GLOBAL EFFORTS: BATTLING AGAINST THE CHAIN OF CORRUPTION

The battle against corruption starts with the institutional failures that enable that corruption to take root. It proceeds to the financial system which allows those who have corrupt money to launder it. It moves to the corporate sector which is alert to its dangers and wants no part of them. It ends with the police agencies who discover or are tipped off about an incident and investigate it. The all-encompassing nature of this virus means that a host of agencies are involved in the prevention, detection, and prosecution of crimes of corruption. Efforts to contest corruption and fraud take place across borders, and involve a wide range of agencies. Cooperation and information sharing are the names of this particular game, without which the chances of successfully repressing these crimes are hamstrung.

Tackling demand-side bribery is one way that the pressure can be reduced on business. It is important for companies to be conscious of the local domestic efforts to tackle corruption by public officials, particularly in regions of the world that have traditionally been associated with bribery. Detective Inspector Whatmore explains the rationale:

If people awarding the contracts in these countries are properly policed by their own authorities to prevent them from receiving the bribes then the company doesn’t have to pay the bribe in the first place .... If domestically people are well policed then the opportunity for them to ask for the bribe is reduced and therefore the companies have got less pressure on them to pay bribes.1

A key finding of Trace International, a non-profit membership association that helps multinational corporations pool resources to fight corruption, is that where international bribery is concerned, OECD countries comprise under a third of all the 33 bribe-recipient countries. It is apparent (but not surprising) that the main flow of international bribes is from developed countries to developing ones. The United Kingdom is second only to the United States in the enforcement of foreign or “outbound” bribery, with 22 enforcement actions from 1977 to 2009.2

One recent trend has been an increase in domestic enforcement to tackle “inbound” bribery (where a country’s law enforcement agencies prosecute

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a foreign company or its representative for offering a bribe to a public official. Political pressure to crack down on international bribes has intensified in recent years, and this has to some extent translated into better enforcement in a growing number of countries. There is also better information on comparative levels of enforcement against international bribery in different countries. Trace International’s 2010 Global Enforcement Report is a step forward in that it is the first in an ongoing series of annual reports that identify and track international anti-bribery enforcement trends.

According to Sam Eastwood, a partner with lawyers Norton Rose:

the Bribery Act is only one element in a larger anti-corruption dynamic. Russia and China, for example, have both reinforced their respective anti-corruption laws in the period prior to the Act coming into force and countries whose enforcement records have received OECD criticism show signs of increasing their enforcement efforts. Canada and Australia are two notable examples of this.³

The international importance of the issue is demonstrated by greater enforcement in all countries in each successive year of the first decade of the 2000s. Trace International found that most countries that have enacted laws prohibiting foreign bribery have done so since 2000, and that around half of all the formal foreign bribery enforcement actions pursued since the passing of the US Foreign Corrupt Practices Act (FCPA) in 1977 and 2009 occurred in the last decade of this period.⁴ South Korea tops the list of most aggressive enforcers since 1977, followed by Italy, Argentina, and South Africa.⁵ Despite increased enforcement, the momentum has yet to translate into meaningful investigations in many cases; the majority of countries analyzed by Trace International failed to pursue even one international bribery investigation in the period from 1977 to 2010.

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Where corruption, money laundering, and other financial crime (such as terrorist financing) is concerned, multilateral intelligence-sharing networks and open channels of communication between law enforcement agencies in different countries are crucial to investigating and detecting cases spanning multiple jurisdictions. Following the criminal money trail around the world is a vital part of bringing a corruption case to court. Since 1995, this has been an ongoing project for members of the Egmont Group of Financial Intelligence Units (FIUs), of which the UK Serious and Organised Crime Agency (SOCA) is a member. Egmont is a forum of central national agencies which are responsible for receiving, requesting, analyzing, and disseminating disclosures of financial information to