

Enforcement of OECD Anti-Bribery Convention still deficient despite progress: new report

Monitoring is key, says Labelle

Berlin, 26 June 2006 – Only a third of OECD member states have taken significant enforcement action under the OECD Convention on Combating Bribery of Foreign Public Officials, according to a report issued today by Transparency International (TI). Two-thirds of 31 signatory countries surveyed have achieved little or no enforcement since the Convention came into force in 1999.

TI's 2006 *Progress Report on the Enforcement of the OECD Convention* singles out five countries that play a major role in international trade – Canada, Italy, Japan, the Netherlands, and the United Kingdom – where the lack of enforcement is a particular concern.

“Governments must continue to ratchet up enforcement if the OECD Convention is to remain credible,” said Huguette Labelle, Chair of Transparency International. “This requires a visible demonstration of political commitment to take forceful action against companies that bribe to win business abroad.”

Twelve of the 31 countries surveyed have taken significant enforcement action, compared to eight of the 24 surveyed last year. Prosecutions have substantially increased in the United States and France compared to 2005, and prosecutions are also underway in Belgium, Bulgaria, Denmark, Germany, Hungary, Korea, Norway, Spain, Sweden and Switzerland.

Because most major multinational companies have their headquarters in OECD signatory states, more effective enforcement of the Convention would help close the taps on the supply-side of international corruption. Signatory countries account for about two-thirds of world exports of goods and services.

“Efforts by developing countries to tighten their anti-corruption regimes will be undermined if multinationals continue to bribe with impunity. The cost of corruption in developing countries is immeasurable, and international bribery helps to fuel it,” said Akere Muna, Vice Chair of Transparency International’s Board of Directors.

“OECD governments know this well,” he continued. “As donors, they want to establish stringent anti-corruption criteria for poor countries. But as exporters and investors, they undermine good governance and development when they allow their companies to bribe in those countries. No more double standards!”

“The OECD must maintain a strong and fully funded monitoring programme beyond 2007,” Labelle added. “Without monitoring there is a serious danger that the Convention would unravel, as there would be no pressure on governments that take little or no enforcement action. This would be a serious setback in the fight against international corruption.”

Other actions to promote enforcement include centralisation of responsibility for foreign bribery enforcement, along with adequate staffing and resources; greater public awareness-raising; whistleblower protection; and improved accounting and auditing standards. OECD countries must adapt their law enforcement systems to the growing complexity and transnational nature of corruption.

“OECD government officials responsible for promoting international trade must convey to national companies that bribing foreign government officials is not a business strategy, it’s a crime,” stated Fritz Heimann, TI’s Senior Advisor on Conventions. “There is still a widespread belief among those officials and companies that all possible means for obtaining market share, including corruption, are legitimate in a global business world. The OECD Convention was developed to combat this belief.” Consistent action by all OECD governments is essential.

The *Progress Report* surveyed the enforcement performance of 31 of the 36 signatory countries, based on information provided by TI national experts in each country and following extensive consultations with government officials and other qualified professionals. This is TI’s second *Progress Report*; the first was issued in 2005.

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

The 2006 *Progress Report on Enforcement of the OECD Convention* is available online at www.transparency.org

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