CROOK Act Reintroduced in Congress Stands to Combat International Corruption

Earlier this year, Senator Ben Cardin and Representative William Keating introduced the Countering Russian and Other Overseas Kleptocracy Act or the CROOK Act. If passed, the bill will create an Anti-Corruption Fund to remit fines to victim countries which will support their anti-corruption institutions. An additional penalty will be imposed on violations of the Foreign Corrupt Practices Act (FCPA) to finance the fund. Further, the anti-corruption legislation directs the State Department to organize against foreign corruption with an interagency task force. Currently, the Senate version awaits review from the Senate Committee on Foreign Relations, and the House version awaits a voice vote.

The CROOK Act deters transnational corporations from illicit business, promotes
just and effective governments, and sets up one of the first systems in which the US actively supports international anti-corruption practices. Additionally, the creation of a fund to support foreign anti-corruption efforts is of major significance as it would incentivize reporting and collaboration. As countries around the world strive to establish effective whistleblower programs, the existence of such a fund could help bolster support for reward programs.

The CROOK Act was first introduced in the House of Representative in 2019 but failed. The first House bill directed the State Department to create the Anti-Corruption Fund, and the new House bill does the same. On the other hand, the Senate version directs the Department of the Treasury to create the fund. Besides this small difference, the new versions in the Senate and House largely reintroduce the same bill. Both versions have bipartisan support, but the bill’s failure in 2019 suggests a tough road ahead.

Foreign corruption destabilizes governments and weakens democratic institutions around the world. The CROOK Act roots out foreign corruption by strengthening FCPA regulations and returning a portion of the fines to victim countries. Two avid supporters of the bill Senator Roger Wicker and Ben Cardin state, “Corruption undermines democracy, hollows out the rule of law, and prevents the efficient and fair delivery of government services, as evidenced in the scandals affecting certain pandemic response efforts.” By enhancing the FCPA, the CROOK Act protects democratic institutions, good governance, and fair competition. The adoption of the CROOK Act would send a clear message of support to whistleblowers who are outside of the United States.

International bribery and other illicit favors weaken the efficacy of governments, impoverishes millions, and festers kleptocracy. The legislation is key to help fund and diplomatically support regulatory structures in affected countries.

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