

"Countering bribery in international business"
Department of Enterprise, Trade and Employment, 23 June 2009

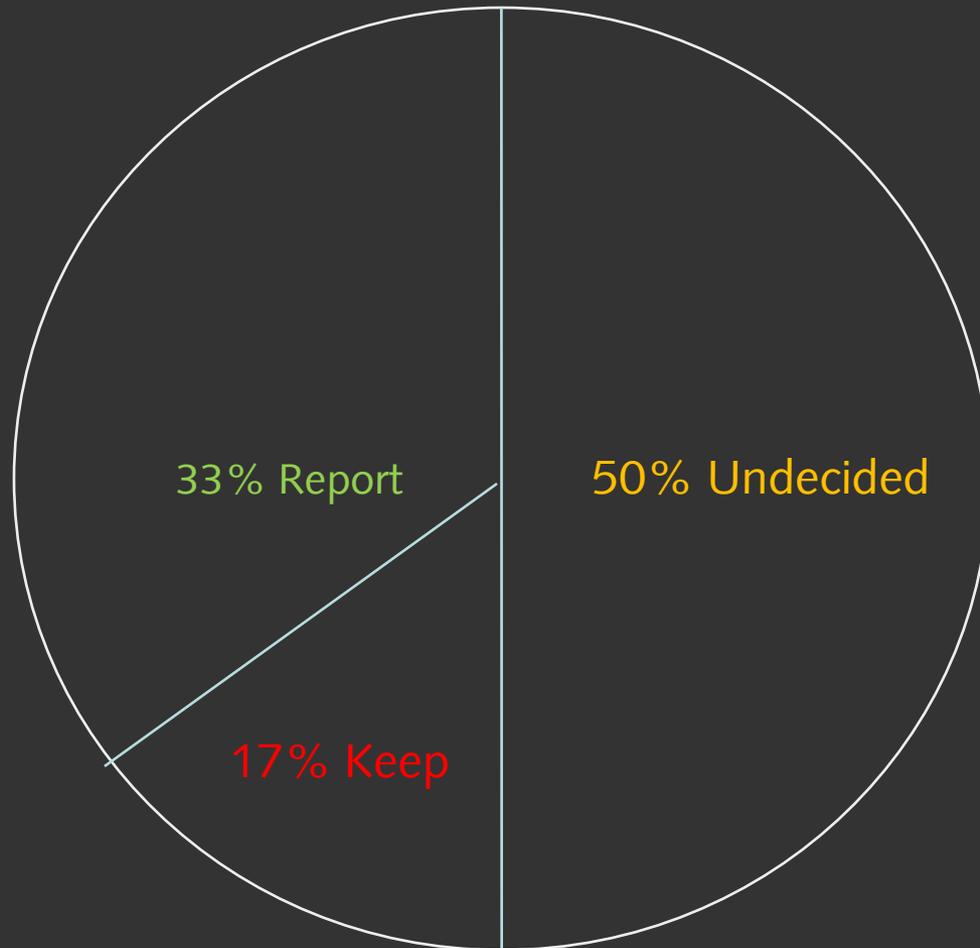
The Apostle of Allah (peace be upon him) cursed the one who bribes as well as one who takes bribe.

Sunan Abu-Dawud: Book 24, Number 3573

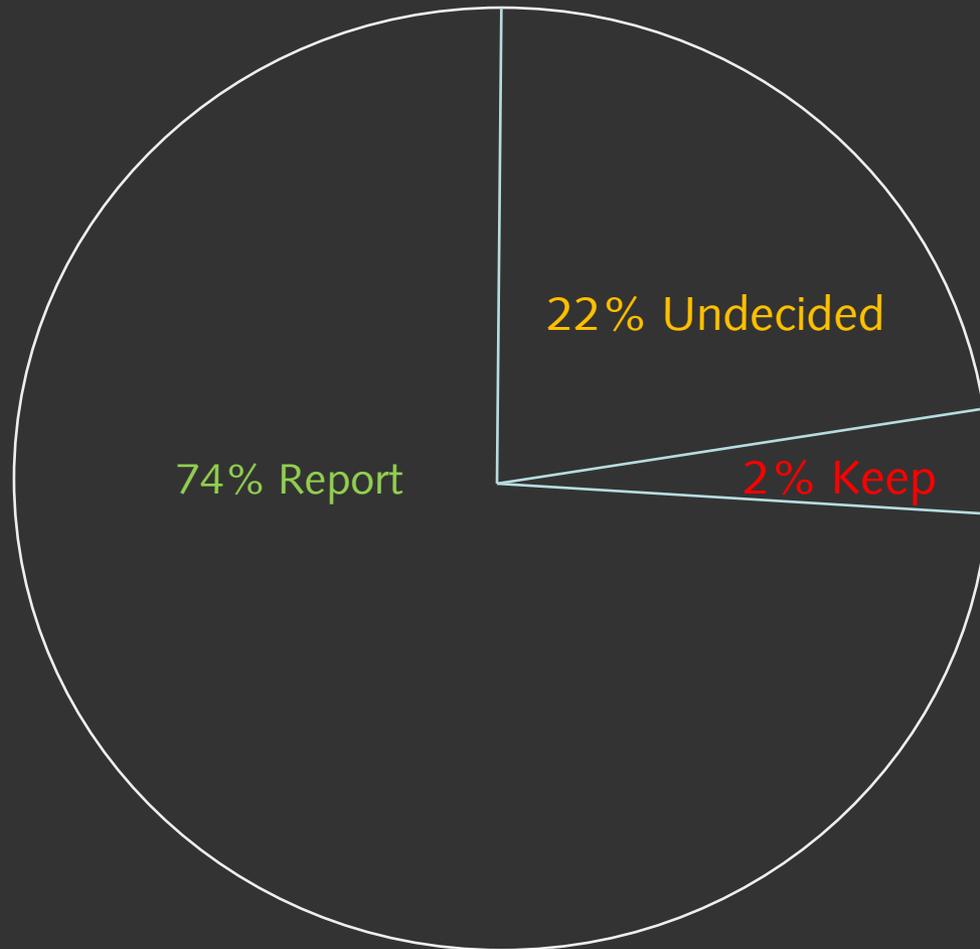
CULTURAL DETERMINISM' OR INFORMATION AND INCENTIVES...

- A 'Live' Test: You are approaching your car in the empty and unattended garage late at night
- You see an envelope on the floor, and you pick it up
- It contains 20 bills of €100 each
- If no possibility that anyone would know: No cameras, no monitoring, no reporting
- What would you do with such envelope full of cash?

**If no possibility that anyone would know:
You are alone, there is no monitoring, cameras,
or possibility of reporting**



If **30%** probability that information is shared
(e.g. 30% that camera recording info which
may be reviewed)



“Corruption: The abuse of entrusted power for private gain.”

"Bribery: An offer or receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, in the conduct of the enterprise's business."

Euphemisms ...

“Chai”, “Something for the weekend”, “A Smile”,
“Baksheesh”, “Cigarette Money”,

Bribe comes from a 13th century word – is to pass morsels of bread

“Facilitation Payments” v Extortion

"The solicitation of bribes is the act of asking or enticing another to commit bribery. It becomes extortion when this demand is accompanied by threats that endanger the personal integrity or the life of the private actors involved." , OECD Guidelines for Multinational Enterprises

RECENT CASES



“ I went to the G
Association, and
a turkey ” AA Gill

From [The Sunday Times](#)

May 31, 2009

Nigerians claim bribes to accept deportees

Lagos-based Murtala Mohammed International airport is believed to be one of the most corrupt in the whole of Africa

John Mooney

Authorities at Murtala Mohammed International airport in the Nigerian city of Lagos are demanding bribes from gardai before accepting illegal immigrants who are deported from Ireland.

Officials at the airport refuse to allow members of the Garda National Immigration Bureau (GNIB) to repatriate Nigerian deportees who arrive on board special charter flights unless they receive payments or gifts, including bottles of Irish whiskey.

The practice of supplying “gifts” to security officials at the airport, which is the main transit point for Nigerian nationals deported by gardai, has been in place for years.

Security sources say they have no option but to offer bribes to ensure that deportees are allowed to disembark from charter flights.

“If they didn’t get something out of each charter flight, by way of

TIMES RECOMMENDS

- > Andy Hayman: why I showed Putin a fake bomb
- > Mullahs can’t ignore Europe
- > Foreign Office credibility undermined

COMMENT



“ MPs in
Westminster could
learn a lot about
openness from their
Hebrew

MY PROFILE | SHOP | JOBS

MOST READ

MOST COMMENTED

TODAY

- > Silvio Berlusconi: the parties, the...
- > Iran police fire tear gas in zero-tole
- > Video clip of student’s last breath r
- > And the true identity of The Stig is .

Get a Quote

Gender

Choose One

Your Age

Choose One

Get a Quote

Take You For a Ride

Insurance



James Pethokoukis
 Blogging money and politics
[See all posts >](#)

EUR/USD	
Sell	Buy
1.24	1.24
15	18
Low	High
1 2400	1 2490

The *EURO* is **EASY** to trade. [See How >>](#)
 Currency trading involves significant risk of loss.

FREE
 PRACTICE ACCOUNT
[Click Here](#)

FXCM
 24 Hour Online
 Currency Trading

 You are here: [Home](#) > [Business & Finance](#) > [Article](#)

 DJIA : **8339.01** **-200.72** **-2.35%** | Nasdaq : **1766.19** **-61.28** **-3.3%**

- [HOME](#)
- [BUSINESS & FINANCE](#)**
- [Markets](#)
- [Deals](#)
- [Small Business](#)
- [Green Business](#)
- [Industries](#)
- [Industry Summits](#)
- [Stocks](#)
- [Funds](#)
- [ETFs](#)
- [Currencies](#)
- [Commodities](#)
- [Options](#)
- [Economy](#)
- [Bonds](#)
- [Analyst Research](#)
- [Portfolio](#)
- [NEWS](#)**

UN strikes Russian, Italian firms from vendor list

Fri Mar 16, 2007 11:37pm EDT

[Email](#) | [Print](#) | [Share](#) | [Reprints](#) | [Single Page](#)
[\[-\] Text](#) [\[+\]](#)

MARKET NEWS

- [▶ Global stocks skid on growth prospects](#)
- [▶ Oil falls nearly 4 percent on economic outlook, dollar](#)
- [▶ S&P turns negative for year in broad sell-off | Video](#)
- [▶ More Business & Investing News...](#)

By Evelyn Leopold

UNITED NATIONS, March 16 (Reuters) - The United Nations removed two firms from its list of contractors and suspended two others, including the big Russian air shipper Volga-Dnepr, during a probe of bribes to a former U.N. official.

The two struck from doing future business with the United Nations were Cogim SPA, an Italian-based firm that builds prefabricated units, mainly for armed forces around the world, including the U.S. military, according to its Web site. The second was the Avicos Insurance Company of Russia, the United Nations said on Friday.

Featured Broker sponsored link



In addition to Volga-Dnepr, the world body suspended Corimec Italiana SPA, which also produced prefabricated units and had contracts for U.N. peacekeepers, while the United Nations continues investigating.

U.N. spokeswoman Michelle Montas said several U.N. bodies, including a

ONLINE CURRENCY TRADING

CURRENCY TRADING INVOLVES SIGNIFICANT RISK OF LOSS


[POUND](#)

[USD](#)

FREE
 PRACTICE ACCOUNT

FXCM
 WWW.FXCM.COM

MOST POPULAR ON REUTERS

1. [S&P turns negative for year in broad sell-off | Video](#)
2. [UPDATE 1-Tesla slashes production costs, eyes July profit](#)
3. [NSN's Nortel deal may be too little, too late](#)
4. [UPDATE 3-Sarkozy rejects austerity as crisis response](#)
5. [UPDATE 2-Detroit closes in on Toyota in key quality measure](#)



You are here: [Home](#) > [Business](#) > [World](#)

Iraq sues Irish firm over Saddam-era kickbacks

▼ SHARE |  PRINT |  EMAIL |  TEXT SIZE

By Nick Webb

Sunday July 13 2008

THE government of [Iraq](#) has launched a \$10bn (€6.3bn) anti-bribery lawsuit against a number of international companies, including [Thermo King Ireland](#), a subsidiary of [Ingersoll Rand](#).

The civil suit, which has been filed in [New York](#) district court, alleges that kickbacks were paid to [Saddam Hussein](#)'s regime under the programme, set up by the U N to provide Iraqi civilians with urgently needed humanitarian supplies.

Last year Ingersoll Rand agreed a \$2.5m (€1.6m) settlement with [US](#) authorities over the oil for food scandal. The company admitted that its employees had paid around \$800,000 (€503,000) to officials in Saddam's regime in order to win supply contracts.

- *Nick Webb*



Articles

Topics

- what's yours is mine
- And finally...
- Publisher withdraws debt claim against Fianna Fail MEP
- Why are five nurses and a doctor facing death in Libya?
- ESB payout after brood mare killed by falling cables
- Privacy Bill will change little and may even benefit press
- Boston files patent lawsuit

Search results powered by 

Also in World

- ▶ Deloitte on standby for Setanta administration
- ▶ Circle Oil says all is well in

Life flow
better
with

Are you a
Click

Quote Search

UK, European or US Companies

▶ Enter company name

All regions ▼

*A company can be searched by market code, eg. IPD.

Data provided by Hemsco

→ [Company Lookup](#)

Bank of Ire

Click
for d



From [Times Online](#)

March 24, 2009

Dragon Oil admits ex-staff took money for deals

[Martin Waller](#)

Dragon Oil, the oil explorer, today published details of a damning investigation into "improper conduct" and apparent bribery within its marketing and contracts departments, where some staff appear to have colluded to obtain money from contractors.

In February, the company, which mainly focuses on oil projects in Turkmenistan, said it had appointed KPMG, the accountancy firm, to investigate the "completely unacceptable" behaviour of some staff, who have since been dismissed, though offered few details.

This morning Dragon moved to reassure investors that the behaviour concerned would have "no material impact on the group's financial position".

But the preliminary findings from KPMG suggested there was "improper conduct relating to procurement activities" within the two departments. "Although internal controls were in place, the individuals involved managed to override the various controls in the procurement process through collusion," it concluded.

RELATED LINKS

- > [Dragon Oil starts inquiry into 'irregularities'](#)
- > [Should you buy shares in](#)

"These individuals appear to have obtained financial benefits for themselves by securing improper payments from certain contractors."

TIMES RECOMMENDS

- > [C&G axed - 1,660 jobs to be lost](#)
- > [UK house prices rise 1.1% as buyers return](#)
- > [Mixed reaction to US banks repaying bailouts](#)

QUOTE SEARCH

Enter company name

Summary

[> Company Lookup](#)
[> My Portfolio](#)

WORLD MARKETS

Market Data - 1:34 UK	> Markets
FTSE 100	4,234.05 ↓ 2.57%
Dax	4,693.40 ↓ 3.02%
Cac 40	3,123.25 ↓ 3.04%
Dow Jones	8,339.01 ↓ 2.35%

[MY PROFILE](#) | [SHOP](#) | [JOBS](#)

MOST READ

[MOST COMMENTED](#) | [TOP](#)

TODAY

- > [Silvio Berlusconi: the parties, the...](#)
- > [And the true identity of The Stig is .](#)
- > [Iran police fire tear gas in zero-tolerance](#)
- > [Iran admits 50 cities had more voters](#)

The pocket-sized

Up-to-the minute News, Sport and Business coverage

Plus our free to use Going Out Guide



TIMESMOBILE

News on the move

FOCUS ZONE

More reports:

Enjoy further reading from Travel, Fashion, Business to Sport, discover more

[Business](#) » [Latest](#) »[Email to a friend](#) [Email to Author](#) [Print](#) [RSS](#) [Text Size: A | A](#)

Last Updated: Friday, March 27, 2009, 07:54

Revenues up 18 per cent at Dragon Oil

CHARLIE TAYLOR

Dublin-listed exploration company Dragon Oil said earnings rose 21 per cent last year due to higher crude prices and increased output.

The company, which is 52 per cent owned by the government of Dubai, said net income increased by €65 million from €304 million in fiscal 2007 to €369 million at the end of December.

Revenue rose by 18 per cent over the year from €597 million to €706 million while operating profits climbed 30 per cent from €365 million to €474 million.

Production rose to 45,600 barrels a day compared to 40,000 barrels a day a year earlier. It added that it expected annual output growth to average as much as 15 per cent by 2011.

The company said it expected to complete up to 35 development wells including eight wells this year.

Last year Dragon Oil increased its Group headcount by 10 per cent taking the average number of staff to 913 during 2008.

Net cash generated from operations during the year improved by approximately \$111 million to \$579 million.

Dragon is an oil exploration and production company whose activities are focused mainly on fields in the Caspian Sea off the Turkmenistan coast.

ADVERTISEMENT



Latest

[21:48](#) [Judges expected to up Cowen](#)[21:23](#) [Slane capacity 'not br](#)[21:21](#) [New Commons speake](#)[21:01](#) [Iran says West fuellin](#)[20:49](#) [Williams eases into ne](#)[19:48](#) [Thomond wins archit](#)[19:06](#) [27 killed in Iraqi bom](#)[19:04](#) [Fears over Crumlin w](#)



4,000 payments worth at least \$1.4 billion
between 2001 and 2007

c. €1.6 billion in fines

1.6 million billable hours logged by lawyers (Debevoise & Plimpton) and the company's forensic accountants (Deloitte) at a cost of over \$850 million

1,750 interviews and 800 informational meetings
concerning the company's operations in 34 countries

Administration, with approval from DOJ and the SEC, of two employee amnesty programs, which led to 100 employees coming forward with useful information

Over 100 million documents preserved and 80 million documents stored in an electronic database at a cost to Siemens of more than \$100 million

More than \$5.2 million in document translation costs

More than \$150 million spent on the creation of an anti-corruption kit for 162 distinct operating entities, including six weeks of auditors “on the ground” at each of the fifty-six entities determined to be a “high risk.”

STUCK IN AN OLD
PHONE CONTRACT
THAT DOESN'T FIT?

Go from Small Business
to Fast Business. >

Comcast
Business Class

HOME

TODAY'S GLOBE

NEWS

BUSINESS

SPORTS

LIFESTYLE

A&E

THINGS TO DO

TRAVEL

CARS

JOBS

H

Technology

Healthcare

Markets

Personal finance

Columnists

HOME / BUSINESS

ADVERTISEMENT

Siemens AG bribery scandal grips Greece Associated Press

By Nicholas Paphitis

Associated Press Writer / June 5, 2009

[Email](#) | [Print](#) | [Yahoo! Buzz](#) | [ShareThis](#)
Text size  

ATHENS, Greece—Greeks pride themselves on having invented European drama. And their mushrooming scandal over alleged bribery by [Siemens AG](#) officials has plenty of it.



Discuss
COMMENTS (0)

There's a South American villa allegedly bought with illicit funds, a suspect who suffered a stroke under questioning, and a fugitive executive's wife and daughter tossed in jail because they shared

bank accounts with him.

What the colorful tale doesn't offer is answers about whether politicians were among those paid off.

Prosecutors say industrial conglomerate Siemens spent some euro57.5 million illegally in Greece to win a contract with then-state owned telephone operators OTE 1997-2003. Greek officials are also investigating alleged corruption in deals between Siemens and the state involving security systems for the 2004 Athens Olympics.



LOCAL BUSINESS NEWS ON

Agreement with Globe is near, union le
<http://is.gd/19AFK> about 2 hours ago

Saying it is owed discounts, Mass. sues
<http://is.gd/19u0P> about 5 hours ago

Editor, five others out at Boston Maga
[/19o10](#) about 6 hours ago

“The crucial factor is not being doomed”

Podgor, 2008

Estimates show that the cost of corruption equals more than 5% of global GDP (US \$2.6 trillion), with over US \$1 trillion paid in bribes each year.

Corruption adds up to 10% to the total cost of doing business globally, and up to 25% to the cost of procurement contracts in developing countries.

Moving business from a country with a low level of corruption to a country with medium or high levels of corruption is found to be equivalent to a 20% tax on foreign business.

Increase in corruption from 9 on CPI to 3 same negative effect on inward FDI as raising the tax rate by eighteen to fifty percentage points. Wei, 2000

Capital inflows affected by 0.5 per cent, Lambsdorff (2008)

Improvement by one standard deviation (equal to 2.38 out of 10)
leads to a 4 percentage point increase in FDI, Mauro (1997)

Technology

Smarzynska and Wei (2000)

€4 billion

TI Ireland

35%

Control Risks Group (2006)

45%

PriceWaterhouseCoopers (2008)

x2 deterrent to FDI than human rights, labour
+ environmental violations

Control Risks Group, (2006)

Ability to trade

Habib and Zurawicki

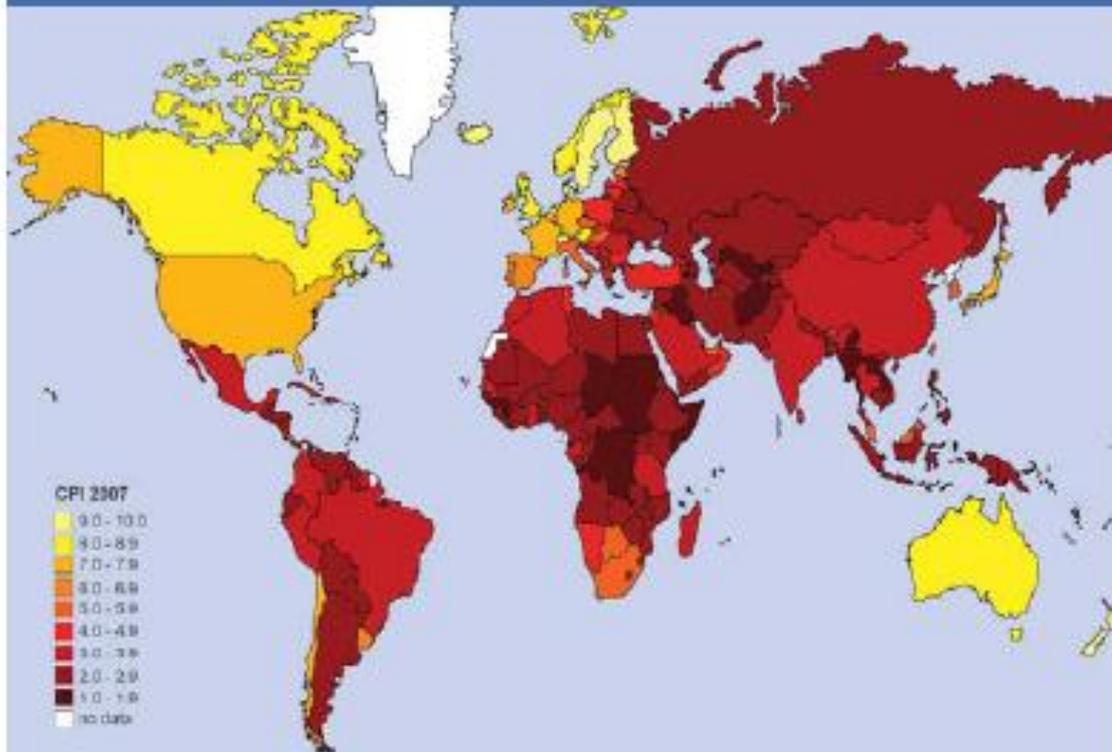
Bribe Payers Index

Rank	Country/Territory	BPI 2008 Score	Standard Deviation
1	Belgium	8,8	2,00
1	Canada	8,8	1,80
3	Netherlands	8,7	1,98
3	Switzerland	8,7	1,98
5	Germany	8,6	2,14
5	Japan	8,6	2,11
5	United Kingdom	8,6	2,10
8	Australia	8,5	2,23
9	France	8,1	2,48
9	Singapore	8,1	2,60
9	United States	8,1	2,43
12	Spain	7,9	2,49
13	Hong Kong	7,6	2,67
14	South Africa	7,5	2,78
14	South Korea	7,5	2,79
14	Taiwan	7,5	2,76
17	Brazil	7,4	2,78
17	Italy	7,4	2,89
19	India	6,8	3,31
20	Mexico	6,6	2,97
21	China	6,5	3,35
22	Russia	5,9	3,66

Source: Transparency International Bribe Payers Survey 2008.

Corruption Remains a Serious Problem for Companies in Most Parts of the World and across Industries

Countries Particularly Prone to Corruption



Industries Particularly Prone to Corruption

- Public works/construction (1.3)
- Arms and defence (1.9)
- Oil and gas (2.7)
- Real estate/property (3.5)
- Telecommunications (3.7)
- Power generation/transmission (3.7)
- Mining (4.0)
- Transportation/storage (4.3)
- Pharmaceuticals/medical care (4.3)
- Heavy manufacturing (4.5)
- Banking/finance (4.7)
- Civilian aerospace (4.9)
- Forestry (5.1)
- IT (5.1)
- Fisheries (5.9)
- Light manufacturing (5.9)
- Agriculture (5.9)

CORRUPTION PERCEPTIONS INDEX 2008

1	Denmark	9.3
1	New Zealand	9.3
1	Sweden	9.3
4	Singapore	9.2
5	Finland	9.0
5	Switzerland	9.0
7	Iceland	8.9
7	Netherlands	8.9
9	Australia	8.7
9	Canada	8.7
11	Luxembourg	8.3
12	Austria	8.1
12	Hong Kong	8.1
14	Germany	7.9
14	Norway	7.9
16	Ireland	7.7
16	United Kingdom	7.7
18	Belgium	7.3
18	Japan	7.3
18	USA	7.3

CPI 2008 contd.

Burundi	1.9
Congo, Republic	1.9
Gambia	1.9
Guinea-Bissau	1.9
Sierra Leone	1.9
Venezuela	1.9
Cambodia	1.8
Kyrgyzstan	1.8
Turkmenistan	1.8
Uzbekistan	1.8
Zimbabwe	1.8
Congo, Democratic Republic	1.7
Equatorial Guinea	1.7
Chad	1.6
Guinea	1.6
Sudan	1.6
Afghanistan	1.5
Haiti	1.4
Iraq	1.3
Myanmar	1.3
Somalia	1.0

FCPA

Origins, 1977 – Republican Committee to Re-elect the President ran slush funds to pay the Watergate burglars in Mexico and Miami. Senate hearings also found that 400 US companies were running similar funds to pay off officials to secure contracts overseas.

Unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to a foreign official for the purpose of obtaining or retaining business for or with, or directing business to, any person. Since 1998, they also apply to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States.

Any individual, firm, officer, director, employee, or agent of a firm and any stockholder acting on behalf of a firm. Individuals and firms may also be penalized if they order, authorize, or assist someone else to violate the anti-bribery provisions or if they conspire to violate those provisions.

The FCPA also requires companies whose securities are listed in the United States to meet its accounting provisions. *See* 15 U.S.C. § 78m. These accounting provisions, which were designed to operate in tandem with the anti-bribery provisions of the FCPA, require corporations covered by the provisions to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls.

“Facilitating Payments” and Affirmative Defence

Corporations and other business entities are subject to a fine of up to \$2,000,000

Officers, directors, stockholders, employees, and agents are subject to a fine of up to \$100,000 and imprisonment for up to five years.

Alternative Fines Act - fines may be actually quite higher -- the actual fine may be up to twice the benefit that the defendant sought to obtain by making the corrupt payment.

Fines imposed on individuals may not be paid by their employer or principal.

The Attorney General or the SEC, as appropriate, may bring a civil action for a fine of up to \$10,000 against any firm *as well as* any officer, director, employee, or agent of a firm, or stockholder acting on behalf of the firm, who violates the anti-bribery provisions.

In addition, in an SEC enforcement action, the court may impose an additional fine not to exceed the greater of (i) the gross amount of the pecuniary gain to the defendant as a result of the violation, or (ii) a specified dollar limitation. The specified dollar limitations are based on the egregiousness of the violation, ranging from \$5,000 to \$100,000 for a natural person and \$50,000 to \$500,000 for any other person

OECD

1997

The Act of 1906 is hereby amended by the substitution of the following section for section 1:

“1.—(1) An agent or any other person who—

(a) corruptly accepts or obtains, or

(b) corruptly agrees to accept or attempts to obtain, for himself or herself, or for any other person, any gift, consideration or advantage as an inducement to, or reward for, or otherwise on account of, the agent doing any act or making any omission in relation to his or her office or position or his or her principal's affairs or business shall be guilty of an offence.

(2) A person who—

(a) corruptly gives or agrees to give, or

(b) corruptly offers, any gift or consideration to an agent or any other person, whether for the benefit of that agent, person or another person, as an inducement to, or reward for, or otherwise on account of, the agent doing any act or making any omission in relation to his or her office or position or his or her principal's affairs or business shall be guilty of an offence.

(3) A person who knowingly gives to any agent, or an agent who knowingly uses with intent to deceive his or her principal, any receipt, account or other document in respect of which the principal is interested, and which contains any statement which is false or erroneous or defective in any material particular, and which to his or her knowledge is intended to mislead the principal shall be guilty of an offence.

7.—(1) Subject to subsection (2) of this section, where a person does outside the State an act that, if done in the State, would constitute an offence under section 1 (inserted by section 2 of this Act) of the Act of 1906, he or she shall be guilty of an offence and he or she shall be liable on conviction to the penalty to which he or she would have been liable if he or she had done the act in the State.

(2) Subsection (1) shall apply only where the person concerned is a person referred to in subsection (5) (b) of the said section 1.

Prevention of Corruption Amendment Bill 2008

Definition of 'Agent' expanded as is nationality and extraterritoriality jurisdiction

A person guilty of an offence under subsection (3) or (7) shall be liable—

(a) on summary conviction, to a fine not exceeding €5,000 or imprisonment for a term not exceeding 12 months or both, or

(b) on conviction on indictment, to a fine not exceeding €250,000 or imprisonment for a term not exceeding 3 years or both.

- Criminal Prosecutions
- Civil Prosecutions (incl. RICO - Racketeer Influenced and Corrupt Organizations Act suits)
- Exposure to extortion and solicitation – Small companies prone
- Fines
- Debarment – World Bank, EU Procurement Directive 2004
- Disqualification – ODCE action for false accounting, company law breaches
- Leaks, Activist naming and shaming – Wikileaks, Corpwatch, Global Witness

Transparency and trustworthiness as important to reputation as value for money and strong financial future

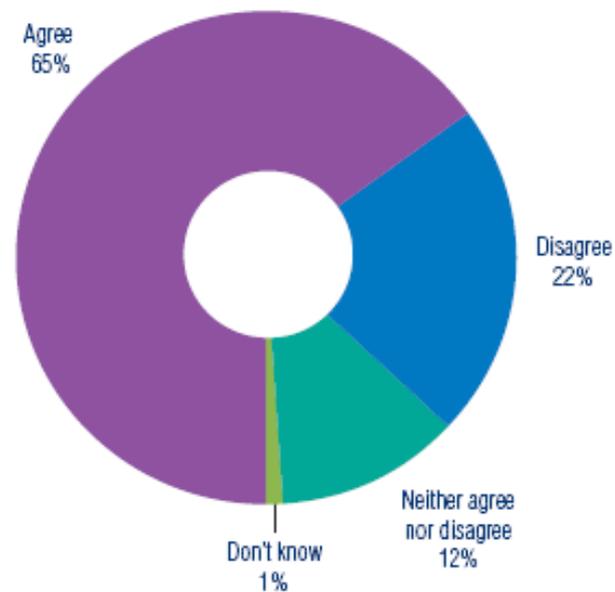
When you think of good and responsible companies, how important is each of the following factors to the overall reputation of the company?



Responses 6-9 only on 1-9 scale; 9=highest
Informed publics ages 25-64 in 20 countries

Figure 17: By a 3:1 margin, informed publics agree government should impose stricter regulations and greater control over business in all industries

How strongly do you agree or disagree that your government should in the future impose stricter regulations and greater control over business across all industry sectors?



Informed publics ages 25 to 64 in 20 countries

Cases

- International Chamber of Commerce Rules of Conduct
- Transparency International
- OECD Guidelines for Multinational Enterprises
- The UN Convention Against Corruption
- The UN Global Compact
- FTSE4Good
- Anti-Corruption Research, Education and Training
- RESIST, BPCB, Integrity Pacts, PACI, ALACs

Industry Initiatives – Collective Action



What is the Global Compact?

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

[Learn More »](#)

HUMAN RIGHTS
LABOUR
ENVIRONMENT
ANTI-CORRUPTION

Latest News

- 17/06/2009 Notable Reporters Outperform Key Stock Index
- 17/06/2009 U.S. Network Issues Report: CSR and Public Policy
- 12/06/2009 World Day Against Child Labour
- 10/06/2009 Global Compact Local Networks Conclude Istanbul Forum
- 09/06/2009 Network Report Details How Global Compact Advanced on the Ground in Over 80 Countries
- 09/06/2009 Human Rights Solutions Forum Tackles Business Dilemma's
- 08/06/2009 Business, Investors, NGOs Tackle Responsible Investment in Conflict-Affected Countries
- 03/06/2009 UN Delegates Briefed on Responsible Investment and Corporate Citizenship in Wake of Financial Crisis
- 28/05/2009 Australia Launches Local Network

[More News »](#)

Highlights

**GLOBAL COMPACT
ANNUAL REVIEW 2009**

SIGN ON AGAINST CORRUPTION

**UN-BUSINESS FOCAL POINT
APRIL 2009**

**WORLD DAY
AGAINST CHILD LABOUR**

VOTE HUMAN RIGHTS

CARING FOR CLIMATE

UN Global Compact 10th Principle – the fight against corruption

- Internal: As a first and basic step, introduce anti-corruption policies and programs within their organizations and their business operations;
- External: Report on the work against corruption in the annual Communication on Progress; and share experiences and best practices through the submission of examples and case stories;
- Collective: Join forces with industry peers and with other stakeholders

UN Global Compact 10th Principle

- Strong statement of continued support for the Global Compact
- Clear and detailed description of practical actions taken in implementing the Global Compact principles and/or in undertaking partnership projects in support of broader UN goals
- Measurement of outcomes that allows for checking progress
- Reporting process ensures reliability, clarity and timeliness of information and includes stakeholder dialogue.



FOR FURTHER INFORMATION VISIT WWW.FTSE.COM, S&P500.FTSE.COM OR CALL YOUR LOCAL FTSE OFFICE:
BOSTON +1 (7) 617 306 4000 FRANKFURT +49 (0) 69 356 05 140 HONG KONG +852 2230 5800
LONDON +44 (0) 20 7556 1810 MADRID +34 91 431 2787 NEW YORK +1 (800) 747 FTSE
PARIS +33 (0) 1 62 76 82 88 SAN FRANCISCO +1 (415) 888 747 FTSE TOKYO +81 3 2521 2011

FTSE
THE INDEX COMPANY

High Risk Companies – ALL three filters must apply to each company before they are designated 'High Risk'

Sectors

Companies from the following ICB (Industry Classification Benchmark) sectors and sub-sectors⁴ are considered more likely to have the highest levels of exposure to risk of engaging in bribery:

- Oil & Gas Producers; Oil Equipment, Services, & Distribution; Chemicals; Industrial Metals; Mining; Construction & Materials; Aerospace & Defense; General Industrials; Electronic & Electrical Equipment; Industrial Engineering; Support Services; Electricity; Gas, Water, & Multi-Utilities.
- Pharmaceuticals; Hotels; Fixed Line Telecommunications; Mobile Telecommunications; Software & Computer Services; Technology Hardware & Equipment.

Countries

Companies operating in countries that are deemed to have the highest risk, or perceived risk of, levels of bribery:

- Countries scoring 4 or less on the Transparency International Corruption Perceptions Index.
- Countries scoring 0 or less (negative) on the World Bank Governance Indicators list.

For a list of the countries please see next page.

Public Contracts

Companies that are involved in any way with government/public contracts, or where a government licence is critical to the operation of their business, are considered as having the highest levels of exposure to risk of engaging in bribery.

High Risk Country List

Countries scoring 0 or less (negative) scores on the World Bank Governance Indicators List* or countries scoring 4 or less on the Transparency International Corruption Perceptions Index** are considered high risk. Using this methodology, all the following countries are classified as high risk, and this list will be reviewed annually:

- Countries in both Transparency International and World Bank lists: Albania, Algeria, Angola, Argentina, Armenia, Azerbaijan, Bangladesh, Belarus, Belize, Benin, Bolivia, Bosnia-Herzegovina, Brazil, Cameroon, Chad, China, Colombia, Congo, Congo Dem Rep, Cote D'Ivoire, Cuba, Dominican Republic, Ecuador, Egypt, Ethiopia, Gabon, Gambia, Georgia, Ghana, Guatemala, Haiti, Honduras, India, Indonesia, Iran, Iraq, Jamaica, Kazakhstan, Kyrgyz Republic, Kenya, Kyrgyz Republic, Lebanon, Libya, Macedonia, Malawi, Mali, Mexico, Moldova, Mongolia, Morocco, Mozambique, Myanmar, Nepal, Nicaragua, Niger, Nigeria, Palestinian Authority, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Romania, Russia, Senegal, Sierra Leone, Sri Lanka, Sudan, Syria, Tajikistan, Tanzania, Thailand, Turkey, Turkmenistan, Uganda, Ukraine, Uzbekistan, Venezuela, Vietnam, Yemen, Zambia, Zimbabwe. Countries in Transparency International list only: Croatia, Eritrea, Latvia, Madagascar, Poland, Saudi Arabia, Serbia and Montenegro, Slovakia. Countries in World Bank list only: Afghanistan, Bulgaria, Burkina Faso, Burundi, Cambodia, Central African Republic, Comoros, Djibouti, El Salvador, Equatorial Guinea, Guinea, Guinea-Bissau, Guyana, Jordan, Kiribati, North Korea, Laos, Lesotho, Liberia, Macao, Marshall Islands, Micronesia, Rwanda, Samoa, Sao Tome and Principe, Solomon Islands, Somalia, Swaziland, East Timor, Togo, Tonga, Trinidad and Tobago, Vanuatu

* World Bank Governance Indicators List source: <http://www.worldbank.org/wbi/governance/pubs/govmatters4.html> revised regularly, currently every 2 years.

** TI CPI source: http://www.transparency.org/policy_and_research/surveys_indices/cpi researched and issued annually

Criteria for High Risk Companies

(NB: Further company guidance on these criteria will be available from FTSE Group on request)

	Policy	Management	Reporting
Criteria Indicators	<ul style="list-style-type: none">• Prohibits giving and receiving bribes; ¹• Commits to obeying all relevant laws;• Commits to restricting and controls facilitation payments;• Commits to restricting giving and receiving gifts;• Policy is publicly available.	<ul style="list-style-type: none">• Communicates policy to employees;• Trains relevant employees;• Compliance mechanisms (e.g. assurance, audits, monitoring, board reports);• Provides secure communication channels for employees to seek advice or voice concerns (e.g. , hotlines, advicelines, whistle-blowing procedures for protection, internal reporting mechanisms);• Procedures to remedy non-compliance. ²	<ul style="list-style-type: none">• Policy is publicly disclosed;• Compliance mechanisms are publicly disclosed.



International Chamber of Commerce

The world business organization

Commission on Anti-Corruption

**Combating Extortion and Bribery:
ICC Rules of Conduct and
Recommendations**

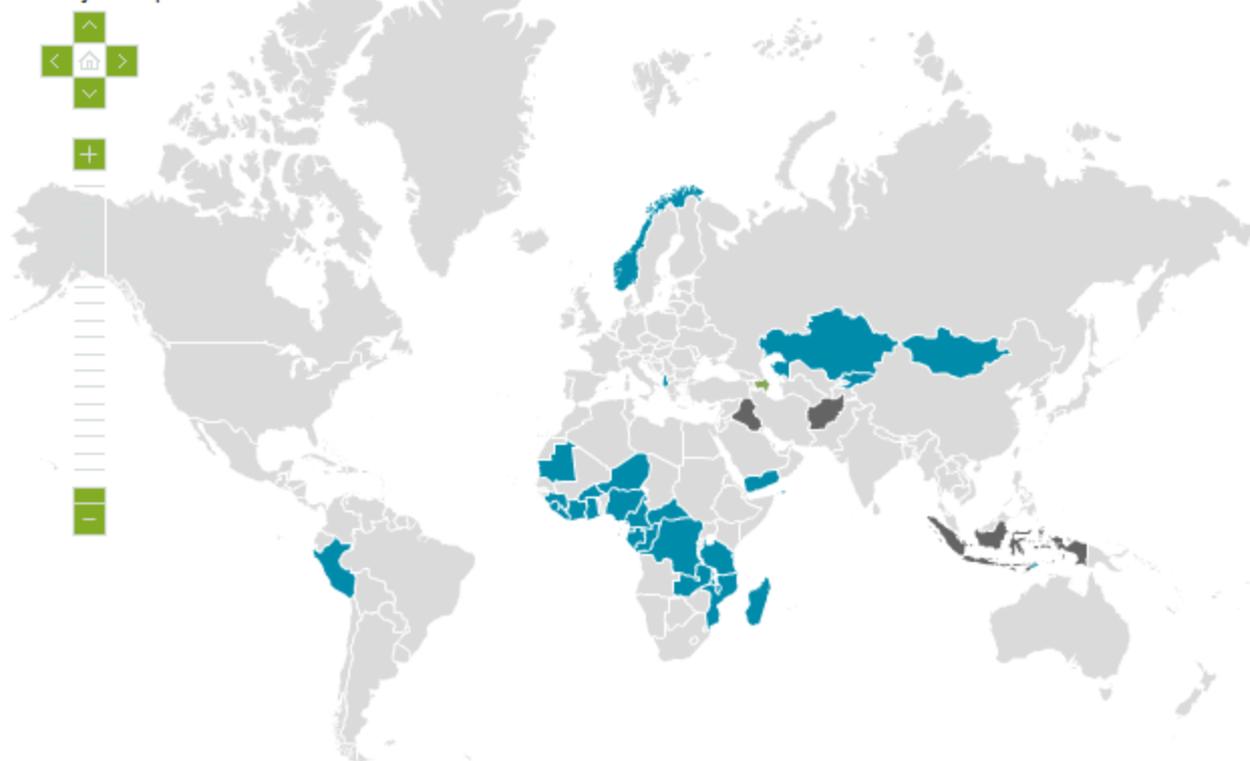
2005 edition

A country that has fully and to the satisfaction of the [EITI Board](#) met the [four sign-up indicators](#) becomes a [Candidate country](#). These indicators are explained in the [EITI Rules](#). Once a country has obtained the Candidate status it has two years to be validated as a Compliant country.

Several [other countries](#) have signaled their intent to implement the EITI. As soon as the EITI Board considers that a country has met the four first indicators, the country becomes an EITI Candidate Country.

[PRINTER-FRIENDLY VERSION](#)

tool by ammap.com



NEWSLETTER SIGNUP

 Download the latestMaking resources
work for peopleWatch the Video 

EITI Criteria

- Implementation of EITI must be consistent with the criteria below:
- Regular publication of all material oil, gas and mining payments by companies to governments (“payments”) and all material revenues received by governments from oil, gas and mining companies (“revenues”) to a wide audience in a publicly accessible, comprehensive and comprehensible manner.
- Where such audits do not already exist, payments and revenues are the subject of a credible, independent audit, applying international auditing standards.
- Payments and revenues are reconciled by a credible, independent administrator, applying international auditing standards and with publication of the administrator’s opinion regarding that reconciliation including discrepancies, should any be identified.
- This approach is extended to all companies including state-owned enterprises.
- Civil society is actively engaged as a participant in the design, monitoring and evaluation of this process and contributes towards public debate.
- A public, financially sustainable work plan for all the above is developed by the host government, with assistance from the international financial institutions where required, including measurable targets, a timetable for implementation, and an assessment of potential capacity constraints.

You need to upgrade your Flash Player

COMPLIANT COUNTRIES

[Azerbaijan](#)

CANDIDATE COUNTRIES

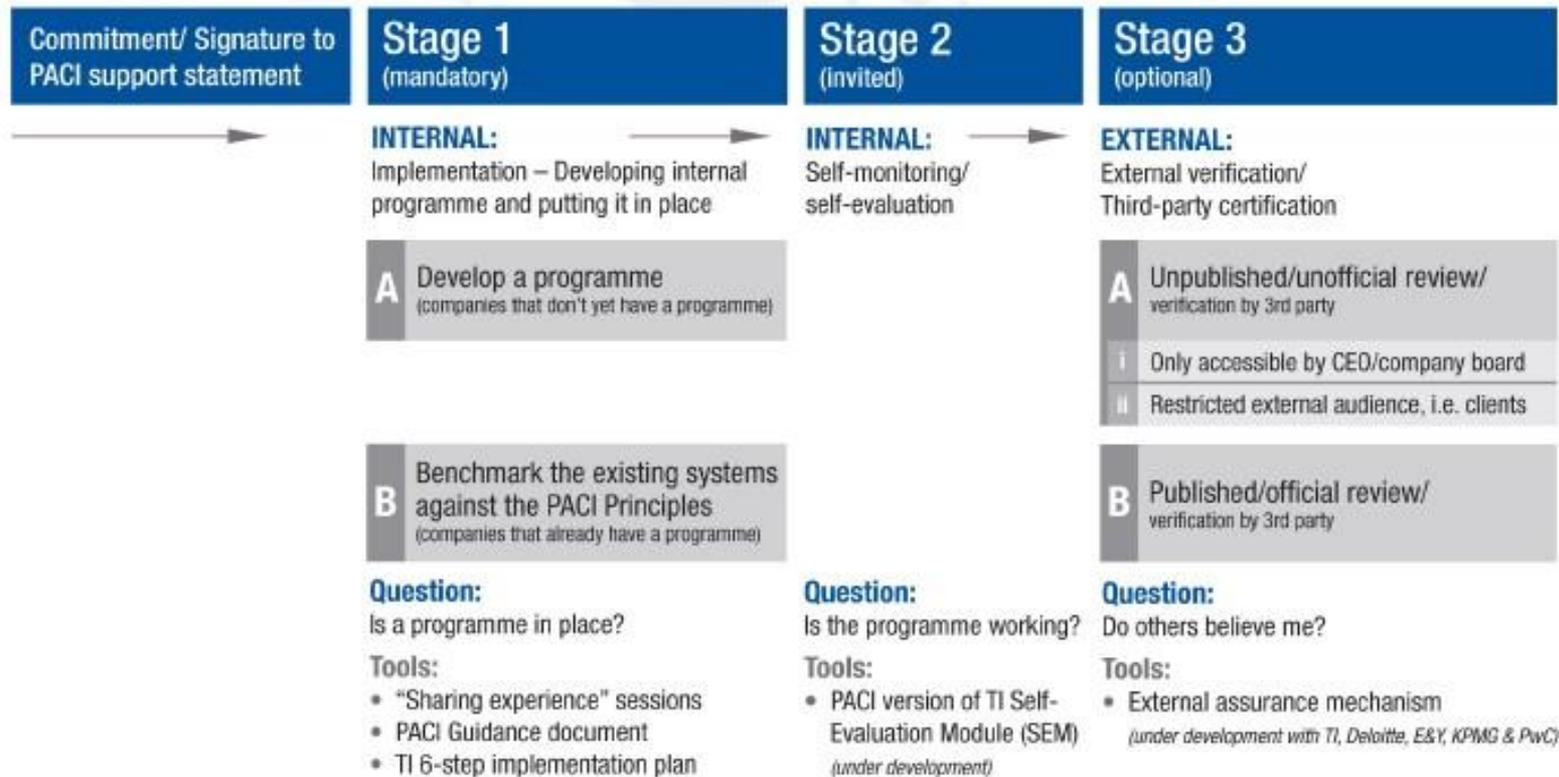
Albania	Mauritania
Burkina Faso	Mongolia
Cameroon	Mozambique
Central African Republic	Niger
Côte d'Ivoire	Nigeria
Democratic Republic of Congo	Norway
Equatorial Guinea	Peru
Gabon	Republic of the Congo
Ghana	São Tomé e Príncipe
Guinea	Sierra Leone
Kazakhstan	Tanzania
Kyrgyz Republic	Timor-Leste
Liberia	Yemen
Madagascar	Zambia
Mali	

OTHER COUNTRIES

Afghanistan	Iraq
Indonesia	



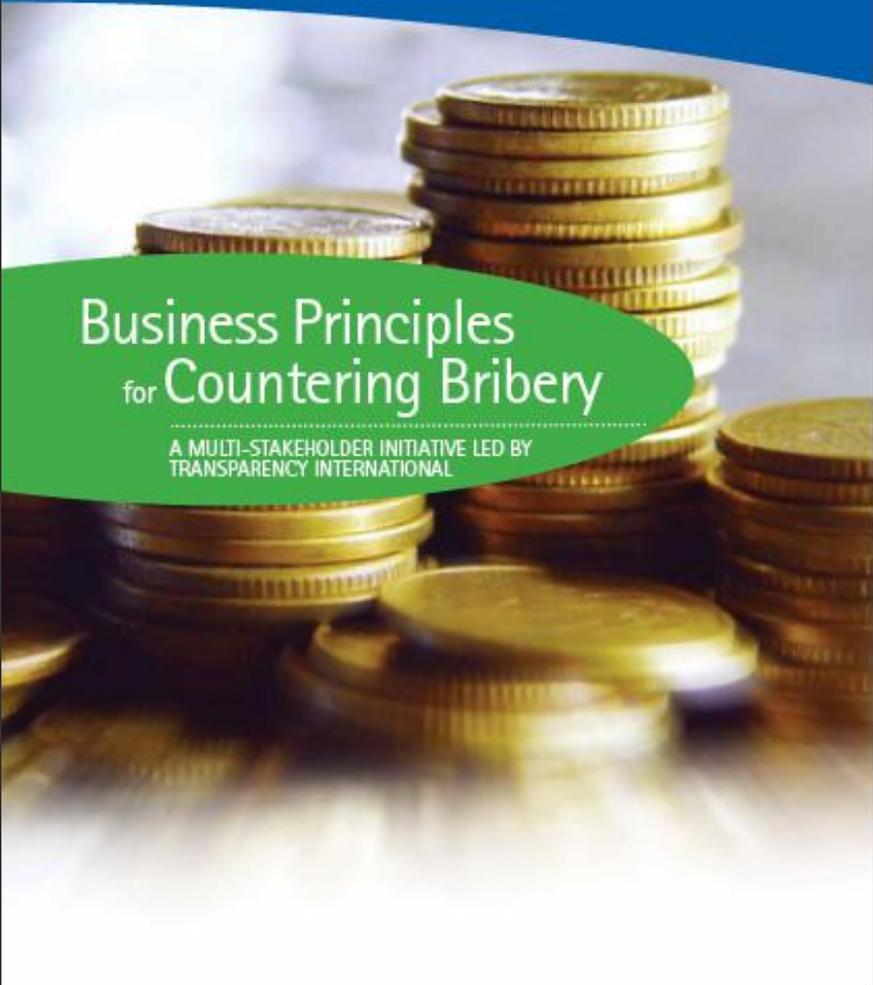
PACI: Signature and then what?



Signatory companies are encouraged to submit an update on progress within 2 years of signature/Jan 2008.
By end 2007 PACI will publish signatory company status with respect to stages reached.

TI

1995



Business Principles
for Countering Bribery

A MULTI-STAKEHOLDER INITIATIVE LED BY
TRANSPARENCY INTERNATIONAL

Business Principles for Countering Bribery

- The enterprise shall prohibit bribery in any form whether direct or indirect
- The enterprise shall commit to implementation of a programme to counter bribery

- Consultative Process over two years
- European Bank for Reconstruction and Development, Trade Union Advisory Committee of the OECD, International Chamber of Commerce, PriceWaterhouseCoopers, Shell International and General Electric.
- Field test and over 25 workshops
- Finally released in December 2002

Contractors and Suppliers

Procurement Processes

Joint ventures

Subsidiaries

Agents

- Absolute prohibition on bribery – a no tolerance policy on bribery, all forms of bribery, including “facilitation payments” whether paid or received
- Focus on implementing a detailed Programme (full disclosure, no off the books accounting, due diligence, training, communications)
- They cover business relationships, gifts, political donations, charitable donations, facilitation payments and specific forms of bribes
- The guidelines need to be owned by everyone in the organisation and other stakeholders
- Key staff responsible for implementation (usually CEO)
- Adequately resourced

The UN Global Compact suggests to participants to consider the following three elements when fighting corruption and implementing the 10th principle.

Practical Steps



Transparency International Six-Step Implementation Process

Step	1	2	3	4	5	6
Action	Decide to adopt a no bribes policy	Plan implementation	Develop anti-bribery programme	Implement programme	Monitor	Evaluate the performance
Primary Responsibility	Owner of company Board CEO	Appointed senior manager Project team	Appointed senior manager Heads of department	Appointed senior manager Line managers Support functions Business partners	Ethics/compliance officer Internal and external auditors	Owner of company Board CEO Audit committee
Process	Obtain commitment to no-bribes policy "from the top" Decide to implement an anti-bribery programme Appoint senior manager/cross-functional project team	Define specific company risks/review current practices Review all legal requirements Decide extent of any public disclosure Develop and write anti-bribery programme Test/get commitment from senior management/selected employees	Integrate no-bribes policy into organisational structure and assign responsibilities Review ability of service functions to support new programme Develop detailed implementation plan to include: • adapt HR policies • communications • training programmes Set up complaints function Prepare for incidents	Communicate anti-bribery programme - internal/external Run training courses for employees and business partners Ensure capabilities are in place of specialist functions up to speed: internal audit, finance, legal department Deal with incidents Review role of project team	Regular reviews of the system Capture knowledge from incidents Use external assurance providers Review use of complaints channels	Receive feedback from monitoring Evaluate effectiveness of programme Develop improvements to programme Report to management Board review and sign-off on programme Publish programme process and results (optional)
Time span	One month	Three to six months	Three to six months	One year	Continuous	At least annually

Transparency International Self Evaluation Tool

RESIST

Resisting Extortion and Solicitation in International Transactions

A company tool for employee training

Jointly developed by



International Chamber of Commerce
The world business organization



United Nations Global Compact



COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

NAVIGATION

- ❖ About this Portal
- ❖ About Corruption
- ❖ Anti-Corruption Initiatives
- ❖ Integrity System
- ❖ Due Diligence Tools
- ❖ Country Profiles
- ❖ Information Networks
- ❖ Training
- ❖ Links
- ❖ News Archive
- ❖ Disclaimer



Welcome to the Business Anti-Corruption Portal for small and medium sized companies operating in emerging markets and developing countries - use the menu on the left to navigate the Portal and access the [Country Profiles](#). See the [About this Portal](#) section for suggested use of the Portal. [Contact Global Advice Network](#) for questions and comments.

The Portal is developed and maintained by [Global Advice Network](#) and financed by the [Ministry of Foreign Affairs of Denmark](#), the [German Federal Ministry for Economic Cooperation and Development](#), the [Dutch Ministry of Foreign Affairs](#), the [Ministry of Foreign Affairs of Norway](#), the [Ministry for Foreign Affairs Sweden](#), and the [UK Department for Business, Enterprise and Regulatory Reform](#).

About the Business Anti-Corruption Portal

The Business Anti-Corruption Portal is provided by [Global Advice Network](#) who is hosting and maintaining the Portal for the ministries and agencies whose logos are featured above. The content in the Portal is based on publicly available information. Global Advice Network will strive to ensure that all content available on this website is accurate. We depend on feedback from our users. If you identify inaccuracies or information which could be of value to the Portal, please [inform us](#).

Use the menu left or the map below to navigated directly to a Country Profile.



NEWS

10 Country Profile Updates Published

(5 June 2009) Global Advice Network is pleased to inform you that 10 Country Profile updates were published in May 2009. The Country Profiles updated were of Argentina, Bhutan, Cambodia, China,...

[Read more](#)

Publication de mises à jour de 10 pays

(5 juin 2009) Global Advice Network a le plaisir de vous informer de la publication en juin 2009 des mises à jour de 10 profils de pays. Les 10 profils de pays mis à jour sont les...

[Read more](#)

Actualización de 10 perfiles de países

(5 de junio, 2009) Global Advice Network tiene el placer de anunciar que actualizaciones de 10 perfiles de países han sido publicado en junio 2009. Los 4 países que se han actualizado son: Argentina,...

[Read more](#)