

Summit for Democracy Event: Authoritarian States' Illicit Finance and Kleptocracy: Threats to Democracy, Peace and Security

**6 December 2021, 12pm-1pm
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Opening Statements

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Good afternoon everyone.

Thank you for joining us in today's Summit for Democracy side event, sponsored by the Terrorism, Transnational Crime, and Corruption Center (TraCCC) at the Schar School of Policy & Government, George Mason University.

We also thank our partners, the National Democratic Institute (NDI), as well as Global Financial Integrity (GFI) for their support at TraCCC's Anti-Illicit Trade Institute (AITI) including our recent course on Transnational Crime, Money Laundering & Illicit Finance from Authoritarian States.

My name is David Luna and I am the co-director of the AITI at TraCCC.

Democracy is under siege.

As President Biden outlined earlier today in the Strategy on Counter Corruption, released this morning, "Corruption threatens United States national security, economic equity, global anti-poverty and development efforts, and democracy itself."

We concur. In fact, illicit finance and kleptocracy are such pervasive threats that in addition to undermining democracy, they corrode the rule of law, fuel impunity, imperil effective implementation of national sustainability and economic development strategies, contribute to human rights abuses, and enflame violent conflicts.

These threats become magnified when they are advanced by authoritarian states to finance greater insecurity and instability around the world, and in a manner that harms the national security of the United States and other democracies.

The corruptive influence of authoritarian forces can be seen and felt across borders and in every corner of the globe.

This is especially true when dictators or corrupt ruling elites conspire with criminals to manipulate weak governance structures, erode judicial independence, and quash anticorruption investigations and the rule of law so that democracy cannot take hold or the voice of citizens cannot be heard.

The malign and criminal behaviors by authoritarian states, for example through kleptocracy and illicit finance, are existential threats to democracies, democratic values and human rights, and to world peace and global order.

Our discussion today will further illuminate the destabilizing effects and dangers that these threats pose to democracy, peace, and security, and why we must diligently inform communities with facts and evidence-based research on the impacts of authoritarianism.

Finally, we must support whole of society approaches to counter today's transnational security vectors including the convergence of kleptocracy, organized crime, and threat finance.

In short, sustaining the light of democracy must be our resolute challenge.

Before introducing our very distinguished speakers for the first session, let ask my co-chair, Dr. Layla Hashemi to also make some introductory comments.

Thank you, David. My name is Layla Hashemi and I am a postdoctoral research fellow at TraCCC. Thank you for joining today's event discussing authoritarianism, violence, and illicit trade.

TraCCC's work is unique in that our research sits at the nexus of so many pressing international issues. With the upcoming Summit For Democracy, we believe it is critical for research institutes like ours to be involved in the conversation regarding issues such as corruption, human rights and transnational crime. Our projects cover a wide variety of topics including human trafficking, illicit wildlife trade, money laundering, antiquities smuggling, global terrorism and illicit supply chains. Our faculty and staff are international, multidisciplinary and some of the leading experts in their fields.

Over one third of the world's population lives under authoritarian rule and only approximately 8% live under governing systems that are considered full democracies. These figures demonstrate the need to identify and address the root causes of this democratic backsliding. A global crisis, COVID-19, brought with it rising levels of violence, threats to public health and increased human insecurity.

One of TraCCC 's research grants funded by the National Science Foundation has revealed the flood of counterfeit respirators and other medical products during the pandemic. Through the establishment of public private partnerships that use advanced data analytics, we have contributed to the seizure of over 55 million respirators and the take down of tens of thousands of listings attempting to introduce fake and harmful products into legitimate supply chains.

Again, thank you for joining us. We hope that today's discussion is just the beginning of a long-term conversation about the state of democracy around the world and at home.

Panelists

Session 1: The Corruptive Influence of Authoritarian States: A Kleptocracy Security Threat to Democracy and Human Rights (Moderated by David M. Luna)

- Dr. Louise I. Shelley, director of TraCCC, and the Omer and Nancy Hirst Endowed Chair
- Claudia Escobar, former Judge of the Court of Appeals of Guatemala and a respected legal scholar
- Corina Rebegea, Advisor for Anti-Corruption and Governance, National Democratic Institute (NDI)

Session 2: Illicit Financing of Crime, Violence, and Insecurity in Authoritarian States (Moderated by Layla M. Hashemi)

- John Cassara, Board of Directors at Global Financial Integrity (GFI) and Senior Fellow at TraCCC-AITI
- Lakshmi Kumar, Policy Director at Global Financial Integrity (GFI) and Senior Fellow at TraCCC-AITI