



FACT SHEET: U.S. Department of the Treasury Actions to Prevent and Disrupt Corruption

December 11, 2023

WASHINGTON — Since the release of the [U.S. Strategy on Countering Corruption](#)  two years ago, the U.S. Department of the Treasury has redoubled its efforts to address the illicit finance and national security threats posed by corruption. Among its many corrosive effects, corruption siphons essential resources away from communities, weakens democracy and governance, erodes economic development, disadvantages law-abiding citizens and businesses, and exacerbates challenges like crime and migration. In recognition of International Anti-Corruption Day, Treasury is highlighting its recent and ongoing efforts to address this urgent challenge.

PREVENTING THE LAUNDERING OF CORRUPT PROCEEDS

Core to Treasury's mission is safeguarding the integrity of the U.S. financial system, including from corruption and other illicit finance threats. Corrupt actors continue to exploit [vulnerabilities](#)  in the U.S. financial systems to hide, launder, store, and move illicit proceeds. In line with the U.S. Strategy on Countering Corruption, Treasury has enhanced its efforts over the past two years to address these vulnerabilities.

Enhancing Corporate Transparency

The Department has prioritized efforts to implement the Corporate Transparency Act (CTA) to prevent corrupt and other actors from laundering illicit funds through anonymous companies in the United States. This effort will equip law enforcement and other partners with the information they need to disrupt financial anonymity that enables crimes such as corruption, drug trafficking, and terrorism. As Secretary of the Treasury Janet Yellen has noted, “Unmasking shell corporations is the single most significant thing we can do to make our financial system inhospitable to corrupt actors.”

Enacted by Congress in 2021, the CTA requires many companies formed or operating in the United States to report information about their beneficial owners to Treasury's Financial

Crimes Enforcement Network (FinCEN), which will store this sensitive information in a secure, confidential database.

In September 2022, FinCEN issued the final beneficial ownership information (BOI) reporting rule, which describes who must file a BOI report, what information must be reported, and when a report is due. Starting on January 1, 2024, many domestic and foreign companies doing business in the United States will be required to report their BOI to FinCEN, marking a major milestone in the United States' efforts to combat corruption and strengthen its anti-money laundering/countering the financing of terrorism (AML/CFT) regime.

Treasury is also working to finalize a rule in the near term to establish parameters around access to and protection of BOI, in line with the requirements laid out in statute.

FinCEN is engaging in a comprehensive outreach and education campaign to establish awareness and simplify reporting requirements. These efforts include continually issuing guidance available at www.fincen.gov/boi, multimedia resources, webinars and events, and a widespread public awareness campaign incorporating key stakeholder engagement. The campaign will continue into 2024 and beyond as FinCEN looks to drive compliance and educate key stakeholders.

Safeguarding the Residential Real Estate Sector

Treasury has advanced its efforts to prevent corrupt and other illicit actors from misusing anonymous, non-financed (i.e., all-cash) purchases of residential real estate to launder or hide the proceeds of crime. Since 2016, FinCEN has leveraged its Residential Real Estate Geographic Targeting Order (GTO) program to collect information about certain residential real estate transactions in the United States. In December 2021, Treasury issued an advance notice of proposed rulemaking (ANPRM) to solicit public feedback on how to address the risks associated with this sector. Building on this information and public feedback, Treasury aims to issue a notice of proposed rulemaking (NPRM) in early 2024 that will be an important step toward bringing greater transparency to this sector.

Treasury is also considering next steps with regard to addressing the illicit finance risks associated with the U.S. commercial real estate sector.

Addressing Risks in the Investment Adviser Sector

Treasury is working to address the risks associated with investment advisers. Investment advisers are not subject to consistent or comprehensive AML/CFT obligations in the United States, creating the risk that corrupt officials and other illicit actors may invest ill-gotten gains in the U.S. financial system through hedge funds, private equity firms, and other investment services. In line with the U.S. Strategy on Countering Corruption, Treasury is re-examining the 2015 NPRM regarding this sector, and aims to issue in the first quarter of 2024 an updated NPRM that would propose applying AML/CFT requirements pursuant to the Bank Secrecy Act, including suspicious activity reporting obligations, to certain investment advisers.

Bolstering Private Sector Efforts to Combat Corruption

Treasury has prioritized efforts to help financial institutions and the private sector better identify, disrupt, and report financial activity relating to corruption and kleptocracy, especially involving Russian elites, oligarchs, and their proxies. Over the past two years, FinCEN has published extensive guidance, advisories, alerts, and analysis to strengthen these private sector efforts. These materials provide financial institutions with typologies and potential indicators to help them identify and address suspicious transactions. Notable FinCEN publications include:

- [Advisory on Kleptocracy and Foreign Public Corruption](#)  (April 2022)
- [Alert on Real Estate, Luxury Goods, and Other High-Value Assets Involving Russian Elites, Oligarchs, and their Family Members](#)  (March 2022)
- [Financial Trend Analysis on Trends in Bank Secrecy Act Data: Financial Activity by Russian Oligarchs in 2022](#)  (December 2022)
- [Alert on Potential U.S. Commercial Real Estate Investments by Sanctioned Russian Elites, Oligarchs, and Their Proxies](#)  (January 2023)

HOLDING CORRUPT ACTORS ACCOUNTABLE

Financial Sanctions

Treasury continues to use its financial sanctions authorities to hold accountable those involved in corruption and related issues. Since the release of the U.S. Strategy on Countering Corruption, Treasury has designated more than 300 individuals and entities for these issues across more than 30 countries, leveraging more than a dozen different sanctions authorities.

These designations have targeted corrupt activity relating to, among other issues, bribery, extortion, abuse of office, and the misuse of public funds for private gain. More than 40% of these designations have also related to kleptocracy issues. Treasury has also targeted instances of corruption linked to the activities of transnational criminal organizations and terrorist groups.

In the coming year, the Treasury Department will prioritize—among other targets—the designation of financial facilitators and private enablers of public corruption, including through Global Magnitsky sanctions.

Combatting Russian Corruption, Kleptocracy, and Malign Influence

In response to Russia's illegal invasion of Ukraine, the Treasury Department has taken considerable steps to disrupt Russian corruption, kleptocracy, and illicit finance. This work includes efforts Treasury has taken with the multilateral Russian Elites, Proxies, and Oligarchs (REPO) Task Force, private sector stakeholders, and other international partners to identify and freeze assets linked to Russian corruption.

As of March 2023, REPO Task Force members had blocked or frozen more than \$58 billion worth of sanctioned Russians' assets in financial accounts and economic resources; seized or frozen luxury real estate and other luxury assets owned, held, or controlled by sanctioned Russians; and seized, frozen, or detained yachts and other vessels owned, held, or controlled by sanctioned Russians, and conducted asset tracing activities to identify, locate, freeze, and seize yachts, aircraft, and other property located around the globe. REPO members have also taken steps to collectively investigate and counter Russian sanctions evasion, including attempts to hide or obfuscate assets, illicit cryptocurrency and money laundering schemes, illicit Russian defense procurement, and sanctioned Russians' use of financial facilitators.

STRENGTHENING GLOBAL ANTI-CORRUPTION EFFORTS

Enhancing International Standards to Combat Illicit Finance

Treasury continues to work at the Financial Action Task Force (FATF) to enhance international standards relating to countering corruption, money laundering, and illicit finance. Over the past two years, Treasury has contributed to the FATF's efforts to revise international standards on the transparency and beneficial ownership of legal persons and legal

arrangements to prevent and mitigate the misuse of corporate structures, trusts, and other mechanisms for criminal purposes. Likewise, Treasury, in partnership with the Department of Justice, has supported the FATF's revisions to the international standards on asset recovery to improve the recovery of criminal and corrupt proceeds.

In April 2022, Secretary Yellen, in cooperation with other FATF Ministers, encouraged the FATF to enhance its focus on countering corruption, including by undertaking three projects aimed at bolstering global anti-corruption efforts. First, the FATF completed a [study that assessed corrupt and criminal actors' misuse of Citizenship- and Residency-by-Investment programs](#), often known as "golden passports," to hide their illicit activities through new identity documents. Second, the FATF developed a technical assessment tool to better evaluate countries' efforts to implement the United Nations Convention Against Corruption (UNCAC). Third, the FATF is evaluating members' compliance with the international standards relating to certain designated non-financial businesses and professions, such as accountants and lawyers, whose function as gatekeepers to the financial system make them vulnerable to facilitating corruption.

Elevating Foreign Engagement on Anti-Corruption

Over the past two years, the Treasury Department has increased its focus on corruption issues in bilateral and regional engagements. Treasury has helped foreign countries identify and address deficiencies in their AML/CFT regimes, shared information pertaining to corruption typologies and trends, promoted awareness of the risks posed by these issues, and bolstered cooperation on joint anti-corruption investigations and enforcement actions. These issues have featured in engagements with dozens of countries over the past two years.

Treasury has also centered anti-corruption issues in regional engagements with foreign governments and the private sector. For example, corruption issues have been a focus of several regional dialogues that Treasury has hosted with foreign governments and financial institutions, including in Europe, Central America, sub-Saharan Africa, and the Caribbean.

###