

# Rise in prosecutions makes it harder to get away with foreign bribery

*Call on governments to keep up pressure on companies*

**Berlin, 6 September 2012** – Laws forbidding companies from bribing abroad to win contracts or dodge local regulations have resulted in rising prosecutions, anti-corruption group Transparency International said in a new report today.

The report, [Exporting Corruption? Country Enforcement of the OECD Anti-Bribery Convention. Progress Report 2012](#), shows that bribery charges increasingly lead to fines, jail time and reputational damage. With 144 new cases in 2011, the total number of cases prosecuted by 37 major exporters rose from 564 at the end of 2010 to 708 at the end of 2011, with a further 286 investigations ongoing.

*“The growing momentum behind anti-bribery enforcement is making it harder to get away with the use of graft to win business,”* said Huguette Labelle, chair of Transparency International.

More governments must deter corporate crime and encourage clean business the report warns. 18 countries have not yet brought any criminal charges for major cross-border corruption by companies, while only seven out of 37 countries are actively enforcing bribery law. Governments should resist lobbying efforts aimed at weakening anti-bribery laws such as the US Foreign Corrupt Practices Act (FCPA), Transparency International said.

## **Prosecution a necessary deterrence to companies paying bribes**

Over 250 individuals and almost 100 companies were sanctioned as a result of foreign bribery-related cases in OECD Convention countries to the end of 2011, according to the OECD. 66 people have gone to jail in those countries for the crime of bribing overseas officials in business deals.

The United States shows the highest enforcement with 275 cases completed to end 2011. Germany is the only other country to have completed more than 100 cases (176). (see annex)

With 34 ongoing investigations, Canada joins Australia and Austria as the most improved enforcers, all three conducting their first major case in 2011. There were six new cases in the UK, where new bribery laws apply to foreign companies that do business there and also increased enforcement activity in the United States, Germany, Italy, Luxembourg, Switzerland and Turkey.

Japan is the biggest economy to have brought less than 10 major cases. In another big exporter, France, there are concerns about the slow progress of cases initiated and lack of deterrent sanctions, according to the report.

One in four business executives (27%) believe bribery by a competitor resulted in direct costs to their business in the last 12 months, according to a Transparency International survey also published [today](#).

*“It is vital that the climate of economic crisis does not tempt governments to seek to cut enforcement, or companies to seek an unfair advantage in global markets,”* said Labelle.

### **Background**

Under the 1997 *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*, governments are committed to making foreign bribery a crime. Signatory countries account for two-thirds of world exports and three-quarters of foreign investment. Russia became the [39<sup>th</sup> party](#) to the convention last year. G20 members India, China, and Indonesia took similar legislative steps in the last two years.

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*Transparency International is the global civil society organisation leading the fight against corruption.*

### **Note to editors:**

The report, national factsheets and [case studies](#) of prominent foreign bribery cases involving multinational companies in developing countries and Eurozone crisis countries are available [here](#).

The report is prepared by independent assessments of number of cases carried out, weighted according to share of world trade, by Transparency International's national chapters in 37 of the 39 signed up countries (excluding Iceland and Russia).

### **Media contact:**

Chris Sanders

Tel. +49 30 343820666

[press@transparency.org](mailto:press@transparency.org)

## ANNEX

**FOREIGN BRIBERY ENFORCEMENT IN OECD CONVENTION COUNTRIES**  
**Listed in descending order based on share of world exports**

Country	Enforcement				Share of world exports, % for 2011
	Total Cases		Investigations Underway		
	2011	2010	in 2011	in 2010	
<b>All signatories in force that are monitored by TI (37)</b>	<b>707</b>	<b>564</b>	<b>284</b>	<b>234</b>	<b>63,0%</b>
<b>Active Enforcement (7)</b>					<b>27,5%</b>
United States	275	227	113	106	9.6
Germany	176	135	43	22	8.2
United Kingdom	23 <sup>VIII</sup>	17 <sup>V</sup>	29	26	3.6
Italy	32	18	15	2 <sup>IV</sup>	2.9
Switzerland	52	> 35	0 <sup>IV</sup>	0 <sup>IV</sup>	1.5
Norway	6	6	3	1	0.9
Denmark	15	14 <sup>III</sup>	0	1	0.8
<b>Moderate Enforcement (12)</b>					<b>24,8%</b>
Japan	2	2 <sup>VII</sup>	3	0 <sup>IV</sup>	4.1
France	24	24	5	5	3.4
Netherlands	9	9	4	3	3.2
Korea (South)	17	17	0 <sup>IV</sup>	0	2.9
Canada	3	2	34 <sup>VIII</sup>	23	2.4
Spain	3	3 <sup>VII</sup>	0	0 <sup>IV</sup>	2.1
Belgium	4 <sup>VI</sup>	4 <sup>VI</sup>	0 <sup>IV</sup>	0 <sup>IV</sup>	2.0
Australia	2	1 <sup>III</sup>	8	3	1.5
Sweden	2	2 <sup>IV</sup>	1	4	1.2
Austria	1	0	10 <sup>IV</sup>	5 <sup>IV</sup>	1.1
Argentina	3	2	0	0 <sup>IV</sup>	0.4
Finland	6	6	3	3	0.5
<b>Little Enforcement (10)</b>					<b>6,3%</b>
Mexico	0	0	2	2	1.7
Brazil	1	1	2	4 <sup>VII</sup>	1.3
Turkey	1	0	1	5	0.8
Hungary	38 <sup>IX</sup>	27	2	2	0.6
Chile	3	2	2	2	0.4
Luxembourg	[4]	2	0	Some <sup>IV</sup>	0.4
Portugal	4	4	0	6	0.4
Slovak Republic	0	0	1	1	0.4
Slovenia	0	0	0	2	0.2
Bulgaria	4	4	0	0	0.1
<b>No Enforcement (8)</b>					<b>4,4%</b>
Ireland	0	0	0	0	1.1
Poland	0	0	0	0	1.1

Czech Republic	0	0	0	0	0.7
South Africa	0	0	0	5	0.5
Israel	0	0	0	0	0.4
Greece	0	0 <sup>IV</sup>	0	0 <sup>IV</sup>	0.3
New Zealand	0	0 <sup>VII</sup>	0	1	0.2
Estonia	0	0	0	0	0.1

I Case numbers are cumulative, starting from Convention entry into force in the country; investigation numbers are those on-going in the year listed.

II Numbers from the OECD Working Group on Bribery 2012 Annual Report.

III Cases all related to UN Oil-for-Food programme. Some of these cases may have been brought for sanctions violations. It was a civil action in Australia.

IV Number unknown or based on media reports.

V Includes 2011 cases.

VI Belgium has brought 9 additional cases on behalf of EU institutions.

VII Number corrected from last year's report.

VIII Number includes 2012 cases.

IX See Hungary country report.