

March 23, 2020

The Honorable Mitch McConnell  
Majority Leader, U.S. Senate  
U.S. Capitol  
Washington, D.C. 20510

The Honorable Chuck Schumer  
Minority Leader, U.S. Senate  
U.S. Capitol  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
Speaker, U.S. House of Representatives  
U.S. Capitol  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader, U.S. House of Representatives  
U.S. Capitol  
Washington, D.C. 20515

**Re: 25 Essential Anti-Corruption Provisions to Include in the Coronavirus Response Package**

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy,

We write to encourage you to include a robust set of anti-corruption measures, outlined below, in any coronavirus response package. Transparency International U.S. is part of the largest global coalition dedicated to fighting corruption. With over 100 national chapters around the world, the organization partners with businesses, government, and citizens to promote transparency and accountability and curb the abuse of power in both the public and private sectors.

The unfolding devastation of the coronavirus threatens the lives and livelihoods of people and communities in a growing number of countries. Here in the U.S., states and localities are putting in place a variety of measures to slow the spread of the virus and to better manage resources for those who fall ill. Despite all these efforts, the largest response, by far, will be from Congress in the coming days. **A package that may appropriate more than \$1 trillion is currently being vetted with members** and includes a combination of direct payments to households, support for health professionals and first responders, funding for test kits and other medical supplies, and proposals to provide loans, loan guarantees, and direct payments to businesses. There have also been calls to change tax policies and other regulations in order to reduce the economic impact of the virus.

With so much at stake, decisions must be made based on what is best and most effective in combating the threats we all face; decisions that must not be influenced by financial or other special interests.

History tells us that in crises, when decisions regarding vast amounts of resources are being made quickly, there is a heightened risk of fraud and abuse. Self-interested players, given the opportunity,

will take advantage of a crisis by pushing unrelated agendas that, at best, distract and, at worst, undermine the health and safety of our communities.

**Bottom line, as Congress moves ahead with its response packages, we must ensure that the resulting policies are carried out with transparency and accountability.**

Outlined below are 25 anti-corruption measures across five categories that we recommend be included in any response package in order to provide the assurance we all deserve and that the government contracts, medical supplies, cash payments, and other resources of consequence are all being put to the best possible use. Diverted resources will only slow the response, prolong the suffering, and undermine the recovery.

We understand that in responding to this situation, decisions must be made quickly. That's why for nearly all of our recommendations, there is pending legislation, or legislative text is available that can be easily adapted for incorporation in a larger package.

**Congress should include the following anti-corruption provisions in its response package:**

- I. **Ensure government contracts go toward fighting the virus, and are not stolen or misappropriated by corrupt actors.**
  - a. Require beneficial ownership information for every company, and their subcontractors, with whom the U.S. government enters into a contract.
  - b. Require that all government contracts include model anti-corruption provisions, including provisions that let the government recover taxpayer money in the event of malfeasance.
  - c. Extend Freedom of Information Act and Privacy Act (FOIA/PA) obligations and requirements to private-sector companies that receive federal contracts.
  - d. Prohibit federal funds from going to any business owned or controlled by a member of Congress, cabinet member, the President or Vice President, or any family member thereof, unless the expenditure is necessary for the security of that individual or family member.
  - e. Require members of Congress to disclose any substantial business relationships that exist between themselves or their immediate family members and foreign entities.
  - f. Require that any executive branch appointee with a direct and substantially related interest in a pending rule or contract due to previous employment disclose their interest and not work or take official action on the matter.
  - g. For every appropriations bill related to the coronavirus response, require a report detailing how funds were allocated and spent that is accessible by the public through an online portal through which the public can obtain electronic copies.
  - h. Also, require any report that accompanies an appropriations bill to include a formatted spreadsheet showing the amounts made available by the bill, in a tabular, digital format that shows separate entries for each fiscal year covered by the bill.
  
- II. **Guard against unrelated regulatory changes pushed by special interests seeking to exploit the crisis, and against political insiders who would profit from it.**
  - a. For example, special interests have recently called for changes to the tax system that would exempt companies that can shift their profits offshore from paying taxes on those profits. This change does nothing for the millions of small businesses that are struggling to stay afloat (they don't have extra revenue to ship overseas to tax havens) or to keep their workers on the payroll. International tax avoidance would not benefit those suffering actual harm. To the extent any tax provisions are included, there must be

- corresponding accountability provisions—including expanded disclosure provisions that require companies to publicly report country-by-country financial information (e.g. taxes, profits, revenues, and number of employees).
- b. At the same time, as of the date of this memo, half a dozen members of Congress and their senior staff are reported to have sold off personal stocks that would be affected by the coronavirus's impact on the economy. While the STOCK Act of 2012 prohibits members of Congress and congressional employees from trading on nonpublic information for personal gain, this standard of proof has been unworkable for prosecutors, and has yet to be clarified by U.S. courts. Instead, members of Congress, congressional employees, and their immediate family members should be required to put their individual stock holdings in a blind trust.

**III. As this is a global pandemic, ensure that foreign aid and foreign contracting is used to fight the virus and is not being siphoned off for corrupt purposes.**

- a. Appoint an Anti-Corruption Director and an interagency Anti-Corruption Task Force to advise and help implement the U.S. government's international response to the pandemic.
- b. Designate anti-corruption officers in select U.S. embassies, especially embassies in high-risk countries receiving significant government aid or assistance.
- c. Mandate that new USAID funding include targeted funds for financial management of low-budget health care systems and for in-country transparency and accountability efforts, and provide financial incentives for reporting any misappropriation of these funds.
- d. Expand U.S. bribery laws to cover foreign officials who solicit or attempt to extort bribes from U.S. persons or companies.
- e. Authorize the President to impose visa-blocking sanctions on foreign actors that engage in corruption, expropriation, or extortion that harms U.S. persons or companies who have made investments in a foreign country.
- f. Expand U.S. bribery law to prohibit government contractors from coercing foreign officials in a manner that undermines the rule of law or corrupts a public official.
- g. Expand U.S. bribery law to prohibit federal agencies from making payments to foreign officials for the purposes of coercion, bribery, or any illegal activity that undermines the rule of law or corrupts a public official.
- h. To further deter theft of foreign aid, empower the Secretary of State to make public the names of those who have been denied visas for acts of significant corruption.

**IV. Ensure accountability by protecting whistleblowers and expanding the public's access to information.**

- a. Clarify U.S. whistleblower laws to include protections for subcontractors and subgrantees.
- b. Authorize rewards for whistleblowers of no less than 15% and up to 50% of the total amounts received by the federal government.

**V. Minimize the coronavirus's impact on the 2020 elections.**

- a. Provide states with additional funding for fortifying and modernizing their election infrastructure.
- b. In response to, and in preparation for, public health priorities, require every state to extend voter registration deadlines.
- c. Require every state to set up an online voter registration system.
- d. Require every state to allow same-day voter registration for all voters.
- e. Require every state to make mail-in ballots available to all registered voters.

Each of these provisions would provide the public with assurance that the vast sums of money allocated are being spent to protect their health and safety. The reforms will also ensure provisions to ease the economic impacts are targeted and not misdirected to a favored interest. They will help in the near term but also improve accountability into the future.

For questions or additional information, please contact Scott Greytak at [sgreytak@transparency.org](mailto:sgreytak@transparency.org) or 614-668-0258.

Sincerely,

**Gary Kalman**

Director

**Scott Greytak**

Advocacy Director

cc:

Members of the U.S. House of Representatives

Members of the U.S. Senate