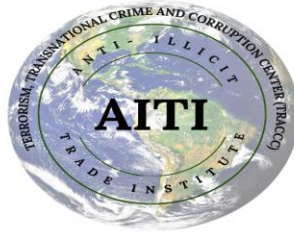


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S4D Working Group (WG) on Kleptocracy and Illicit Finance Dialogue 2023 9 February 2023

Dialogue II: Investigating and Prosecuting Kleptocrats and Complicit Enablers

Opening Statement of Co-Chair, S4D WG Dialogue II

David M. Luna
Co-Director, Anti-Illicit Trade Institute (AITI)
Terrorism, Transnational Crime and Corruption Center (TraCCC)
Schar School of Policy and Government
George Mason University

Good morning everyone.

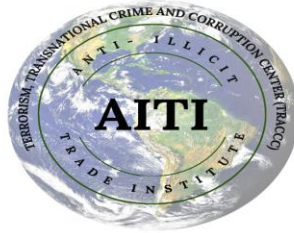
Thank you for joining us for today's S4D Working Group (WG) Dialogue on Kleptocracy and Illicit Finance with our focus on "Investigating and Prosecuting Kleptocrats and Complicit Enablers".

My name is David Luna and I am the co-director of the Anti-Illicit Trade Institute (AITI) under the auspices of the Terrorism, Transnational Crime and Corruption Center (TraCCC), at George Mason University, and honored to be co-chairing this dialogue with my colleague, Dr. Layla Hashemi at TraCCC.

The aims of our S4D WG's civil society-driven efforts are to fight corruption and money laundering, to defend democracy against authoritarianism, confront hubs of illicit trade, and safeguard human rights and security.

In December 2021, the United States hosted the first Summit for Democracy. In March 2023, the U.S. will co-host the second, with the governments of Costa Rica, the Netherlands, Republic of Korea, and Republic of Zambia.

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The S4D WG organized our 1st Dialogue in December 2022, and has been closely coordinating with the S4D Financial Transparency and Integrity Cohort and with other S4D Democracy Cohorts working on Anti-Corruption in the lead up to the second Summit.

Today, we are honored to have with us an outstanding roster of distinguished speakers, moderators, and panelists for today's event.

I would also like to thank our partners, the Brookings Institution and the Coalition for Integrity (C4I) for their leadership on these important issues and for their collaboration on this dialogue, our WG members, and the U.S. Government for their support including the U.S. Department of State, U.S. Agency for International Development (USAID), U.S. Department of Justice, the Federal Bureau of Investigation (FBI), and finally our collective action partners across sectors and communities.

Make no mistake: Democracy is under siege.

As a threat multiplier, and as research has demonstrably shown, there is a strong inverse relationship between kleptocracy and democracy and equality, especially as kleptocrats pillage their countries, crippling development, and moving and laundering billions of dollars of their illicit wealth to offshore havens every year.

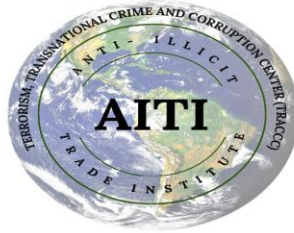
Such corruption thus threatens not only our common security, but also economic equity, global anti-poverty efforts, and democracy itself.

In fact, kleptocracy and illicit finance 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 (including the Sustainable Development Goals), contribute to human rights abuses, and enflame violent conflicts.

Thus, to counter kleptocracy, it is essential that we strengthen information-sharing and cross-border cooperation on investigations, prosecutions, and asset recovery against kleptocrats and their enablers to collectively, and effectively, disrupt their criminality in a manner that restores public trust and integrity, hope to communities, while protecting the active voice of civil society and our democratic institutions.

But we must also work through some difficult questions, and be honest with our efforts to date:

- Are we making progress?



- If not? Why not?
- What remain some of the challenges for cross-border cooperation? What is possible? What is not possible?
- Within realities and limitations, what can we do more together to have greater results, impact?

Over the next several sessions this morning, our discussion will further illuminate how partners across governments, the private sector, and civil society can collaborate to bring kleptocrats to justice and seize their ill-gotten money.

And discuss also how we can advance protections for those on the front lines of fighting corruption by defending the defenders including investigative journalists, whistleblowers, and other anti-corruption champions.

In short, sustaining the light of democracy and breaking the cycle of impunity require collective action.

I am now honored to introduce our keynote speakers. First is:

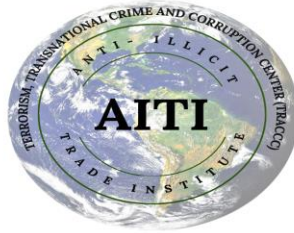
Mr. **BRENDAN BOUNDY** who serves as Deputy and Regional Policy Lead for the U.S. Department of State’s Coordinator on Global Anti-Corruption (CGAC). Secretary Blinken created the Coordinator position in December 2021 to integrate and elevate anti-corruption efforts across the Department. As Deputy to Coordinator Richard Nephew, Mr. Boundy engages with colleagues throughout the Department and U.S. interagency to implement the U.S. Strategy on Countering Corruption. Prior to his current role, Mr. Boundy supported justice sector reform in Afghanistan and served as a policy advisor on Georgia and Ukraine.

Welcome Mr. Boundy, the floor is yours.

Our Next Key Speaker is **Ambassador (ret.) Norman Eisen**.

AMBASSADOR EISEN is a senior fellow in Governance Studies at the Brookings Institution, where he chairs the institution’s signature anti-corruption program, [Leveraging Transparency to Reduce Corruption](#), and is the founder and lead editor of the [Brookings Sanctions Tracker](#). While working at the White House, the press dubbed him “Mr. No” and the "Ethics Czar" for his tough anti-corruption approach, and today, Eisen represents Brookings as the civil society co-chair of

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the Financial Transparency and Integrity cohort for the Biden administration’s second Summit for Democracy.

Last but not least is **Dr. Louise Shelley** who has been brilliant in her research over the years on transnational security threats including writing about the harms posed by kleptocrats, criminal networks and their enablers as documented in her last book, “Dark Commerce: *How a New Illicit Economy Is Threatening Our Future*”. Dr. Shelley is the director of the Terrorism, Transnational Crime and Corruption Center (TraCCC), and the Omer and Nancy Hirst Endowed Chair at the Schar School of Policy and Government, George Mason University.

[Closing Plenary]

Mr. **Frank Vogl**, is the Board Chair, Partnership for Transparency Fund (PTF), and Co-Founder of Transparency International (TI). Mr. Vogl is a giant in the field of anticorruption and a pioneer in elevating the important voice of civil society in securing democracy, and in ensuring that the international community protects anti-corruption champions around the world.

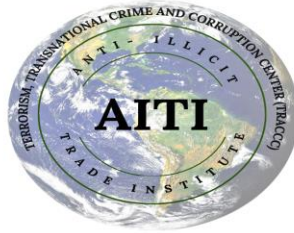
Dr. **Layla M. Hashemi** is a researcher and data analyst at the Terrorism, Transnational Crime and Corruption Center (TraCCC) focusing on international supply chains, cybercrime, corruption, and illicit trade. On the NSF project Disrupting Operations of Illicit Supply Networks (D-ISN), she analyzed the supply chains of counterfeit PPE, fentanyl, and pharmaceuticals. She is currently working on anti-counterfeiting measures and brand/IP protection and tracking illicit supply chains through public-private partnerships and the use of advanced data analytics at TraCCC.

Closing Remarks of Co-Chair, S4D WG Dialogue II

Dr. Layla M. Hashemi
Postdoctoral Research Fellow
Terrorism, Transnational Crime and Corruption Center (TraCCC)
Schar School of Policy and Government
George Mason University

As we continue a new year, we are still plagued by kleptocracy and corruption worldwide. We established this working group and these annual dialogues to ensure that the issues of

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kleptocracy and illicit trade were not only addressed but placed front and center at the Summit for Democracy.

Countering kleptocracy requires strengthening cooperation and collaboration across sectors and borders. It also requires the use of multidisciplinary and innovative approaches, which we pride ourselves in applying in our research at TraCCC and AITI.

While it often takes place internationally, the fight against kleptocracy also requires countries to look inward and reflect upon their own national and local policies and environments. The shrinking of civic space around the world threatens democracy and puts activists and defenders at risk.

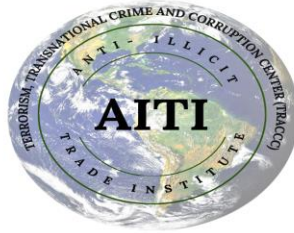
All countries must take kleptocracy seriously. Governments must acknowledge and eradicate the loopholes that allow for and facilitate corrupt practices. As a working group, we recognize that paying attention to the negation of democratic values such as kleptocracy, corruption and illicit trade are just as, if not more, important as promoting democratization.

Like our last dialogue, we will be following up today's sessions with a follow up report that summarizes the concrete solutions offered by our expert speakers to bring about effective policy solutions and substantive change.

On behalf of David, myself, and all our co-sponsors, I would like to thank you for joining us for this second Kleptocracy Working Group Dialogue. Our network has grown rapidly since our first dialogue in December 2021, which shows us how many of us are passionate about tackling this issue.

We look forward to the work ahead and hope you have a wonderful rest of the day.

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S4D Working Group on Kleptocracy and Illicit Finance Dialogue 2023
9 February 2023
8:45am - Noon
(Venue: Global On-Line ZOOM)

Dialogue II: Investigating and Prosecuting Kleptocrats and Complicit Enablers

Co-Hosted: TraCCC-AITI, Brookings Institution, Coalition for Integrity

Opening Keynote Session:

- **Brendan T Boundy**, U.S. Deputy Coordinator for Global Anti-Corruption, Department of State
- **Ambassador Norm Eisen** (Ret.), Co-Chair, S4D Democracy Cohort for Financial Transparency and Integrity, Brookings Institution
- **Dr. Louise I Shelley**, Director, Terrorism, Transnational Crime and Corruption Center (TraCCC), George Mason University

Chair: **David M. Luna**, Co-Director, Anti-Illicit Trade Institute (AITI), TraCCC, GMU

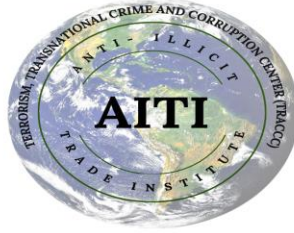
Session 1: Strengthening Cooperation to Investigate Kleptocracies and Seizing Assets

Moderator: **Jim Wright**, AML Instructor; Former Financial Advisor, U.S. Treasury OTA

Panelists:

- **Debra LaPrevotte**, Senior Investigator, The Sentry; Former Supervisory Special Agent, Federal Bureau of Investigation (FBI), DOJ
- **David Lewis**, Former Executive Secretary, Financial Action Task Force (FATF), Managing Director, Global Head of AML Advisory, Forensic Investigations and Intelligence, Kroll
- **Drew Sullivan**, Co-Founder and Publisher, Organized Crime and Corruption Report Project (OCCRP)

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Session 2: Judicial Action, Information-Sharing and Prosecutions

Moderator: **Jonathan J. Rusch**, Director, U.S. and International Anti-Corruption Law Program and Adjunct Professor, Washington College of Law American University; Former Federal Prosecutor, Fraud Section, Criminal Division, U.S. Department of Justice

Panelists:

- **Mary Butler**, Chief of the International Unit of the DOJ Money Laundering and Asset Recovery Section, U.S. Department of Justice
- **Jeffrey Coleman**, Supervisory Special Agent, FBI (assigned to the International Anti-Corruption Coordination Centre)
- **Tess Davis**, Executive Director, Antiquities Coalition

Session 3: Defending the Defenders and Collective Action

Moderator: **Shruti Shah**, President & CEO, Coalition for Integrity

Panelists:

- **Jen Lewis**, Deputy Executive Director, Anticorruption Task Force, USAID
- **Samantha Feinstein**, Staff Attorney and the Director of the International Program, Government Accountability Project
- **Gypsy Guillén Kaiser**, Advocacy and Communications Director, Committee to Protect Journalists
- **Khadija Sharife**, Senior Investigator, OCCRP

Discussion and Closing Session

Chair: **Dr. Layla Hashemi**, TraCCC, GMU

- Strategic Observation and Intervention by **Frank Vogl**, Board Chair, Partnership for Transparency Fund (PTF)