



MARYKNOLL OFFICE FOR GLOBAL CONCERNS
Peace, Social Justice and Integrity of Creation
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New Anti-Corruption Rule an Early Christmas Gift to the Oil Industry

WASHINGTON, DC - On December 16, the Trump administration's Securities and Exchange Commission (SEC) voted to adopt final rules that took the teeth out of an important financial reform meant to end corruption in the resource extraction industry.

Section 1504 of the Dodd-Frank financial reform act, also known as the Cardin-Lugar amendment, received bipartisan praise in 2010 for empowering communities and investors to hold governments and extractive industry companies accountable for the ways they contributed to corruption and inequality in resource-rich developing countries.

The law required oil, gas, and mining companies to report payments made to host governments – payments many saw as bribes – in exchange for the right to extract natural resources. But nearly a decade on, this rule still has not been implemented. With the new rule adopted by the SEC this week, the final language renders Section 1504 powerless at holding corrupt companies and governments accountable.

“With Section 1504, the United States set a global standard for extractive industry transparency that went on to be adopted by 30 other countries,” said Chloe Noël, Faith Economy Ecology Project Coordinator with the Maryknoll Office for Global Concerns. “Now the United States is failing to live up to that standard. The new rules passed on December 16 weaken U.S. regulation of extractive industries and abandon Congress’ original intent of the law.”

“While we support a just transition away from fossil fuels for a climate resilient future, developing countries need the revenue generated today by the fossil fuel industry to respond to the economic and health crises brought on by the novel coronavirus and the ongoing climate emergency. Instead, the oil industry has resisted any effort to bring their corrupt financial dealings into the light.

“We pray that the Biden Administration will fulfill its promise to rejoin the international community, including in its efforts to root out corruption. Under new leadership, the SEC must act quickly to remedy the worst elements of this rule so that it is aligned with the law as it was originally intended by Congress and in step with the global community.”

The Maryknoll Office for Global Concerns (MOGC) represents Maryknoll missionaries, who are Catholic men and women serving in impoverished communities around the world. The MOGC provides analysis and advocacy on issues of justice, peace and the integrity of creation that affect the countries and communities where Maryknoll missionaries serve.

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