



Anti-Corruption Focus September 2010

TI-UK's Quarterly Newsletter



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Top Five Stories

TI-UK's selection of five interesting articles or reports about corruption published during the past quarter.

1. [Unfair play](#)

Blog discussing Britain's record on prosecuting foreign bribery, the new Bribery Act, concern at delay in its commencement and TI-UK's own adequate procedures guidance. TI and TI-UK referenced.

Economist.com (28 July)

2. [Clarke delays enforcement of bribery law](#)

News report on delay to Bribery Act. TI-UK quoted.

Financial Times (20 July)

3. [Government delays Bribery Act – again](#)

Afua Hirsch's Law blog on delay to the Bribery Act. TI-UK quoted.

Guardian.co.uk (28 July)

4. [High Risk: How corrupt is life sciences?](#)

Podcast Chandu Krishnan on UK Bribery Act, delay in its commencement and TI-UK's adequate procedures guidance.

Pharma-iq.com (12 August)

5. [US House panel blocks Afghan aid](#)

News report on US House of Representatives' panel block on President Obama's \$3.9b aid request to Afghanistan. TI-UK quoted.

Al Jazeera English (1 July)

Dear Members and Supporters,

I am delighted to tell you that at the annual Third Sector Excellence Awards ceremony on 23 September, devoted entirely to the voluntary sector, TI-UK won the award entitled 'The Third Sector Big Impact Award.' This category was for charities which had successfully run campaigns that had had a substantial impact on national or international life and the judges recognised TI-UK's outstanding work on the Bribery Act during its passage through Parliament. There were three finalists, namely the British Heart Foundation, Cancer Research UK and ourselves. This prestigious award recognises TI-UK's work for wider public benefit and, hopefully, will help to increase public awareness of the importance of stopping bribery and corruption at home and abroad.

Our high hopes for speedy commencement of the new Bribery Act received a setback when, just before the parliamentary recess, the Government announced it would be delayed. The new Act introduces an offence of corporate failure to prevent bribery, unless a company can prove that it otherwise had 'adequate procedures' in place to prevent bribery. However, the Act can only come into force after the Government has issued official guidance on 'adequate procedures'.

It was widely expected that the official guidance would be issued in July 2010, paving the way for the Act's commencement before the end of the year. But on 20 July, the new coalition Government announced that publication of the guidance would be deferred until early 2011 to allow time for yet another round of

consultation. While companies do need guidance that clarifies some grey areas in the Act, we believe this could have been finalised without further delay. Disappointingly, then, the Bribery Act will not now come into force until April 2011.

Response to Bribery Act delay

TI-UK is extremely concerned that, under the guise of consultation, attempts may be made to water down the Act by those keen to pursue 'business as usual' - mistakenly believing that it is OK to pay bribes in countries where sanctions against corruption are weak.

We therefore issued a swift response to the Government's announcement expressing our disappointment and concern over the Act's delay and possible dilution. It was picked up by a range of key media, including the FT, Guardian, the Dow Jones newswire and the Economist.com blog.

We will be working hard over the next few months to ensure that the consultation does not result in any weakening of the new law's key provisions. An early opportunity comes on October 4 when TI-UK and Norton Rose co-host a Ministry of Justice consultative workshop on the Government's consultation paper on adequate procedures and the Bribery Act. It is important that the workshop is attended by non-business, as well as business interests, so our supporters and members will be very welcome. Please register direct with the Ministry of Justice (see **Dates for your Diary**). TI-UK will be making a formal submission on the MOJ's consultation paper.

TI-UK's Adequate Procedures Guidance

Just two days after the Act's delay was announced - and thanks to support from FTI Consulting, the global business advisory firm, and Halcrow, the international infrastructure consultancy - we published our own detailed Guidance to help companies meet the challenges of the new UK Bribery Act.

Launched to a business, legal and accountancy audience at a breakfast hosted by FTI Consulting, TI-UK's Adequate Procedures Guidance runs to 200 pages. It is based on the well-established Business Principles for Countering Bribery and other Transparency International tools that companies all over the world are already using to benchmark their anti-bribery systems. It includes case studies, sample policies and a step-by-step implementation checklist, aiming to provide comprehensive guidance for companies seeking to comply with the Bribery Act and maintain good practice anti-corruption procedures. In our view, companies following our Guidance will have implemented 'adequate procedures' for compliance with the Bribery Act.

The TI-UK Guidance is available as a free download from the 'working with companies' section of our website and from a dedicated Adequate Procedures domain name (www.adequateprocedures.org.uk). Order forms for hard copies (printed in full colour in a practical ring-bound folder, costing £90) can be printed off from either site.

Launching hard on the heels of the Bribery Act's delay almost certainly helped boost media coverage of TI-UK's Guidance. The *Guardian's* Law blog as well as the *Dow Jones Newswire* and *Economist* websites all drew attention to our Adequate Procedures Guidance in their coverage of the delay to the Bribery Act. News of TI-UK's Guidance also reached Germany via their *Manager Magazine* website.

TI-UK's new social enterprise initiative

These are early days, but we are very excited about a new TI-UK initiative to offer anti-corruption training, benchmarking and advisory services to companies on a not-for-profit basis. We believe there is much that TI can do to help, companies, on request, to develop robust anti-bribery systems that meet the adequate procedures test. We are currently expanding our pool of experts for pilot projects.

Our services will be aimed at companies that want to develop a genuine understanding of corruption and try to eliminate it from their businesses drawing

on our anti-corruption expertise. We expect to be powering at full speed early in 2011 and welcome discussions with companies interested in accessing this expertise. Please contact Alison Taylor (alison.taylor@transparency.org.uk or tel +44 (0)207 785 6354).

TI-UK working globally

The news in July that the UK is for the first time actively enforcing the OECD anti-bribery convention was a welcome headline from TI's 2010 progress report covering 36 countries, based on assessments provided by National Chapters. Part of our role is to contribute expertise to global TI initiatives and our analysis highlighted the UK's improving law enforcement record. We hope that the delay in the Bribery Act's commencement to allow further consultation won't result in any weakening of its provisions and undermine the UK's standing in next year's TI progress report.

Other international work that we are actively promoting is the [case for a strong anti-corruption mechanism for the UN's Arms Trade Treaty \(ATT\)](#). TI's Defence and Security programme (previously known as the Defence Against Corruption programme) is leading this important work.

Defence and Security Programme

July was an especially active month for our defence team. Its April report and ongoing work on defence industry offsets continued to attract interview requests and media coverage – notably in the [Financial Times](#), [EU Observer](#) and [Business Week](#).

The defence team led NATO's two-week Building Integrity in Defence Establishments (BIDE) anti-corruption foundation course in Afghanistan for senior military officers. Thirty participants of colonel-rank and above from the Afghan Ministries of Defence and the Interior attended the 4-day course which addressed a wide range of issues, including personal conduct, organised crime, procurement, operational aspects and change management. Specialist speakers included senior officers from both ministries and the UK Serious Organised Crime Agency. The team issued a background briefing on Afghanistan to coincide with the Kabul International Conference on Afghanistan held on July 20. This was followed up by Voice of America and Goteborgs Posten in interviews with defence programme director Mark Pyman. He also delivered a pre-deployment briefing on corruption issues to NATO's multi-national Allied Rapid Reaction Corps who were preparing to deploy to Afghanistan.

July also saw us working behind the scenes in New York for the First Preparatory Committee for the negotiation of the UN Arms Trade Treaty (ATT). The defence team prepared talking points for the interventions made by Costa Rica's delegation as part of the effort to secure the inclusion of strong anti-corruption provisions in the ATT. The team also collaborated closely with the UK delegation via DFID and provided input into the agenda of the negotiating NGO coalition.

In August, we presented corruption perspectives on post-conflict transition in Afghanistan at the security transition metrics conference organised jointly by NATO and the US National Defence University. We also generated significant interest in TI's defence work with a presentation on the corruption risks in defence offset arrangements at a global public procurement conference hosted by the University of Copenhagen.

The defence team's research activity is expanding rapidly. Research projects were completed on defence budget transparency and corruption spill-over from defence to other sectors. The high-profile Business Conduct Report, which analyses countries' regulations and guidelines aimed at Ministry of Defence personnel is nearing publication and has already generated considerable interest.

We are also finalising the text of a follow-up guide that builds on the highly successful 2008 Handbook for Defence Officials: *Building Integrity and Reducing Corruption Risk in Defence*. Intended for defence Ministers and high-level officials, it explains defence corruption and preventative measures to counter it. New defence research projects include an assessment of post-conflict countries'

anti-corruption efforts and reforms, and the due diligence procedures performed on third parties in defence transactions.

Working with the UK Government

We continue to build relationships with the coalition Government to raise awareness of the importance of tackling corruption in key policy areas - notably in international aid and in raising awareness of anti-bribery systems among UK businesses. Meetings are scheduled over the autumn with DFID officials to discuss the UK Aid Transparency Guarantee and with the Chair of the International Development Committee, Malcolm Bruce. We are also meeting officials to discuss the Justice Secretary's role as the Government Anti-Corruption Champion, following submission of a TI-UK briefing note with 22 recommendations on priorities he needs to address.

Business Secretary Vince Cable responded positively to our work in a letter following publication of our Adequate Procedures Guidance and the announcement of a new round of consultation on the Bribery Act. His views on cross-departmental engagement on anti-corruption issues in support of the Government's Anti-Corruption Champion are especially encouraging.

Website

The new adequate procedures web pages are just one of several recent changes to the TI-UK website that we hope will improve its appeal and relevance to a wider audience. The home page has been given a makeover, which includes a moving slideshow to attract attention and introduce visitors to different parts of the site through the slideshow links. There are also extra links elsewhere on the home page to encourage people to click through to our latest publications, to the news pages and to my new blog.

I update the blog regularly, giving an anti-corruption standpoint on recent news headlines, or observations on my participation at conferences and events. Recently I've commented on the good news that the UK is now actively enforcing the OECD anti-bribery convention; on the proposed new commercial duties for British diplomats and how they should ensure ethical business conduct; on the disastrous Pakistan floods; and the UN Summit on progress towards the achievement of the UN Millennium Development Goals.

I was in close contact with Syed Adil Gilani, the head of TI Pakistan and our discussions culminated in a joint statement to the media, urging the UK Government and the public not to allow fear of corruption to halt vital humanitarian aid to Pakistan. It was reported in *The News International*, one of Pakistan's leading English language newspapers. Both the blog and the press statement drew attention to Transparency International's handbook *Preventing Corruption in Humanitarian Operations* showing how corruption risks can be reduced so that aid reaches those who need it most.

The programmes section of the website is next in line for an update – watch this space!

Looking ahead, a busy autumn beckons with activity on several fronts. Members, please keep the evening of Nov 22nd free to attend TI-UK's Annual General Meeting (see **Dates for your diary**). The TI-UK Board and staff look forward to meeting as many of you as possible to update you on our progress over the last 12 months and discuss our plans for the future.

To keep abreast of our work between now and the next quarterly newsletter, check our latest news and blog updates at www.transparency.org.uk

And if you live within striking distance of London, why not register for one of our autumn events? You'll be very welcome.

With best wishes,

Chandrashekhar (Chandu) Krishnan
Executive Director, TI-UK

Dates for your diary

4th October at 8.30am

Bribery Act Guidance: Ministry of Justice workshop

Co-hosted by Transparency International UK and Norton Rose

Location: Norton Rose, 3 More London Riverside, London SE1 2AQ [*Tube: London Bridge*]

Timing: 08.30 Breakfast
10.00am Close

Register through partners@justice.gsi.gov.uk

26th October 2010 at 6.30 pm

Corruption in the United Kingdom: new research

Transparency International UK has commissioned Dr Michael Macaulay of Teesside University to undertake the first major survey of corruption in the UK. At this meeting, preliminary results will be presented, and the audience will be asked to give their comments and feedback on these initial findings.

Speaker Michael Macaulay – Lead Researcher, Transparency International UK
Corruption Survey

Location Norton Rose, 3 More London Riverside, London SE1 2AQ [*Tube: London Bridge*]

Timing 18.00 Registration & drinks reception
18.30 Presentation & discussion
19.45 Close

22nd November at 6.15pm

Transparency International UK AGM (members only)

The AGM will include a talk on Corruption in Afghanistan

Speakers **Mark Pyman (TI-UK) and Sir Stewart Eldon KCMG OBE (former UK Permanent Representative to NATO)**

Location FTI Consulting, Holborn Gate, 26 Southampton Buildings, WC2A 1PB
[*Tube: Chancery Lane*]

Timing 18.15 Registration
20.15 Close

9th December 2010 at 6.30 pm

Annual anti-corruption Lecture

To celebrate the UN's official anti-corruption day, we will be holding our second annual Anti-Corruption Lecture.

Speaker: The Rt. Hon. Lord Patten of Barnes, Former European Commissioner for External Relations and Former Governor of Hong Kong

Location Clifford Chance, 10 Upper Bank Street, London E14 5JJ [*Tube: Canary Wharf*]

Timing 18.00 Registration
18.30 Lecture
19.45 Drinks reception
20.30 Close

To attend the 26th October, 22nd November and 9th December events above, please register with Jan Lanigan, TI-UK: jan.lanigan@transparency.org.uk