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FOR IMMEDIATE RELEASE

TI calls on OECD leaders to reinvigorate fight against corruption

New report shows progress on enforcement of OECD Anti-Bribery Convention has stalled

Berlin, 24 May 2011 – A new report from Transparency International (TI), the anti-corruption organisation, shows no improvement in the enforcement of the OECD Anti-Bribery Convention in the past year and warns that this could signal a dangerous loss of momentum in the fight against corruption.

Huguette Labelle, Chair of TI, calls on top government leaders attending the OECD Ministerial on 25-26 May to take action to pressure lagging member states to reinvigorate enforcement of OECD's landmark Convention.

The *TI Progress Report on Enforcement of the OECD Convention,* covering 37 countries, shows that there are still only seven countries with active enforcement, nine with moderate enforcement, and 21 with little or no enforcement.

This is the first time in the seven years TI has been reporting on the OECD anti-bribery Convention that no progress has been made in the number of countries enforcing the Convention's prohibition against foreign bribery.

TI's findings are consistent with the OECD's own review, which reported that only five parties to the Convention sanctioned individuals or companies in the past year.

"Only where there is active enforcement is there sufficient deterrence against foreign bribery," said Labelle. "The collective commitment to stamp out foreign bribery made by all OECD parties is undermined when a large number of countries have inadequate enforcement. Without consistent enforcement one of the success stories of the OECD's past decade will start to unravel. Failure to enforce the Convention will allow corruption to flourish, which means that resources will be diverted from the poor and that honest companies will lose out."

Adequate enforcement requires renewed political commitment by government leaders in the lagging countries. Where political will is lacking, OECD's country reviews have not been enough to achieve active enforcement. Pressure must be exerted at the highest political level.

TI recommends that the leaders meeting this week in Paris for the OECD's 50th Anniversary Ministerial commit to reinvigorate the fight against foreign bribery by adopting a twelve-month programme consisting of the following steps:

- Governments with lagging enforcement should promptly prepare plans for strengthening enforcement and a timetable for such action.
- The Secretary-General and the Chairman of the Working Group on Bribery should meet with top leaders of governments with lagging enforcement to review plans and timetable for strengthening enforcement.
- A full review of the status of foreign bribery enforcement should take place at the May 2012 Ministerial.

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- The Working Group on Bribery should publish a list of governments with lagging enforcement. This would make clear that a higher level of due diligence is needed to do business with companies based in these countries.

Key Results

Category	Percentage of world trade	Countries
Active Enforcement (7)	30%	Denmark, Germany, Italy, Norway, Switzerland, United Kingdom, United States
Moderate Enforcement (9)	20%	Argentina, Belgium, Finland, France, Japan, Korea (South), Netherlands, Spain and Sweden
Little or No Enforcement (21)	15%	Australia, Austria, Brazil, Bulgaria, Canada, Chile, Czech Republic, Estonia, Greece, Hungary, Ireland, Israel, Luxembourg, Mexico, New Zealand, Poland, Portugal, Slovak Republic, Slovenia, South Africa and Turkey

Scale of bribery problem remains enormous

Bribery can add up to 25 per cent to total costs in government procurement, according to TI. The World Bank says that the cost of corruption is US$1 trillion a year, and that corrupt money associated with bribes received by public officials in developing and transition countries is between US $20 billion and US $40 billion per year. The enormous scale of bribery makes clear why high-level government action to strengthen enforcement is necessary.

The report also showcases Nigeria because of the large number of cases and investigations in multiple jurisdictions involving foreign bribery allegations in that country. The resulting settlements have involved more than US$ 1.7 billion in fines and disgorgement.

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Transparency International is the civil society organisation leading the fight against corruption

Note to editors: A full table with the number of cases and investigations per country as well as detailed **country reports** and case studies of prominent foreign bribery cases involving multinational companies are included in the full report available here.

The report covers 33 of the 34 OECD members but not Iceland (which does not have a TI national chapter). It also covers four signatories to the convention: Argentina, Brazil, Bulgaria and South Africa.

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