

NOW +

NEXT

GOVERNMENT INVESTIGATIONS & WHITE COLLAR DEFENSE ALERT | NIXON PEABODY LLP

JUNE 4, 2021



Biden administration sets sights on combatting domestic and foreign corruption

By Michael Strauss and Mark Knights

On June 3, 2021, the Biden administration declared “countering corruption” a “core United States national security interest.” And by way of the just-released [National Security Study Memorandum](#) titled *Establishing the Fight Against Corruption as a Core United States National Security Interest*, the president has directed the federal government to “make recommendations that will significantly bolster the ability of the U.S. government to combat corruption.” The new memo summarizes what the White House perceives as critical to that mission. This alert provides our take on what you should know.

First, the memo doesn’t mean much—yet. While the pronouncement is significant, the memo’s purpose is limited. The memo authorizes an interagency review of how the U.S. can “significantly bolster” its anti-corruption strategy. It identifies 10 priorities for the reviewing agencies to address. No priority is surprising. They include modernizing how corruption is investigated, holding culpable individuals [accountable](#) for corrupt conduct, clamping down on nontransparent financial transactions, coordinating enforcement efforts with the U.S.’s international partners, and developing and strengthening partnerships with domestic authorities at the state and local level and in the private sector.

In what ways the alphabet soup of federal agencies will propose to “significantly bolster” the government’s ability to meet these priorities and thus combat the scourge of corruption remains to be seen. The recommendations are due to the president in six months. If and when any relevant developments are announced, we’ll outline their significance for you.

Second, there’s no day like today to establish or refine an existing anti-corruption compliance program. The memo signals the Biden administration’s intent to aggressively pursue corruption at all levels and in all forms. While the review authorized by the president’s memo is designed to improve and supplement the government’s ability to combat corrupt activity, federal investigators and prosecutors already have an extensive selection of anti-corruption tools at their disposal. They don’t need to wait to use them—and they won’t.

For companies that have yet to buildout a global compliance program, this memo is fair warning that it’s time to do so. And for those already operating under an existing compliance regime, this

memo should be a reminder that you must continue to refine it. All businesses should use the new memo as an opportunity to get ahead of the government's pursuit of corruption by immediately taking steps to thoughtfully identify and mitigate their domestic and foreign corruption risk.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

- Michael Strauss, 603-628-4074, mestrauss@nixonpeabody.com
 - Mark Knights, 603-628-4027, mknights@nixonpeabody.com
-