for the first time requires certain types of U.S. and foreign companies to disclose their beneficial owners. The law also enables FinCEN to build a central registry of this information that will be shared with law enforcement and national security agencies.

Treasury is taking the aggressive stance and implementation of the CTA pursuing an approach that will arm us with the information we need to deter and fight corruption at home and abroad. We're doing this in collaboration with the business community who share our interest in rooting out corruption and protecting our national security.

We're well cognizant that new rules like this one can impose compliance burdens on companies especially small businesses. This is why we're working to ensure the cost of compliance on

average will be less than \$50 per company.

Another of these dark corners, the real estate market. Today, certain all cash real estate transactions are not subject to permanent anti-money laundering rules or requirements for beneficial ownership disclosure. As a result, our real estate markets are at risk of becoming a safe haven for criminals, kleptocrats and others seeking to acquire corrupt profits.

For example, it has been reported that the brother of former Democratic Republic of Congo President Joseph Kabila embezzled millions of government funds and stashed some of them in the U.S. real estate worth nearly \$3.5 million. He was reportedly able to turn these illicit funds into valuable assets by making these purchases in cash. Taking advantage of this longstanding gap in U.S. anti-money laundering rules.

For nearly two decades, and by bipartisan coalition of elected officials and experts have called for action to stop these forms of corruption from finding shelter in our economy. That is why today, Treasury announced its plan to seek public comment on how to close this loophole in the real estate market.

We look forward to working with people like the experts in this room, local officials, and the private sector to develop a regulatory approach that will safeguard the integrity of our markets and root out corruption in American real estate.

The second prong of our anticorruption work focuses on enforcement. Using the new information, we gathered to go after corrupt actors with sanctions and other enforcement tools, in arming our law enforcement partners and sister agencies with the best possible information to investigate and prosecute crimes of corruption like bribery, embezzlement and extortion.

In October, Treasury released results of our review of U.S. sanctions policy. The review offered several recommendations to modernize our sanctions tools including to adopt a structured policy framework that ties our sanctions to clear policy objectives, renew our commitment to multilateralism, calibrate sanctions to mitigate unintended impacts and modernize our sanction technology and infrastructure.



Treasury is working with our colleagues across the government, our allies, and partners on operationalizing the results of what we know including how to use our anticorruption sanctions authority with these principles in mind. We also plan to use new resources like beneficial ownership data to help implement the review's recommendations and enhance the targeting and efficacy of our sanction's actions.

Today Treasury has designated 216 targets with our anticorruption sanction's authority. Today under this authority, Treasury is designating an individual for providing material support to Dan Gertler, a billionaire who amassed his fortune through hundreds of millions of dollars' worth of rough mining and oil deals in the Democratic Republic of Congo. As well as 12 entities owned or controlled by this individual.

Treasury's enforcement actions go beyond sanctions. They also include criminal law enforcement. For example, the IRS' Criminal Investigation Division has worked closely with the Department of Justice and Homeland Security to investigate and prosecute a former Ecuadorian official who laundered bribery payments through the United States. The official who accepted more than \$5 million in bribes to direct government contracts to three reinsurance companies was ultimately sentenced to more than four years in prison earlier this year.

With per capita GDP in Ecuador standing at less than \$6,000, cases like this highlight the role of corruption in both eroding trust in public institutions and undermining economic fairness.

The truth is (inaudible) by the wealthy and powerful to deprive the public of resources also exists within our own borders. Today, the top one percent of earners in the United States underpay their taxes by more than \$160 billion a year. Depriving every other American of the money we need to invest in things that benefit the whole country like roads, childcare, and education.

The President believes it is fundamentally unfair that the wealthy are allowed to play by a different set of rules when it comes to paying their taxes. That's why the Build Back Better Act includes substantial new funding for tax compliance giving the IRS the tools it needs to identify and go after tax avoidance. This enhanced tax enforcement will not only generate \$400 billion in revenue over the next

decade. It will help deter tax avoidance and assist Treasury in identifying instances of corruption working side by side with the tools provided under the Corporate Transparency Act.

This brings me to the final piece of our anticorruption plan partnership. We're working to expand our partnership in the fight against corruption with our allies and partners abroad, with the private sector and with civil society groups. We cannot stop corruption at home if we do not also help stamp it out abroad. According to data from Swift, more than 40 percent of global payments are conducted in Euros or pounds. Roughly the same share as the dollar.

The globalized nature of the financial system means that our efforts to keep illicit funds out of U.S. markets cannot succeed if other jurisdictions offer an open door for them. We're fortunate to have a growing consensus around this view. The U.N., the G20, the G7 and the Financial Action Taskforce, the FATF, are important partners. And we're working with them to ensure that many of the measures I discussed today are applied elsewhere.

For example, we're working with the FATF to bolster global standards for beneficial ownership transparency and remove opportunities for regulatory arbitrage. We are working with the multinational institutions like the IMF and World Bank to help incorporate rigorous anticorruption standards into their lending policies.

Let me also take this moment to affirm our commitment to partnering with the private sector on anticorruption efforts. Our transparency initiatives depend not only on implementation and compliance by the private sector but also on the sectors proactive vigilance. Financial institutions and other private sector organizations must undertake robust due diligence and actively seek to avoid corrupt clients and counterparties to keep our financial system secure.

Their efforts to gather and share this information help feed a virtuous cycle allowing us to better target our actions and minimize the cost from a private sector while protecting our national security. And of course, we are grateful for the continued partnership of civil society to investigate corruption and provide us with critical information to inform our anticorruption priorities, policies, and enforcement. We want to work towards deepening this partnership in the months and years to come.

In closing, I want to reiterate our fundamental view that nobody should be able to play by a different set of rules. That's why Treasury will remain focused on ensuring the rich, the powerful and the corrupt cannot use the global financial system to protect their illicit assets or avoid paying their fair share. In doing this work, Treasury's goal is to promote democracy, to safeguard America's national security and protect the fairness and integrity of our economy.

I believe that with the actions we've announced today and the ones we'll announce this week and in the future we're closer to those goals. With that I'm looking forward to our conversation.

MR. ALLEN: Well, Deputy Secretary Adeyemo, thank you for those terrific remarks. And it's really an exciting time I think for the Department and an exciting time for our country. Certainly, at Brookings we are excited about the Summit for Democracy and the work that we've done on the democracy playbook.

Now, sir, you've laid out a number of things. Three particular areas, but as you said and as Norm said before you. This issue is really a national security. As the President said, "Corruption threatens the United States' national security, economic equity, global antipoverty and development efforts and democracy itself" and the term corrosion or the corrosive effects of corruption we can't overstate how bad that can be for democracy especially in fledgling democracies around the world.

Treasury is such an important part of this. Not just in the interagency context but also a department by itself. So you've laid out some of the work that you're doing today, Deputy Secretary Adeyemo. What could you say in summary that specifically points to Treasury support of the President's view that getting after corruption is a matter of national security?

MR. ADEYEMO: General Allen, you know the issues of national security better than anyone. I think it's important for us to realize that in order to protect our national security, it requires us to also protect the financial system.

And often times, the people who seek to take advantage of our country or our allies and partners do so by benefiting from illicit financial support. So a big part of this for us is making sure that we do everything we can to protect our financial system with the knowledge that often times these issues

of corruption aren't issues that only exist in faraway countries. But those people who gain this illicit support in financials in faraway countries often move that money to places like Miami or South Dakota or Delaware.

So a big piece of this for us is actually implementing the beneficial ownership rules that Congress provided us with the authority to implement last year. It's been a central piece of work for us because we know by doing this it provides us both with better transparency as to who the real owners are of corporations in our country and how the money is moving within those companies in a way that further some of this illicit activity.

The example that I stated of the Iranian actors who were taking advantage not just of the financial system but of the American financial system was a clear sense of what the national security risk is without rules like the Beneficial Ownership Rule that we are working to put out as soon as possible.

So a big piece of this is transparency because while transparency provides more information to the people who are governed, but it also provides information to law enforcement entities and to national security entities. I think a big piece of this is once that transparency exists, the way to deter people from taking these actions is actually by using the enforcement tools that also exist. And that's why today we've announced the sanctions that we're announcing against the associates of Dan Gertler to demonstrate that where we have information, we will act. And we will act in a way to cut people off from the United States financial system.

And then finally the last thing I would say is partnership because as you know well, General, the global financial system is interconnected. Money moves quickly and it moves to jurisdictions where there is a laxer rules and regulations. And while we're closing down holes in our regulatory approach in the United States. The only way to prevent these corrupt actors from moving the money somewhere else is by working closely with other countries to do the same in their jurisdictions. A building of regulatory architecture that prevents illicit funds from moving into those countries and that would be critical to a global anticorruption effort.

MR. ALLEN: Well, thank you for that explanation. I remember from a previous life, and I

was so happy to hear you talk about the Iranians.

As we sought to shape the theater to deal with Iranian behavior. Now, we were always operating in many respects in the physical domain. And we were limited in so many ways on how we could move forces or employ intelligence assets. But the one thing that Iranians no matter which direction they turned, they ran head on either into the Treasury Department or our allies that work within the financial sector.

And in so many ways when we talk about one of the most powerful forces on the planet, one of the most powerful forces in America can wield on the planet it's not about 10 carrier strike groups in many cases. It's about the financial sector and what Treasury can do. And we were always so proud of what the Treasury Department was able to do. And now so proud of what the Treasury Department is about to do.

As you've noted, the Biden administration has made it clear that advancing equity for all is both a moral imperative and critical to our economic success. It's also an essential dimension of promoting "democracy which protects human rights, promotes human dignity and upholds the rule of law which we all want so badly."

So how does this the new initiatives that we talk about today advance economic fairness? And how does Treasury seek to advance economic fairness through its other work domestically and very importantly abroad?

MR. ADEYEMO: So, General Allen, I appreciate the question. I think one of the things that we all recognize is today global -- and we are all suffering from a pandemic that respects no borders. And in countries all over the world, the things that they need to address the pandemic is additional resources for public health. Fiscal resources. They need to be able to spend money from their budgets to do this.

But as I stated in my remarks, the IMF estimates that because of corruption, governments around the world are missing out on \$1 trillion a year in revenues. \$1 trillion a year of revenues that can help fight the pandemic, that can help investment in children, investment in

infrastructure and invest in their futures. And as I also stated, this isn't only a problem that exists beyond our borders.

Today in America it's estimated that the top one percent of income earners underpay their taxes by \$160 billion. Fundamentally, this is unfair. Unfair to taxpayers in the United States. Unfair to taxpayers around the world. And this is why the President is focused on making sure that there aren't different sets of rules for different people in our country but that also exists globally.

Now that's why the President has been so focused on making sure that while we take the steps to do things like implement our real estate set of rules and a regime around real estate to make sure that people aren't able to take their corrupt assets from a foreign country and buy real estate in the United States to protect those assets. We also need to be very focused and vigilant on making sure that we do this globally working with our international partners.

Because fundamentally, it isn't only about fairness. It's also about making sure that our countries have the resources we need to invest in our future.

MR. ALLEN: That's absolutely terrific. Investing in the future is the only way we'll succeed and strengthen our democracy and those of our friends, allies, and partners overseas.

Now, let me ask I think this will be our final question. You've noted that America's interest in a strong, stable and rules based economic order is also deeply intertwined with our foreign policy and our national security interests. Our economic objectives cannot succeed with the international financial system facilitates the illicit flow of funds to oppressive regimes, terrorist groups, cyber criminals, and other malign actors. And they all seem to come out of the same pot, and they all seem to work together.

Would you expand on some of these key challenges that you face as the Deputy Secretary of Treasury? And the opportunities that the Treasury Department sees with respect to combating these illicit flows?

MR. ADEYEMO: I'm happy to, General Allen. And I'll start it up by talking about something I know you worked closely with the Treasury Department on in terms of countering the finance

of ISIS.

And I think there what we did was we used the innovations and what we have learned over the years to counter the finances of a group that was largely -- that was hard to target, but we were able to innovate and use innovation to come after their finances in order to support the great work that you were doing around the world.

And that's exactly what we have to do today. The truth is that those people who seek to use the financial system and move illicit gains are innovating all the time. One of the innovations is that they're using new sources and new methods to move money. One of them is crypto currency today. And a big focus has been around trying to make sure that we extend the regulatory regime that we have built to prevent the movement of illicit finances to capture new technologies.

Working closely with the private sector to do this, but also making clear that where people are unwilling to adopt the rules-based order that has been designed over years to protect our financial system, we will take actions using our criminal law enforcement, working closely with the DOJ, but also our sanctions regime to go forward.

We recognize that the financial system is going to innovate and where innovation exists those that are looking to move money illicitly are going to try and take advantage of that innovation. But the things that I think is important for us to also recognize is that many of the kleptocrats or those looking to move corrupt assets use the traditional financial system every day.

That's why going after cash transactions and real estate is so important because the example, I stated earlier about the real estate transaction that happened and all cast that was done by a relative or (inaudible) individual didn't happen somewhere in the middle of the country. It happened right here in Washington, D.C. That someone was able to buy a \$3.5 million property using an all-cash transaction, using illicitly gained resources.

So it's critical that we think about what we can do to keep up with innovation, but it's also important to realize that in many of these cases people are buying front companies or trying to buy real estate using traditional means, using cash and it's critical that we expand our regulatory regime to capture

that as well. And we know that if we do this in the United States, the truth is that people are going to try and move these resources from the United States to other jurisdictions.

That's why it's critical that we do exactly what you did to counterize this campaign which was internationalize our efforts and make sure that we're building a broad coalition around the world to prevent corruption. And that's exactly what we're doing here at Treasury today.

MR. ALLEN: A terrific answer. Thank you so much. Let me with one short question because I know your time is extremely limited and we're so grateful for every minute that you have given us.

You know, Treasury often is relatively unknown to the American people. We have this sense of this enormous institution that is an engine for American democracy, and it has become even a greater engine now.

Would you tell the listeners, those who are tuned in this morning, tell us a little bit about the people that are in the Treasury Department?

MR. ADEYEMO: Well, thank you for asking me that because I think one of the things that we celebrate the most here is the dedicated career employees who work here at the Treasury Department.

The over 70,000 of them who have come here to serve their country in various ways including the people who work on issues of anticorruption throughout the Department. And the reality is that when we think about corruption, we think about illicit finance. This isn't only the work of a small group of people here at Treasury Department. It is something that cuts through the entire department.

That every employee cares deeply about that they work on to ensure that our nation's financial system has integrity. That they are using that integrity to further our national means and help create opportunity here in the United States but also around the world. Like so many people in our country, they care deeply about making sure that America has the resources that we need to continue to build opportunities for our children going forward.

So where Secretary Yellen and I are so grateful to have an opportunity to lead these



dedicated public servants who come here every day thinking about how they can make this country better.

MR. ALLEN: Well, we're the ones who are grateful for your leadership and that of Secretary Yellen. And by the way another Brookings alumni. And it's just great to see the work that is going on today in the department. And I'll ask Norm to rejoin us.

The Deputy Secretary, we couldn't be more honored than to have you with us today. It's a wonderful kickoff to our own launch. We feel so good about the hands within that hold the Treasury Department up and the great work that you're doing. So thank you very much for joining us today. And, Norm, if I may? I'll turn it over to you so you can thank the Deputy Secretary and we'll continue with your panel.

MR. EISEN: Thank you, John. Thank you, Deputy Secretary Adeyemo. And what a stimulating conversation to help launch the democracy summit week, the U.S. government's new anticorruption strategy and those powerful, concrete steps that Treasury and the administration are taking. We're very grateful that you were able to be with us, Deputy Secretary and John as always. We thank you for your leadership and for participating today and making all the work that we do at Brookings possible. Thank you, gentlemen.

MR. ADEYEMO: Thank you for having me. Take care.

MR. EISEN: With that I'm very privileged now to begin the second half of our event, which will focus on the inaugural Summit for Democracy and launch our democracy playbook 2021, the democracy summer edition.

This document which is available on the Brookings' website if you just Google Brookings democracy playbook, you'll find it or look for it on our website. And we're going to give you other references to it. I really hope folks will take a look at it.

We're launching it this week to help provide our humble suggestions on context for the democracy summit as the world's nations civil society and other stakeholders gather together this week formally convening on Thursday and Friday to determine how to halt democratic backsliding and advance

democracy all over the world.

It's a really unique opportunity including the year of action that will follow in 2022 leading up to the second convening of the summit and our second edition of the democracy playbook is designed to help inform that critically important process with our 10 commitments as I say like the 10 commandments.

The 10 commitments that we would like to see participants in the democracy summit make whether government, civil society or otherwise. And in our playbook, we lay those out. Back them up by social science, longstanding practice in order to help inform that year of action that lies ahead.

Our panel is going to survey all three of the pillars of the democracy summit this week. And all of them are addressed in our democracy playbook that is anticorruption, which will be our main focus. But also, activities to halt democratic backsliding and to protect human rights. Democratic backsliding, anticorruption, human rights protection, those are the three pillars, the focus of the democracy summit this week.

But we will principally but not exclusively focus on anticorruption. So I'm going to both introduce our distinguished panelists which includes two of my coauthors and close colleagues from in and outside of government. But as I do that, I'm going to ask each of them a question. So let me begin by introducing Jennifer Lewis. She is the Deputy Director of the Anti-Corruption Task Force at USAID.

Jennifer what is the number one thing specific and concrete please that you would like to see come out of the democracy summit this week?

MS. LEWIS: Thank you so much, Norman. And I'd just like to start by noting how thrilled I am to be joining you here today on this day of the release of our new U.S. anticorruption strategy and the start for the Summit for Democracy.

It's truly been a year unlike any other for those of us working on anticorruption across the U.S. government. And I think it's worth underscoring at the top the priority that's been placed by this administration on anticorruption and really what it means for us as a community.

I dare say, we have long understood corruption as both a corrosive threat to democracy as was mentioned earlier, but also truly as an enemy of development. And our administrator recently said

corruption is essentially development in reverse. And so, I think one of the things in terms of our great hopes for the summit and my personal great hope for the summit is that in addition to witnessing countries take on bold new commitments to fighting corruption such as the ones we just heard now from the Deputy Secretary on the U.S. side.

It's for us to walk away as a democracy community with a true understanding of the need to infuse anticorruption across all of our work. Whether it's on human rights. Whether it's on electoral integrity. We simply cannot meet the ambition that we collectively have in defending democracy against multiple threats. Rising authoritarianism, diminishing of human rights and of course against other even more existential crises such as addressing climate change without tackling this fundamental issue.

So concretely, I think there needs to be an understanding of the transnational nature of corruption. And therefore, that it is a global problem that requires global solutions. For our part, we hope that we're walking away with a mutual understanding that to fight corruption we cannot and should not go it alone. We need to start working with our global allies and partners. And we really see this summit as a clear starting point.

And I just want to mention one other thing that I really think it's important to not see this summit as a one-off event. That we walk away with, you know, one particular piece going forward. It's really the beginning of a process and indeed a transformation, hopefully, of how we are defending democracy and countering corruption.

The idea is to leave here on December 10<sup>th</sup> with a clear agenda for what we are calling the Year of Action between summits one and two. And as well a clear commitment to supporting our partners in raising this collective ambition that's needed for the fight ahead.

MR. EISEN: Thank you, Jennifer. And speaking of that Year of Action, I'm going to turn to our next panelist, Dr. Alina Polyakova. One of our coauthors on our democracy playbook and the President and CEO of CEBA, the Center for European Policy Analysis. Also, a former and much-loved Brookings colleague of ours like the Deputy Secretary.

Alina, what do you hope to see from the summit and Year of Action? And how does the

democracy playbook inform your hopes?

MS. POLYAKOVA: Thanks so much, Norm. It's really wonderful to be back here with you again. Putting on a bit of my former Brookings' hat and with other colleagues on the conversation here.

I wanted to pick up on what I think is a really important point that the Deputy Secretary made in the earlier discussion that speaks directly to what we were trying to urge the administration to think through when it comes to the future of global democracy. And that is the need to work across and with multilateral institutions to engage our alliances. To really mobilize our allies in the democratic world around a core agenda and to reinvigorate the U.S. broader interagency engagement.

And I think having all these different U.S. agencies represented in our conversation here as well as earlier with the Deputy Secretary of the Treasury is just really important to send a signal that we're all in the same page and we're all in the same boat. And we're all fighting for the same values and principles.

And this is, of course, a core part of the democracy playbook. As you mentioned, Norm, the research that we conducted across so many different academic disciplines and social sciences to really understand what works and what matters. One of the takeaways has been that international institutions have a huge capacity to influence the trajectory of democracy. So despite the conversations we've had about the challenges about democracy promotion across the world.

And of course, if we look across the Atlantic, we don't have to go very far to see some serious challenges to democratic governors in countries like Hungary, for example, which isn't part of the democracy summit I think for very obvious reasons.

So to my mind, the focus on what international institutions, agencies can do, what U.S. agencies can do like USAID, like the State Department to work with our allies to build a cohesive and comprehensive strategy on everything from anticorruption to supporting independent journalism to working at the local level with democracy advocacy groups, with democracy activists to ensure that what we are doing is reflecting the kinds of issues and problems that we're seeing emerge on the ground in

some of these countries.

And I think first and foremost, we need to really bring in all of our core allies and really understand what we can do at the level of the G7, the G20 and other multilateral and international (inaudible) of that nature.

I'm really excited to see what the Year of Action will lead to. You know, the event this week is just part of the conversation. I think the democracy playbook basically provides what could be seen as a roadmap for where the year could go. And how we can engage allies and how we can get on the same page about what we can really do to invest in our common desire to see a world that is moving towards greater openness and greater freedom. Not towards closed societies which is of course something that many of authoritarian states would like to see the world move in that direction.

MR. EISEN: Thank you, Alina. Ian Gary, my friend. The Executive Director of the Financial Accountability and Corporate Transparency Coalition, FACT.

What do you make of the new anticorruption strategy that the U.S. government has launch today? The Deputy Secretary's remarks in that regard? And to what extent does that exemplify the kinds of specific, concrete commitments that we've targeted in our playbook and that are necessary to advance both anticorruption but also democracy? What's your view, Ian?

MR. GARY: Thanks, Norm. I think my view is that Christmas came early for anticorruption advocates and the FACT coalition. And if we had --

MR. EISEN: It's just in time for the eighth night of Chanuka. It's not early. It's just in time.

MR. GARY: Yeah, just in time. And if we had put together a wish list for anticorruption Santa so many of the things that we've been fighting for at the FACT coalition for over a decade are on that anticorruption strategy and were highlighted by Deputy Secretary Adeyemo. So it's a really exciting day.

We think the anticorruption strategy is a very big deal. I think one of the things that is important about the remarks that were made just now by the Deputy Secretary is that there is real

recognition that the problems of illicit finance globally are in a large part -- the U.S. is in a large part responsible for some of those problems and it's a recognition that we are a major offshore financial jurisdiction.

As the Deputy Secretary mention the ill-gotten gains from dictators and kleptocrats and criminals often wind up in places like Miami and South Dakota. So I think in terms of the strategy in his remarks, they were spot on. And I would hope to see within the summit later this week that the U.S. continues to put forward a strong set of very concrete measures to address the gaps in our regulatory system including around real estate, anonymous shell companies and the private equity industry.

And I think with that kind of approach and the multilateral action that Alina and Jennifer and others have indicated, we can make a huge dent and discourage.

MR. EISEN: Thank you, Ian, and friends. If you want to look at our democracy playbook 2021, democracy summit edit which calls for many of the specific anticorruption actions plus a host of other prodemocracy commitments in detail. You can find that on the event page where you're watching this streaming. If you just scroll down, you'll find the link to the report.

Michael Jarvis, you are the Executive Director of the Transparency and Accountability Initiative. Worked in this field for many years. We worked together among other places in our leveraging transparency to reduce corruption initiative that Brookings co-leads with results for development. My wonder partners Mario Picon and Robin Lewis who help manage that initiative, and we work together.

Michael, I wonder if you could preview for us a little bit. I know you have a very important essay coming out this week talking about some of these themes. Let me take back to the summit that we're ramping up to. So privileged to have the first launch event in civil society on this Monday morning, but with the summit itself taking place on Thursday and Friday.

What are the specific things you're looking for to come out of this convening and the Year of Action so that it's real not just blah, blah, blah?

MR. JARVIS: Thanks, Norm. And thanks to Brookings for organizing this and the Deputy Secretary.

I mean I think I can boil it down to ambition to be honest. There was an interesting piece by the financial Times columnist last weekend, I can hash around. By is there a risk around the summit by emphasizing a sense of crisis around democracy that we're actually playing into the hands of autocrats. That, you know, they want to have this narrative that they have the momentum.

I think that one way to dissuade those concerns is to layout a set of steps, very concrete things that participating countries are going to do, and a concrete and ambitious. And I also thought the Deputy Secretary as Ian said did a good job of setting a good stage and precedent for other countries to follow on this morning.

And I think that I thought his framework worked well too. Like you think about increasing enforcement, increasing transparency, deepening partnerships, you can think about what ambition looks like in each one of those. And increasing enforcement is like there's no shortage of existing commitments that have been made in other forum that countries just need to double down and enforce and put the resources behind.

Increasing transparency, I would complement with thinking about increasing participation in agency and getting us towards accountability. But for that to me the Year of Action is a big opportunity. We're not going to have the perfect set of things outlined at the end of this week, but we do have this year leading up to hopefully another summit where we can explore and figure out what are the next generation of commitments that we should be making.

And if we can have a multiple stakeholder process to do that and learn from each other. You know, there are still areas where the U.S. needs to learn from other countries. It's great to see the advances on Corporate Transparency Act implementation, but that still is not public beneficial ownership information, for example. There are other countries joining this summit who have experience on that front.

At the same time, they could be learning from the U.S. on foreign bribery actions or the real estate innovations that were announced today.

And that leaves me with the last point around the deepening partnerships where I think

working with the PI to fund the community. We're always looking at ways to reinforce multistakeholder action and hopefully this Year of Action can be a place for that. And, you know, we support many civil society partners who have been fighting hard for a lot of the things that were outlined this morning in the speech from the Deputy Secretary.

And hopefully, fighting for a lot of the things that other countries will announce later this week. But, you know, commitments need time to be developed. They need to be -- you need to build infrastructure to enforce them properly. And perhaps that's where bilateral donors and I'm looking at Jennifer and the work that we can do together with, say, USAID.

And then after, philanthropic funders that are part of the TI community as well could partner together to support what those ideation processes look like and put some money behind into the implementation. So that five years from now, we're having a very different conversation from today.

MR. EISEN: This is it. This year is the moment. We've worked all of us and so many other allies for so many decades to get to this point. And so, we appreciate that reflection, Michael.

Finally, last but far from least, my friend, a coauthor of our report. Jonathan Katz, the Senior Fellow and Director of Democracy Initiatives at GMF who helps lead the Transatlantic democracy working group, another cosponsor which I cochair working closely with John.

You've heard what everyone else wants to see come out of the democracy summit, John. And you worked so, so hard to bring together today. We really thank you for that behind the scenes for so many months.

How does our democracy playbook relate to what you've heard, John, from all of the prior panelists about their hopes and aspirations for what we want to accomplish at the democracy summit this week? The world's democracy's government, civil societies and other stakeholders and the Year of Action and then the reconvening ahead? Bring us home on how the playbook relates to that please.

MR. KATZ: This was -- first of all, thank you for having me participate but also be part of this great group effort that I think is really well connected to the summit, the democracy playbook which is a summit edition. But also, to have the Deputy Secretary this morning really, I think he hit it out of the



park on the Summit for Democracy week.

I think somebody mention Christmas, Chanuka has come early for the anticorruption community. But really, I think he set off really a -- set off this week in the right way. I call it sort of a giant leap forward in combating corruption and I think what I heard from him is that there are going to be maybe more announcements throughout this week that are connected to the anticorruption strategy, but also from Treasury Secretary Yellen who I believe will be speaking at the summit as well.

And of course, since it's a whole government approach, which he spoke about. I'm sure that the U.S. Administrator, Secretary of State and others will be speaking directly. And other department and agencies will be speaking to this issue.

But you asked about how this connects? I can't think of anything better when you write a playbook and a strategy and one of your commitments you can almost -- you can't actually just check the box yet on it, but one of our commitments was focused on striking this anticorruption, strengthening these efforts. But I think with the summit and this playbook how they intersect is really one, you point out this renewal effort to renew democracy. Also, a sense optimism.

And when I heard the Deputy Secretary speak today, it reminds me of all those that are engaged, democracy actors globally, governments, civil society, media, private sector and others. And so, our Summit for Democracy playbook is instructive not only to renewing democracy on anticorruption effort an issue. But it lays out a number of different areas that are critical to advance and renew democracy, but also to promote human rights which is a critical component of the summit as well.

And I really think of it in -- when I look at the playbook and I'm listening to the administration and democracy advocates globally to talk about, you know, sort of a four-prong strategy. One of this development in resource needs that have been talked about. That we talk about in the playbook that Jennifer spoke about. I hear bits and pieces with Michael and Alina. Also, in the Deputy Secretary's speech, the need to increase resources and funding for civil society for independent media.

When I think about the .3 percent of all developing assistance that goes to independent media, I realize, you know, that it's just not adequate. So when you look at issues like funding and

resources, you look at that type of support that the United States has been providing but can certainly be doing more and our partners as well.

The other part is the internal resources which I heard that Deputy Secretary loud and clear. That if you want to enforce, you know, tax enforcement or you want parts of the U.S. government to be able to -- to carry out these activities globally or other countries as well which was said too. They need the infrastructure and funding.

Then we need the diplomacy, which is happening this week at the summit, the Year of Action, the summit next year. Hopefully, there will be a summit in perpetude every year that we'll see democracies globally step up to pick up the ball from this administration so that we continue to have this. And in our summit playbook, playbook for democracy, we talk about the importance of strengthening these international institutions and their capacities and capabilities.

Not only are we looking at these larger, the U.N. system, but looking at regional bodies like ECOWAS. Or looking across the globe where democracy can be fought for. Where we can address things like anticorruption issues or support for civil society and human rights. So we have development, diplomacy and then defense.

You can start up better with General Allen. But what he pointed out was defense isn't always about use of military. It's about creating those ecosystems that prevent these bad things from happening, an investment in those. We can play a lot of defense globally to, you know, and the need to address these challenges. But that has to be part of this effort is a defense, defense of democracy.

Defense when we see malign actors including in the United States or leaders in the United States that are doing things that undermine democracy. And I think there is no greater challenge. We can see that right here at home in the United States to defending democracy and what that means. What a difference it makes between last year then and where we are today to have a summit like this. And I think we shouldn't forget how important that is.

And the last I want to say going on the offense. And I felt listening to the Deputy Secretary, you know, and looking at our playbook, it's as much about going on the offense as it plays

defense which is taking these steps. Making these declarations. Putting the resources in. And I see this every day not only, you know, from our U.S. -- see it at U.S. Treasury, the USAID and others working every day. Going on the offensive. Figure out ways not only to play defense but getting ahead.

And I think this is a credibly important when we look at the summit playbook, it's about going on the offensive. It's about defense, diplomacy and then also development of resources.

MR. EISEN: Thank you, John. And so, I'm going to ask all the panelists to unmute or at least to have their unmute button at the ready.

And we're going to do the best part of the -- the second-best part of the panel which is the freefall. I have a couple of questions for the entire panel. And then I have amazing dozens and dozens of amazing questions that have poured in from our very stimulated viewing audience, which is marvelous.

My first question to the panel is we've addressed the anticorruption pillar of the summit at length. And anticorruption is one of the areas of the 10 commitments in our democracy playbook and one of the three pillars of the summit. But we've assumed the importance of anticorruption as part of democracy. Can I ask all of you to unpack a little bit and I'll play devil's advocate?

Okay. Fighting democratic backsliding, I get that. That should be part of a democracy summit. And human rights have been strongly identified with democracy from the very beginning from ancient Athens. But anticorruption? Of all the pillars, why make anticorruption a focus? And why are we hitting it so hard today? Panelists?

MS. POLYAKOVA: I can start, Norm, from a civil society perspective and taking Europe as an example here.

I think the clear answer to that from what we've seen in terms of how democratic backsliding begins in democracies is that corruption is at the heart of this. It is how disinformation; state sponsored information attacks are financed. It is how media freedoms are repressed like, for example, illicit sources going to --

MR. EISEN: Let me stop you, Alina. What's the disinformation connection?

MS. POLYAKOVA: Yeah, of course.

MR. EISEN: With anticorruption and democracy?

MS. POLYAKOVA: Yeah. Well, we've seen over and over again in many, many countries were seen a revival of democratic governance is a desire to clamp down independent media. So public resources that are illicitly acquired then go into the pockets of those close to the regime that then, you know, basically sponsor, or completely buys outright media outlets. And then spread misleading narratives about democracy. Spread misleading narratives of about public health issues.

It seems very, very clearly in COVID -- in the COVID-19 era. And I believe the model for this has been Moscow and Russia. And the way that the Kremlin regime has used illicit finance to push through and deploy very, very damaging antidemocratic narratives. And also, just sponsor all kinds of different proxy groups control farms. Do you remember one of those control farms for the 2016 election. How was that funded? Through illicit finance and corruption.

MR. EISEN: Okay. Michael, go for it.

MR. JARVIS: Yeah. Well, my home country is the U.K. And I was just reading the papers this weekend. And there was a survey that's come out that shows the public perceptions of politicians are that 63 percent now believe there are only in politics for themselves. And only five percent believe they are in it for the public good.

And a lot of that when they dug deeper reflected people's reactions to a stream of scandals that really relate to corruption. Some of those are related to the pandemic. These chumocracy deals where, you know, those who are politically connected have access to procurement deals ahead of others.

So you're seeing a direct tie between perceptions of corruption. We are seeing the corruption and trust in government. And that undermines faith in the democratic process as well. You're going to be more amenable to, you know, some of those disinformation risks that Alina just highlighted if your perception is that, you know, your existing system and those who are representing it are only in it for themselves.

So I think we need to have strong rules. Crackdown on corruption and that in turn has the reinforcing sort of positive health effects on the democratic system as a whole. And, you know, it starts at home. And that, you know, yes, we need to be clamping down on these loopholes and ways of illicit money coming in that only take advantage of those things, but there are some basic things as outlined in your playbook that we need to pick up from the start.

MR. EISEN: Thank you --

MR. GARY: If I could jump in?

MR. EISEN: Yes. Go ahead, Ian. I was just going to say remember, friends, you can look at the playbook on the event website where you're streaming this. There's a link or simply Google Brookings' Democracy Playbook. Although, the democracy playbook is the child of all of the different institutions who coauthored it. All right. Ian, I think you were going to jump in.

MR. GARY: Yes. And just to add to Alina and Michael. I think the connections are very clear when you think about kleptocracy as not the rule of an individual, but a systematic rule that includes both systems of corruption and patronage within the country concerned. But flows of illicit finance around the world.

Hence, you know, paradoxically corruption leaders want to find rule of law institutions and rule of law countries as safe havens to park their ill-gotten gains. And that's why you see, you know, Russian oligarchs are buying, you know, British premier soccer teams and real estate in Miami because they know that we have strong rule of a lot of our institutions. And they're afraid that if they keep their money at home, it's insecure.

And so, I think we have to think as Casey Michel said in his recent book about American kleptocracy is kleptocracy is a global system and the U.S. is participating in it as long as we have all of these gaping loopholes related to say, real estate or private investment funds that Deputy Secretary outlined.

MR. EISEN: I was so glad to hear the Deputy Secretary talk about jurisdictions like South Dakota and Delaware because of the perversity of the attraction, the magnetism for kleptocrats of

the United States on the one hand or other rule of law, strong rule of law systems. On the other hand, they seek the protections that our democratic systems provide.

On the other hand, we have some gaping loopholes that make those protections even more attractive where you have states that have this extreme secrecy that I think, Jennifer, the new strategy that the United States government is implementing is really going to target.

Before I move to my next question, I did want to point out, Alina, on your point about subverting of free and independent press and turning it as we have seen in Turkey with Ardahan, the Hungary with Aurbon. Turning the press and using corruption to -- alleged corruption to turn the press into an instrumentality of antidemocratic forces.

John, you've done some very interesting work at GMF and I really -- it's a model partnership because you've done this with the Slovak government and with our wonderful, new ambassador to the United States of Slovakia, Radovan Javorcik in boosting independent media. So before we go -- and, Jennifer, I'm going to come to you first on the next question. But before we do, John, do you just want to reflect any further on Alina's point about the critical importance of an independent, free media and individual journalist to making the whole virtuous cycle of democracy work?

MR. KATZ: Absolutely. I think what you point to in terms -- I just wanted to highlight Slovakia but also countries that have really stepped up to provide leadership and of course journalism, investigative journalism, free media is under assault in a number of spaces.

We have challenges in the United States as well including in the previous administration in particular. And so, I think, you know, we've looked very hard at what the needs are, you know, for independent media and the importance. And I do think this is one area where I hope we spell it out in the playbook, but also, I think I'm hearing hopefully from the administration as well that this is a key area where the U.S. will be pushing hard because there's an understanding about the devastating impact of disinformation.

We've seen it during COVID-19, which has been particularly acute and problematic including in the United States as well. And so, with the Slovak government, we looked hard at how do

you support, for example, investigative journalists who are on the front lines of democracy reporting on corruption. And it was also mentioned by the Deputy Secretary, the importance of this ecosystem of civil society, of investigative journalists, of law enforcement and government and all these different pieces to challenge corrupt actors.

And your question was about authoritarians. And when you, you know, trust in democracy, it's critical. Authoritarians are trying to undermine that trust over and over again because they're not -- they don't have free and fair elections in countries like Russia. So they're not playing to that playbook. So corruption is this calling card of authoritarians.

And of course, when you have investigative journalists, others like Mr. Navalny exposing Mr. Putin and his corruption, they're usually targeted. And so, authoritarians are directly connected to the worst human rights abusers globally through the most corrupt actors globally. And the ecosystems around them in their countries also mirror that unless it's changed. So if you want good governance, if you want free and independent media, those resources have to be put into this. And I do want to thank the Slovak government because -- and others that are looking at how best to increase their support because it is a key component of addressing both authoritarians and corruption and protecting human rights globally.

MR. EISEN: Jennifer, I'm going to come to you for the next question and then we're going to throw it open to the panel.

Moving beyond the anticorruption pillar alone. Can you explain why from the USAID perspective and from the State Department perspective and from your perspective as someone who has long worked in this area. Anticorruption interfaces with the human rights pillars of the democracy summit.

MS. LEWIS: Sure. Thanks a lot. Well, I think this really relates to the question you had previously. And you challenged us to think about why anticorruption should sit in a democracy summit?

And I would argue that is an existential threat to democracy. A lot of these have been laid out by the previous panelists in terms of the links to autocracy, kleptocracy, right? The links to globalized corruption trends. But I'll just take it from a development angle.

We're a development agency and this is our bread and butter. This is what we see all day all around the world. The way in which corruption fundamentally undermines development progress across all sectors. And that's the case, whether it's in health or education or economic growth or in, you know, our outcomes in biodiversity. And this is something that the Deputy Secretary just emphasized as well in his remarks.

You know, indeed, when you really dig into these issues, you see the corruption is at the root of almost every development ill. It's really the antidevelopment strategy. It's something that has always been the case. And this is not new. You know, this is not news to anyone. Corruption is a problem as old as time, but, you know, the fundamental shift that we have seen in this last decade is one that has really transformed corruption from a community-based or country-based program. A known, a pervasive systemic nuisance really to one of epic importance for democracy.

And that has everything to do with both the increased scope and scale of corruption, right? We've talked about this on this panel. The scope of corruption morphing really into a global phenomenon beyond the purvey of individual countries. Related to kleptocracy and organized crime and strategic corruption. And all of this really relies on weaknesses at the country level in the oversight and regulatory processes as well as the gaps in the financial, the global financial system that have been referenced by the Deputy Secretary.

Corrupt actors are using these, exploiting these weaknesses to fill for public resources that should be available for development and to launder and then hide the proceeds of their craft.

You know, we talked about how these proceeds end up in destination countries, but we also need to really underscore what was mentioned also by the Deputy Secretary, which is the effect on communities and countries in terms of the diversion of these lifesaving and other public resources. We've seen scale of corruption increase as corrupt actors are able to access some of these international networks of illicit finance in crime, but also the networks of exploitation that really damage and marginalize communities.

And I'll just say, you mentioned ancient Greece perhaps not (inaudible) but, you know, in



1776, John Adams wrote that government is instituted for the common good. For the protection, safety, prosperity, and happiness of the people not for the profit owner or private interest of any one man, family or class of men. So you have it right there from one of the founding fathers. Government is meant to serve the people not to take from them. So that's why this is at this summit. We cannot address these other issues without addressing this fundamental tenet of accountability to the people.

So turning to your human rights question in particular. I think it's been pretty clear with some of the statistics that were mentioned earlier. The corruption of institutions that are created to defend human rights that were specifically created to defend. Including, for example, the justice system. This has a corrosive impact for individuals around the world. And of course, it is always heaviest on the marginalized and the most vulnerable.

Transparency international, for example, estimated eight percent of people across 15 countries in Asia for public health services such as healthcare. In the water and sanitation sector, the World Bank has estimated that corruption depletes between 20 and 40 percent of access to water investments which, of course, has severe impacts on the floor.

And then, of course, corruption itself puns labor and human rights violations as well as trafficking of wildlife and arms and drugs and people. And so, this is really the way in which these themes are interwoven. A very purposeful weaving together of themes.

And I do want to mention though that while it's important to recognize the connections between the problem sets that the summit is seeking address, it's also worth mentioning that both the commitments and the actions that we need to address the problems in these pillars are also connected and interlinked. And some of them were mentioned earlier. Whether it's, you know, looking at this from an ecosystem perspective, making sure that we are strengthening government capacity while also enhancing and empowering civil society and media actors to serve as watchdogs and to detect and expose corruption and human rights violations and authoritarianism.

These are all really connected. We basically need countries to take bold, new actions to disrupt the status quo in these three areas and to dismantle the systems that support them. And at the

end of the day, we need to emerge from this with broader coalitions and networks of our own which is why I'll underscore that. I think one of our hopes is this idea that these are not separate buckets, but very interrelated. Whether you're talking about disinformation or going after anticorruption or human rights activists and imperiling them for speaking truth to power.

This is something we need to come together with, to get together on as a community.

MR. EISEN: Thank you. Thank you, Jennifer. That was a powerful answer and it also tied together the three pillars. So with that I'm now -- we've been balancing the time between our panelists. And we have about 10 minutes left in the seminary.

So what I am going to do now is go to the audience questions and I'm going to ask the panelists please because I want to take as many audience questions as I can. So I'm going to ask you to be very disciplined as you answer.

Ian, this one is for you from Sujata Homin (phonetic) who is a physician. How can we prevent corruption from getting in the way of appropriate and just allocation of infrastructure money? This is something that is of high importance in the United States at the moment. But globally too as we recover from the pandemic. Appropriate and just allocation of infrastructure money on a state and local level?

MR. GARY: Thanks, Norm. I think one of the important aspects to this question is looking at how the international donors have responded to the Corona virus pandemic as well as how multilateral donors like the World Bank and IMF have responded.

And if you look at some of the IMF emergency loans to developing countries that have high governance and anticorruption risks, they have asked for information, for example, on beneficial owners of companies that are getting procurement contracts. They have asked for auditing. But we're still seeing corruption in the infrastructure sector and in the procurements related to COVID.

And I think we need stronger and more mandatory requirements attached to international funding for infrastructure and pandemic response. So that would be one of my short answers.

MR. EISEN: Yes or no? The new U.S. anticorruption strategy that we've announced

today will it help? It's integrated domestic and international strategy. Will it help on this infrastructure corruption front?

MR. GARY: It certainly has to help. I mean in terms of corruption risk.

MR. EISEN: It was a yes or no question. I'll take yes for an answer.

MR. GARY: It is top of the list.

MR. EISEN: Okay. The next question is from Ricardo Spraglyn (phonetic) of U.S. ICE, Immigration and Customs Enforcement. He's a chaplain program administrator there. Do we truly recognize the insidiousness of this issue of anticorruption? Jennifer, do you think this is something that is truly recognized in the United States and globally?

MS. LEWIS: I think it is truly recognized across the U.S. government. And I think it's something that folks in the U.S. government working on these issues have known for a long time.

We're seeing it today with the release of our strategy. This unequivocal statement that this is a national security imperative and that it is corrosive to all of our democratic institutions and processes. You heard it from the Deputy Secretary earlier.

It's also corrosive to our financial system. And therefore, the futures of average Americans around the country. And so, I think there is an absolute moment and a recognition. I don't know whether the question was going to the general American public, but I think that's part of our task as a government and as an anticorruption community. It's just socialized this issue to really make people understand why it should matter to them and why they should fight for it.

MR. EISEN: And as a panel. That's why we're doing what we're doing today. And that's why we put the playbook out there.

Michael Jarvis, you are a transparency expert and Sophia Yon (phonetic) of the NYU Law, Tax Law Center where she's an attorney advisor wants to know what role should transparency around tax reporting play in anticorruption policy?

MR. JARVIS: A great deal. I mean this has been a long sort after demand for good reason. Like if we understand who is paying taxes in each jurisdiction where they would have minimized

tax avoidance and tax evasion.

I'm also able to see where these flows of money are at least to the beneficial ownership transparency that we've been talking about and procurement transparency. As we build these up, you really close off the different ways that these (inaudible) finance flow. And it gets to this point about (inaudible) and showing like facing democracy.

Also, I think it reflects (inaudible) in the sense of how the system works and who is gaining from it and whose gaining it. So again, tax transparency is a key angle there. But I just wanted to give a point on the last question is we have to be aware that we're not the only ones who claim an anticorruption there. China is very strong on anticorruption but it's highly politically controlled and motivated.

So we need to emphasize the human rights and the antiauthoritarian dimensions alongside it because the package together is the differentiator. We're not the only ones who sort of claim cracking down on a corruption as a way to sort of win public favor.

MR. EISEN: Alina Polyakova, we talked about the following issue which Judge Vanessa Ruiz, the immediate past president of the International Association of Women Judges and a judge on the District of Columbia's highest court, the D.C. Court of Appeals asks, how do you view the rule of law in an independent judiciary? We have a lot of back and forth on this in the report including comments from experts.

As part of the anticorruption agenda how do you view that, Alina? And how do we address it in the democracy playbook?

MS. POLYAKOVA: Well, Norm, as you said. This was a big part of our work on the democracy playbook to really outline especially how democratically elected leaders start to pushback in a creep kind of way, very small steps, and incursions against judicial independence.

And over time what that of course leads to is setbacks in the rule of law when our judiciary systems no longer act as a check on the executive as a check on other powers that be. And we see this happening as part of this sort of autocrat's playbook across the world over and over again

together with some of the other issues we've been talking about.

And again, I think corruption fuels all of this. You know, in many countries, unfortunately, the price for a judge is known almost as look information. And this is exactly why illicit financial laws and having a real conversation. Raising greater awareness about corruption is so key when it comes to rule of law in particular.

Because when we start to lose transparency and trust in the judicial process, this is where I think we hit real problems when it comes to democracy governance more broadly.

MR. EISEN: Thank you. Thank you, Alina. And finally, John Katz, I'm going to ask you because we're almost out of time just for a 30-second answer. It's one of the most important questions we've got from Bob Joondeph, the chair of the Social Security Advisory Board.

Can foreign nations and foreign cultures be affected by U.S. policy? And I'm going to make a friendly amendment. When has the U.S. had so many struggles? Short answer, John.

MR. KATZ: Yeah. You know, the United States has long been a leader in its support of democracy. We're the world's oldest democracy. And I think the Summit for Democracy, what you're seeing in the playbook outline how the U.S. renews democracy globally.

Deputy Secretary Adeyemo pointed out that this has to happen with partners globally, the civil society, private sector with others. And the United States isn't coming into this and has been very clear that the challenges are at home. They're domestic and they are international. And so, there's -- I think the U.S. is credible at presenting these next steps at the summit as we lay out in the playbook.

But I don't think the U.S. is coming at this from a position saying that we don't have our own struggles and challenges. The goal here is to address both of them at the same time, both at home and abroad. And I think that's what the administration has really set out to do. And we heard from the Deputy Secretary steps that will impact the United States domestically, but also will impact partners abroad and the ability to address authoritarians, corruption and protect human rights.

MR. EISEN: I want to thank all of my panelists, the Deputy Secretary, John Allen, Brookings. All of the sponsoring organizations, all of the coauthors of the democracy playbook. You can

find the link to the playbook right here on the event page or by Googling Brookings Democracy playbook.

What a great launch to the week of the democracy summit and to this critical period in fighting anticorruption, but also its relationship to promoting human rights and reversing democratic backsliding.

Thanks everyone for joining us. We'll be back with you during this year of action as we hold the world's democracies feet to the fire to make sure they make and live up to their commitments as we've laid out our recommendations in the democracy playbook, 2021, democracy summit edition.

Thanks everyone. Great having you with us.

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