

115TH CONGRESS  
1ST SESSION

# H. R. 2820

To direct the Secretary of State to establish within the Department of State the Office of Anti-Corruption relating to Illicit Russian Financial Activities in Europe, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2017

Mr. SUOZZI (for himself, Mr. ROSKAM, Mr. MEEKS, and Mr. HILL) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Permanent Select Committee on Intelligence, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To direct the Secretary of State to establish within the Department of State the Office of Anti-Corruption relating to Illicit Russian Financial Activities in Europe, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fight Russian Corrup-  
5 tion Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The Russian Federation uses corruption as  
4 a strategic tool to erode democratic governance from  
5 within and discredit the liberal democratic system,  
6 thereby strengthening Russia's sphere of influence.

7 (2) Russia's ultimate goal is to dissolve the  
8 transatlantic union by capitalizing on and exacer-  
9 bating existing tensions within European countries.

10 (3) In 2016, the Center for Strategic and Inter-  
11 national Studies (CSIS) and the Centre for the  
12 Study of Democracy concluded that Russia has cul-  
13 tivated an opaque network of patronage across the  
14 region that it uses to influence and direct decision-  
15 making. Russia seeks to gain influence over if not  
16 control of critical state institutions, bodies, and the  
17 economy and uses this influence to shape national  
18 policies and decisions.

19 (4) Central and Eastern European leaders, in-  
20 cluding those from Romania, the Czech Republic,  
21 Latvia, and Poland, have warned that Russia en-  
22 gages in economic warfare by using politically moti-  
23 vated investments to advance its agenda, and seeks  
24 to challenge the transatlantic orientation of Central  
25 and Eastern Europe.

1           (5) While countries along Russia’s border, espe-  
2           cially the Baltic countries, Ukraine, and Georgia, are  
3           under threat from Moscow’s malign influence and  
4           military aggression, corruption is also part of Rus-  
5           sia’s hybrid warfare strategy to use direct and indi-  
6           rect action to coerce, destabilize and exercise malign  
7           influence over other countries.

8           (6) Much like a virus, malign Russian-fueled  
9           corruption inconspicuously penetrates a country  
10          through what appears to be a host of legitimate fi-  
11          nancial transactions.

12          (7) According to CSIS, the corruption, often  
13          through opaque financial transactions, infects var-  
14          ious strategic sectors of host economies, particularly  
15          energy, media, and financial sectors. Over time, the  
16          host countries’ institutions become compromised and  
17          can no longer self-police or resist Russian influence,  
18          thereby allowing Russian control over the govern-  
19          ment.

20          (8) In France, Austria, Germany, and the  
21          United Kingdom, Russia directly supports entities  
22          that feed directly off lack of confidence and trust in  
23          democratic systems, which enhances the popularity  
24          of extreme parties.

1           (9) The United States intelligence community  
2           concluded that Russia deployed similar tactics in the  
3           2016 United States elections in order to erode public  
4           confidence and trust in the United States political  
5           system.

6           (10) This strategy exploits the inherent open-  
7           ness and vulnerabilities within Western capitalist  
8           systems. To combat it, the United States must sup-  
9           port efforts of foreign partner countries to inves-  
10          tigate corruption and strengthen fiscal transparency.

11          (11) Only through strengthening Western gov-  
12          ernance and institutions will the United States and  
13          its partners thwart Russian tactics of corruption and  
14          exploitation and prevent Russia's virus-like corrup-  
15          tion from eroding democracy in the United States.

16 **SEC. 3. OFFICE OF ANTI-CORRUPTION RELATING TO IL-**  
17 **LICIT RUSSIAN FINANCIAL ACTIVITIES IN EU-**  
18 **ROPE.**

19          Title I of the State Department Basic Authorities Act  
20          of 1956 (22 U.S.C. 2651a et seq.) is amended by adding  
21          at the end the following new section:

1   **“SEC. 64. OFFICE OF ANTI-CORRUPTION RELATING TO IL-**  
2                           **LICIT RUSSIAN FINANCIAL ACTIVITIES IN EU-**  
3                           **ROPE.**

4           “(a) ESTABLISHMENT.—The Secretary of State shall  
5 establish within the Department of State the Office of  
6 Anti-Corruption relating to Illicit Russian Financial Ac-  
7 tivities in Europe (in this section referred to as the ‘Of-  
8 fice’).

9           “(b) HEAD OF OFFICE.—The head of the Office shall  
10 be the Director of Anti-Corruption relating to Illicit Rus-  
11 sian Financial Activities in Europe (in this section re-  
12 ferred to as the ‘Director’). The Director shall be ap-  
13 pointed by Secretary, in consultation with the Assistant  
14 Secretary of State for European Affairs.

15           “(c) FUNCTIONS.—The Office shall carry out the fol-  
16 lowing functions:

17                   “(1) In coordination with the intelligence com-  
18 munity, analyze financial networks of the Russian  
19 Federation that operate in European countries relat-  
20 ing to investments in the real estate, energy, media,  
21 infrastructure, philanthropy, civil society, sports,  
22 nongovernmental organization, and other sectors.

23                   “(2) In coordination with the Secretary of the  
24 Treasury, train United States liaison officers to  
25 serve in key United States diplomatic and consular  
26 posts in European countries to cooperate with for-

1        eign partners in the uncovering and prosecution of  
2        illicit Russian financial activity.

3        “(d) REPORT.—

4                “(1) IN GENERAL.—The Office shall develop  
5        and submit to the appropriate congressional commit-  
6        tees on an annual basis a report on the conduct and  
7        results of activities of the Office carried out under  
8        subsection (c) during the prior year.

9                “(2) FORM.—The report required under this  
10       subsection shall be submitted in unclassified form  
11       but may contain a classified annex.

12       “(e) PERSONNEL.—The Secretary of State is author-  
13       ized to accept details or assignments of any personnel on  
14       a reimbursable or nonreimbursable basis for the purpose  
15       of carrying out this section, and the head of any Federal  
16       agency is authorized to detail or assign personnel of such  
17       agency on a reimbursable or nonreimbursable basis to the  
18       Secretary for purposes of carrying out this section.

19       “(f) APPROPRIATE CONGRESSIONAL COMMITTEES  
20       DEFINED.—The term ‘appropriate congressional commit-  
21       tees’ means—

22                “(1) the Committee on Foreign Affairs and the  
23       Committee on Financial Services of the House of  
24       Representatives; and

1           “(2) the Committee on Foreign Relations and  
2           the Committee on Banking, Housing, and Urban Af-  
3           fairs, and the Committee on Finance of the Sen-  
4           ate.”.

5   **SEC. 4. FOREIGN ASSISTANCE AND RELATED MATTERS.**

6           (a) AUTHORITY TO PROVIDE FOREIGN ASSIST-  
7   ANCE.—

8           (1) IN GENERAL.—The Secretary of State is  
9           authorized to provide assistance to European coun-  
10          tries to combat corruption.

11          (2) TYPES OF ASSISTANCE.—Assistance author-  
12          ized to be provided under paragraph (1) may include  
13          the following:

14                (A) Support for activities described in  
15                paragraphs (1) and (2) of section 64(c) of the  
16                State Department Basic Authorities Act of  
17                1956 (as added by section 3 of this Act).

18                (B) Support for and strengthening of for-  
19                eign programs focused on investigative jour-  
20                nalism and independence of the media environ-  
21                ment to expose Russian corruption.

22                (C) Support for activities in Europe relat-  
23                ing to anti-corruption, anti-propaganda, and  
24                anti-Russian malign influence.

1 (b) MATTERS RELATING TO NATO.—The Secretary  
2 of State shall seek to work with the North Atlantic Treaty  
3 Organization (NATO) to carry out the following actions:

4 (1) Elevate anti-corruption as an element of  
5 NATO’s Readiness Action Plan.

6 (2) Task the NATO Assistant Secretary Gen-  
7 eral for Intelligence and Warning with monitoring  
8 Russian influence in NATO member states.

9 (3) Prioritizing the combating of Russian influ-  
10 ence under the NATO-European Union framework.

11 (c) EU-US SUMMIT.—The Secretary of State, in co-  
12 ordination with the Secretary of the Treasury, is author-  
13 ized to host a summit between the United States and the  
14 European Union on preventing undeclared, cross-border  
15 money flows invested in strategic areas or economic sec-  
16 tors of European countries.

17 **SEC. 5. NATIONAL INTELLIGENCE ESTIMATE.**

18 (a) IN GENERAL.—Not later than 180 days after the  
19 date of the enactment of this Act, the Director of National  
20 Intelligence shall develop and submit to the appropriate  
21 congressional committees a National Intelligence Estimate  
22 on the matters described in subsection (b).

23 (b) MATTERS DESCRIBED.—The matters described  
24 in this subsection are the following:



1           (1) Any purchases made in the 5-year period  
2           ending on the date of the enactment of this Act by  
3           individuals and entities of key sectors in European  
4           countries, particularly purchases that provide mo-  
5           nopolistic control of a sector.

6           (2) A detailed analysis of the individuals and  
7           entities making such purchases, including sources of  
8           revenue for each individual and entity and any links  
9           to the Russian Federation.

10 **SEC. 6. REPORT.**

11           Not later than 180 days after the date of the enact-  
12           ment of this Act, the Secretary of State and the Secretary  
13           of Treasury shall jointly submit to the appropriate con-  
14           gressional committees a report on the implementation of  
15           this Act.

16 **SEC. 7. DEFINITIONS.**

17           In this Act:

18           (1) APPROPRIATE CONGRESSIONAL COMMIT-  
19           TEES.—The term “appropriate congressional com-  
20           mittees” means—

21                   (A) the Committee on Foreign Affairs and  
22                   the Committee on Financial Services of the  
23                   House of Representatives; and

24                   (B) the Committee on Foreign Relations  
25                   and the Committee on Banking, Housing, and

1           Urban Affairs, and the Committee on Finance  
2           of the Senate.

3           (2) INTELLIGENCE COMMUNITY.—The term  
4           “intelligence community” has the meaning given the  
5           term in section 3 of the National Security Act of  
6           1947 (50 U.S.C. 3003).

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