



Anti-Corruption Focus

January 2011

Please note our new address
32-36 Loman Street, London SE1 0EH
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TI-UK's Quarterly Newsletter

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Dates for your diary

30th March at 6.30 pm

Corruption Hunters Network

Speaker Helen Garlick, TI-UK Trustee and formerly Assistant Director, Serious Fraud Office
Location Norton Rose, 3 More London Riverside, London SE1 2AQ
Timing 18.00 Registration and drinks reception
18.30 Presentation, followed by Q&A
19.45 Close

15th June at 6.30pm

Corruption in the UK

Speaker Professor Michael Macaulay, Teesside University
Location Norton Rose, 3 More London Riverside, London SE1 2AQ
Timing 18.00 Registration and drinks reception
18.30 Presentation, followed by Q&A
19.45 Close

5th October at 6.30pm

Corruption in Russia

Speaker Elena Panfilova, Executive Director, TI Russia
Location Norton Rose, 3 More London Riverside, London SE1 2AQ
18.00 Registration and drinks reception
18.30 Presentation, followed by Q&A
19.45 Close

tba November at 6.15pm

TI-UK AGM (members only)

Followed by a presentation

Host FTI, Forensic Accounting (location to follow)
Timing 17.45 Registration
18.15 AGM
18.45 Presentation, followed by Q&A
19.30 Drinks reception
20.15 Close

8th December at 6.30pm

Annual anti-corruption lecture

Speaker tba
Location Clifford Chance, 10 Upper Bank Street, London, E14 5JJ
Timing 18.00 Registration
18.30 Lecture, followed by Q&A
19.45 Drinks reception
20.30 Close

To attend any of the events above, please register with Jan Lanigan, TI-UK:
jan.lanigan@transparency.org.uk

Top Ten Stories

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

1. Bribery Act could trap unwary charities

<http://www.thirdsector.co.uk/news/Article/1030283/Bribery-Act-trap-unwary-charities-finance-directors-warned/>

Report on TI-UK speech to charity finance directors on impact of the Bribery Act.
Third Sector Online (22 September)

2. Bribe-and-tell website launches in India

<http://www.dailyfinance.co.uk/2010/10/01/bribe-and-tell-website-launches-in-india/>

Launch of innovative Indian Ipaidabribe.com website for anonymous reporting of bribes paid and refused.

Daily Finance –AOL money & finance site (1 October)

3. Britain 'seen as more corrupt since MPs' expenses scandal'

<http://www.guardian.co.uk/politics/2010/oct/26/britain-corrupt-mps-expenses-scandal?intcmp=239>

Report on UK CPI score. Extensive TI-UK quotes
Guardian.co.uk (26 October)

4. UK slips again in transparency index

<http://blogs.wsj.com/corruption-currents/2010/11/02/uk-slips-again-in-transparency-index-mp-expenses-scandal-to-blame/>

Corruption Currents blog on UK's position in TI's 2010 Corruption Perceptions Index .TI-UK quoted.

Wall St Journal (2 November)

5. Thought for the Day

<http://www.bbc.co.uk/religion/programmes/thought/documents/t20101029.shtml>

Personal views on moral values and the UK's recent slide in TI's 2010 Corruption Perceptions Index by Bishop Richard Harries

BBC Radio 4 Today (29 October)

6. Bribery is not a guffawing matter

<http://www.ft.com/cms/s/0/89e2178e-fe7c-11df-845b-00144feab49a.html#axzz18NtR4F00>

Letter to editor following WikiLeaks disclosure of alleged comments by Prince Andrew on British anti-corruption efforts.

Financial Times (29 November)

7. New law designed to outlaw bribery transnationally

<http://www.ft.com/cms/s/0/57e4545a-e878-11df-b32f-00144feab49a.html#axzz18NhekG1z>

Letter from Laurence Cockcroft in response to Lord Pearson of Rannock

Financial Times (5 November)

8. Corruption index: global bribery and corruption worldwide

<http://www.guardian.co.uk/news/datablog/2010/dec/09/global-corruption-index-worldwide-transparency-international>

Datablog devoted to TI's 2010 Global Corruption Barometer

Guardian.co.uk (9 December)

9. Judge condemns BAE plea deal

<http://www.ft.com/cms/s/0/3067a3ea-0cf0-11e0-ace7-00144feabdc0.html#axzz19aXwxc2y>

Report of Justice Bean's comments and sentencing in the BAE Systems plea bargain case. TI-UK quoted.

Financial Times (21 December)

10 Worldly Ken Clarke makes unlikely puritan

<http://www.thisislondon.co.uk/standard/article-23912600-worldly-ken-clarke-makes-unlikely-puritan.do>

Editorial claiming Bribery Act is not in interest of business or the economy

Evening Standard (10 January)

Round-up and notes
Chandrashekhar Krishnan
Executive Director, Transparency International UK

Dear Members and Supporters

1. Recent highlights

The highlights of an eventful end to 2010 for everyone at Transparency International UK (TI-UK) included: Lord Patten's thought-provoking speech to mark International Anti-Corruption Day; TI's Corruption Perceptions Index (CPI) becoming the cornerstone of BBC Radio 4's Thought for the Day; and the final act in the long-running legal drama surrounding BAE Systems. Although the outcome of this last event is far from satisfactory for a variety of reasons, it has been a landmark case which highlights why the new Bribery Act is so urgent.

As 2011 dawned, our fears grew that the Bribery Act could be diluted and its implementation further delayed. A new wave of alarmist and unwarranted 'bad for business' claims hit some sections of the media (see top ten stories), triggering a robust response from us, including a meeting with Justice Secretary Ken Clarke, a mass e-mail campaign, coordinating a letter to the Prime Minister on behalf of 67 UK-based NGOs, and speaking to the media. *The Financial Times* published a piece quoting TI Board member Jeremy Carver and other pro-Bribery Act lawyers <http://www.ft.com/cms/s/0/8c47e21a-2014-11e0-a6fb-00144feab49a.html#axzz1CdCnmXlR> The *London Evening Standard* – which has carried several anti-Bribery Act pieces in recent months – published a letter from me setting the record straight.

We hope that the final 'adequate procedures' guidance will include improvements we suggested in our consultation response. TI-UK's media summary and the full response to the Ministry of Justice 'adequate procedures' consultation are here: <http://www.transparency.org.uk/all-news-releases/153-strong-welcome-for-bribery-act-draft-guidance-with-some-suggestions-for-improvement>

2. Charities and the Bribery Act

One of the issues we raised in our consultation response was the need for greater clarity for charities on implications of the Bribery Act – particularly those involved in international development work. As a member of the Bond group - a UK umbrella body for international development NGOs - this has become an important area of activity for TI-UK in recent months. On the joint initiative of TI-UK and Management Accounting for NGOs (Mango), a working group has been set up under the auspices of the Bond Governance Group to draft a set of principles and practical guidance for NGOs to counter bribery and corruption. The working group includes the major UK development NGOs and the Charity Finance Directors Group.

Whatever the final official guidance from the Government, charities need a zero-tolerance approach to bribery in the light of the Government's focus on aid effectiveness and accountability. To this end, the Bond Governance Group organised a half-day anti-corruption teach-in for charities on 9 December, Anti-Corruption Day. Speakers included TI-UK's Robert Barrington, George Boden from Global Witness, Eric Gutierrez from Christian Aid, Nick Hildyard from The Corner House.

3. BAE Systems case

The high-profile BAE Systems Tanzania bribery case came up for sentencing just before Christmas, more than nine months after the company and the SFO reached a plea deal as part of a joint global settlement with the US Department of Justice. The presiding Judge was critical of the £30 million settlement struck between the SFO and the company. He described it as 'loosely and perhaps hastily drafted' and said he was 'surprised' the SFO had offered BAE 'a blanket

indemnity for all offences committed in the past whether disclosed or otherwise' (see top ten stories).

Despite these stringent comments the Judge did not alter the £30 million plea agreement – perhaps in the interests of the people of Tanzania to whom any balance remaining after BAE Systems had paid the £500,000 fine and costs (£225,000) were to go.

As we pointed out in a statement released to the media, the final outcome of this BAE Systems case highlights the shortcomings of current UK anti-bribery laws and the need to bring the new UK Bribery Act into force as soon as possible. <http://www.transparency.org.uk/all-news-releases/156-bae-systems-settlement-shows-uk-courts-understand-seriousness-of-bribery> We also expressed TI-UK's disappointment that the settlement appears to prevent the future re-opening of this and other cases involving BAE Systems, should new evidence come to light.

Our comments were carried by the *Financial Times* <http://www.ft.com/cms/s/0/3067a3ea-0cf0-11e0-ace7-00144feabdc0.html#axzz1AG6W7aPz>, the *Bloomberg* news service <http://www.bloomberg.com/news/2010-12-21/bae-systems-sentenced-to-pay-775-000-by-u-k-judge-to-end-bribery-probe.html>, *Dow Jones* http://www.advfn.com/news_UPDATE-UK-Court-Ratifies-BAE-Systems-Plea-Agreement_45744337.html and *Supply Management* <http://www.supplymanagement.com/news/2010/bae-systems-fined-500000-for-defence-contract-payment-failings/>

An FT editorial made similar comments to our own on plea bargains and the need for justice to be done.

4. Working with the UK Government

Following our submission to the Government of a TI-UK briefing note on the role of the Government Anti-Corruption Champion, I met the Justice Secretary's special adviser and a representative from the new anti-Corruption Champion Secretariat for further discussions. It was reassuring to hear that many of the priorities identified in TI-UK's briefing are considered to be within the ambit of the Anti-Corruption Champion's role.

On the international development front, TI's Robin Hodess was able to join me at a meeting with DFID officials in September to discuss the Government's UK Aid Transparency Guarantee initiative in the context of international efforts to improve aid transparency. Although my planned meeting with Malcolm Bruce and members of his International Development Committee (IDC) did not happen because of other Parliamentary business, I participated in the IDC's October roundtable with NGOs on the future of overseas aid for development policy. There, I was able to feed in some ideas on anti-corruption.

5. Working globally

The last quarter of 2010 saw the publication of two of TI's key global corruption measures - the Corruption Perceptions Index (CPI) and the Global Corruption Barometer (GCB). On such occasions, part of our job at TI-UK is to help promote TI's messages to the UK media, often with a specifically UK twist – following up where we can by giving interviews to London-based journalists.

This year's CPI was launched at the end of October and revealed the depressing news that the UK had scored its all-time-lowest rating of 7.6 - substantially down from its score of 8.6 four years ago. The UK now ranks 20th out of 178 countries surveyed worldwide – more details in the TI-UK press release here:

<http://www.transparency.org.uk/all-news-releases/152-poor-corruption-rating-puts-uk-at-risk-of-slipping-below-top-20>.

The CPI findings – often with our UK-specific messages - were widely reported in the UK media including the *Guardian* website (twice) and the *Wall Street Journal* (see top ten stories), the *Financial Times* <http://www.ft.com/cms/s/0/06704206-e0e3-11df-87da-00144feabdc0.html?ftcamp=rss#axzz1AGLMqX4h> and the *Economist* http://www.economist.com/node/17363752?story_id=17363752 (followed by a robust responsive letter from Huguette Labelle http://www.economist.com/node/17461190?story_id=17461190).

CNN ran the CPI global story throughout the day, for which I was interviewed in their London studio <http://edition.cnn.com/2010/WORLD/europe/10/26/global.corruption.survey/index.html?iref=allsearch>. I was also interviewed by *Agence France Presse*. A notable media 'first' for TI-UK came on 29 October when the UK's slide in the CPI featured as the cornerstone of Radio 4's Thought for the Day (see top ten stories).

This year's Global Corruption Barometer was published in early December, to coincide with **International Anti-Corruption Day** – see below.

6. Transparency International Annual Members Meeting (AMM) and 14th International Anti-Corruption Conference (IACC)

In November, TI-UK Chairman and Official Chapter Representative, John Drysdale, led our team at the TI AMM in Bangkok, where we contributed to several important debates on TI's future strategy and made presentations about TI-UK's work. After the AMM, we joined 1200 representatives from the public, private and non-profit sectors in 135 countries for the 14th IACC in Bangkok. The conference theme was *Restoring trust: global action for transparency*, covering five areas: peace and security, natural resources and energy markets, climate governance, accountability in the corporate world, and restoring trust in institutions.

More than 50 sessions looked for new ways to increase pressure on both the public and private sectors to act against corruption. Robert Barrington moderated a workshop entitled *Is there a role for institutional investors in combating corruption?* The aim was to explore the potential role for institutional investors in increasing corporate accountability on anti-corruption issues and opportunities for multi-stakeholder collaboration. The outcome of the four days of discussions – the Declaration - is here:

http://transparency.org/news_room/latest_news/press_releases/2010/2010_11_13_iacc_closing

7. Defence and Security Programme

It was an active final three months of 2010 for the TI Defence and Security Programme (TI-DSP) across all its work streams. In early October, it oversaw yet another successful anti-corruption foundation course - part of NATO's Building Integrity in Defence Establishments (BIDE) initiative - this time in Oberammergau, Germany. Later that month we sent representatives to the First Preparatory Committee on the UN Arms Trade Treaty (ATT) at UN headquarters in New York. The Preparatory Committee is a key 'stage-setting' component of the ATT negotiations, and our presence there was an important part of our effort to see anti-corruption provisions included in the Treaty.

This ATT initiative was followed in late November by DSP participation in an international gathering of NGOs working on arms export controls, hosted by the EU COARM (Working Party on Conventional Arms Exports). Building on such coalition-development initiatives, a DSP representative attended a later conference on the same topic hosted by the Flemish Peace Institute in Brussels. The aim was to foster and develop contacts with EU officials, think tanks and NGO representatives.

Other key activities in November included attendance at the International Anti-Corruption Conference (IACC) in Bangkok where Bill Hughes, former Director of the Serious Organised Crime Agency (SOCA), spoke on DSP's behalf at the conflict and corruption session. Meanwhile the team continued its work on promoting integrity in defence procurement by attending a conference on EU defence procurement in Maastricht. This was part of the DSP's ongoing work on transparency in defence offsets, which involves forging links with policymakers and academics in the field.

To this end, in December, a DSP representative took part in a one-day workshop in Portugal on increasing integrity within EU defence procurement. The workshop was hosted jointly by leading Portuguese think tank INTELI and the University of

Lisbon. December also saw the successful completion of an anti-corruption training course in the context of BIDE, this time in Sarajevo, Bosnia and Herzegovina.

8. International Anti-Corruption Day

International Anti-corruption Day on 9 December became the focus of intense activity for everyone here at TI-UK. Not only was it the date for the Bond anti-corruption teach in (see above), it was also launch day for TI's 2010 Global Corruption Barometer (GCB) - a survey of perceptions and experience of corruption among 90,000 people across 86 countries. TI-UK's second anti-corruption lecture in London was also held that same evening. We were really fortunate to have Lord Patten, the former European Commissioner for External Relations and former Governor of Hong Kong, speak to a large audience on the global challenge of corruption.

Lord Patten's lecture – kindly hosted by Clifford Chance at their Canary Wharf HQ - drew an audience of almost 200. Drawing on observations and lessons from his past experience abroad and recent developments in the expanding EU and the BRIC countries, he spelt out clearly and powerfully why corruption should be stamped out wherever it occurs across the globe, and how the UK government can play its part. The Q & A session that followed was barely long enough to cover the many issues raised by a very switched-on and expert audience. If you couldn't get to the lecture, you can read the full text on the publications page of the TI-UK website: <http://www.transparency.org.uk/publications>.

The launch of the Global Corruption Barometer received UK and international press coverage. The BBC World news service – which is broadcast and online, and picked up in the UK and elsewhere - carried different perspectives on the story throughout the day. One BBC world story, for which both Lord Patten and I gave interviews, focused on the perceived worldwide rise in corruption over the last three years and which sectors are considered most corrupt <http://www.bbc.co.uk/news/mobile/world-11954667> Another, entitled Extreme World <http://www.bbc.co.uk/news/world-11954667> dug more deeply into comparisons between countries and asked why some countries – Sweden and Somalia for instance - regularly occupy opposite ends of the corruption league tables. I also gave an interview on the GCB to London-based journalists from CNBC Africa, and a Jamaican radio station.

Elsewhere in the more UK-specific media, the GCB was covered by the Guardian's online datablog (see top ten stories), *Viginmedia.com* and the *Daily Express* <http://www.dailyexpress.co.uk/posts/view/216426/Poll-Worldwide-corruption-rising>. Interestingly, only the Scotsman carried a piece based on the expanded UK findings <http://thescotsman.scotsman.com/uk/Our-political-parties-leave-professional.6656028.jp>, and BBC Radio Scotland interviewed me for their drive-time show on the Barometer position of Iraq and Afghanistan.

9. TI France court case

In November the French Supreme Court reversed an earlier decision and ruled in favour of TI France and its attempt to trigger an official investigation into the French assets of three African presidents http://transparency.org/news_room/latest_news/press_releases_nc/2010/2010_11_9_paris. TI France had made the original complaint in 2008, but a 2009 ruling that this was admissible and could proceed was subsequently reversed by the French Supreme Court - putting an end to any further progress. In this final twist, following an appeal by TI France, the Supreme Court has recognised the admissibility of TI France, as an anti-corruption NGO, to take legal action based on the wider public interests it is statutorily defending. As a result, an in-depth investigation into TI France's complaint can now begin - one which TI hopes, will ask where the funds used by the African presidents to buy properties in France came from.

The implications of the French Supreme Court's ruling are significant – in France at least. It means that any NGOs specialising in the fight against corruption will

be able to take legal action in political or financial cases where the public prosecutor would not prosecute. TI-France is now seeking to open an investigation into the French assets of the ex-Tunisian president and his family who fled the country this month.

10. TI-UK Advisory Council

We would like to welcome two new members to the TI-UK Board's Advisory Council – Karina Litvak and Baroness Kinnock. Each has a wealth of valuable experience in their respective fields - Karina is currently Head of Governance and Sustainable Investment at F&C Investments <http://www.fandc.com/new/advisor/default.aspx?id=82499>; Baroness Kinnock has a long-standing interest and involvement in international development issues <http://www.parliament.uk/biographies/glenys-kinnock/28366>. These latest appointments will widen the range of skills and experience on the Advisory Council.

11. Members' news

Jermyn Brooks, a former TI Board member was recently honoured by the German state with a Bundesverdienstkreuz - similar to a British CBE. The award was in recognition of his work over the last 10 years for the TI Berlin secretariat and the global TI Movement.

Jermyn is Chair of TI's Business Advisory Board and Chair of the Standards Board of AccountAbility. Everyone at TI-UK congratulates Jermyn on his much deserved award. It is really encouraging that his efforts - already much appreciated within the TI movement - have been recognised officially by the German authorities.

Harvey Dyson ran the Bermuda marathon this month to raise funds for TI-UK and for Spitalfields City Farm. Our sincere thanks to Harvey for choosing TI-UK as a beneficiary of his marathon fundraising. I'm sure he would welcome any late sponsorship for his chosen causes. Please go to his JustGiving page <http://www.justgiving.com/Harvey-Dyson>.

12. Looking ahead

We expect a busy start to 2011. We'll be casting a keen eye over the official guidance on Adequate Procedures and doing our best to oppose any attempts to dilute or delay the commencement of the Bribery Act. The final results of our research into corruption in the UK are set for publication in the summer along with a new study of the UK's National Integrity System. Meanwhile we are working towards early publication of a major report on the so-called 'revolving door' between government and business – with its potential for conflicts of interest and erosion of public trust in government.

TI-UK derives its strength from its Members and Supporters. We are grateful for your generous support and interest in our work and will be contacting you shortly about how you can renew your support for our activities.

Please take a look at **Dates for your Diary** for TI-UK member and other events we have organised for the coming months. To keep up with our latest news, publications and blog updates until the next quarterly newsletter, please visit our website www.transparency.org.uk

With best wishes,

Chandrashekhar (Chandu) Krishnan
Executive Director, Transparency International UK

Latest corruption-related publications

Corruption in the UK: Part One - National Opinion Survey

Published by Transparency International UK December 2010

Results and analysis of an opinion survey of 2,000 UK citizens' experiences and perceptions of corruption. Available from the publications page of the TI-UK website: <http://www.transparency.org.uk/publications>.

Corruption Perceptions Index 2010

Published by Transparency International October 2010

The CPI measures the perceived levels of public sector corruption across 178 countries. It draws on 13 different expert and business surveys conducted between January 2009 and September 2010. The 2010 index shows that nearly three quarters of the countries in the index score below five, on a scale from 0 (perceived to be highly corrupt) to 10 (perceived to have low levels of corruption), indicating a serious corruption problem. Available on the TI website:

http://transparency.org/policy_research/surveys_indices/cpi/2010

Global Corruption Barometer 2010

Published by Transparency International December 2010

The GCB is the only worldwide public opinion survey on corruption. The 2010 Barometer captures the experiences and views of more than 91,500 people in 86 countries. According to six in ten people corruption has increased over the last three years and one in four people report paying bribes in the last year. Eight out of ten say political parties are corrupt. Available on the TI website:

http://transparency.org/policy_research/surveys_indices/gcb/2010

Blackstone's Guide to the Bribery Act 2010

by TI-UK board member Monty Raphael

Published by Blackstone's September 2010

Monty Raphael, Special Counsel at Peters and Peters, explains in 150 pages and 12 chapters how the Act reforms the law of corruption. The Foreword is from Lord Woolf. A review of the book by Phillip Taylor MBE and Elizabeth Taylor of Richmond Green Chambers is here: http://www.amazon.co.uk/product-reviews/0199579784/ref=rdr_ext_cr_cm_cr_acr_img?ie=UTF8&showViewpoints=1

Available from Amazon http://www.amazon.co.uk/Blackstones-Guide-Bribery-2010-Guides/dp/0199579784/ref=cm_cr_pr_product_top

Overcoming corruption: the essentials

by Bertrand de Speville

Published by Research for Social Advancement (REFSA) February 2010

Written specially for high level anti-corruption decision makers in the developed and developing world. Described by the author as a 'briefing note' for those with responsibility for developing practical and effective policies to fight the scourge of corruption. Foreword by Tunku Abdul Aziz, former Vice-Chairman, Transparency International and former Special Adviser to the UN Secretary-General on the Establishment of the UN Ethics Office. More information here: <http://refsa.org/overcoming-corruption-the-essentials.html>

We have moved offices

Please note our new contact details

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