
International News

Azerbaijan

Lack of transparency in oil agreements

The Azerbaijan NGO Coalition has reported that the State Oil Company (SOCAR) allegedly signed two oil development deals without public notice of its negotiations with the foreign companies involved, and without the traditional public contract signing ceremony. The contracts were allegedly signed with Global Energy, a company registered in the British Virgin Islands, and Neftchala Investment, a subsidiary company of Global Energy. SOCAR has also failed to provide any information about these agreements on its website. Global Energy and its subsidiary would reportedly receive 80% of the income from the oil fields. Shortly prior to signing these contracts, Azerbaijan was reportedly recognised as the first and only country considered to be compliant with the Extractive Industries Transparency Initiative, a voluntary global standard for transparency and accountability in the extractives sector.

Bangladesh

Ex Prime Minister acquitted and then re-charged

In July, Begum Khaleda Zia, former Prime Minister, was acquitted in a corruption case involving the Canadian oil exploration firm, Niko Resources Ltd. Zia was accused of failing to recover millions of dollars in compensation for environmental damage from a fire at a Niko-operated drilling site, in return for an unspecified amount of money. The case against Zia, now leader of the opposition Bangladesh Nationalist Party, was brought by the interim government that took charge in 2007. She was detained for nearly a year along with her rival and current Prime Minister Sheikh Hasina over allegations ranging from corruption to abuse of power.

In August, new charges were filed against Zia and her eldest son, Tareque Rahman, for allegedly embezzling money meant for an orphanage. Zia and her son were accused of misappropriating \$305,000 donated to an orphanage trust named after Zia's husband, the late president Ziaur Rahman.

China

Corruption reporting line opened

The Xinhua news agency reported that China has set up an official 24-hour reporting line for the public to report official corruption to the authorities. A new Web site has also been opened, www.12309.gov.cn, to supplement this effort.

China

Rio Tinto employee accused of bribery

China has accused Stem Hu, an executive of Australian Rio Tinto, of bribing staff of Chinese steel companies to obtain state secrets during iron ore negotiations. China's national security authority is conducting a criminal investigation of Mr Hu and three of his Chinese co-workers.

China

Nuclear chief dismissed

China's official news agency, Xinhua, reported that Kang Rixin, party secretary and general manager of state-owned China National Nuclear Corporation, was dismissed following reports that he was being investigated for allegedly taking bribes from French nuclear power giant Areva to win an eight-billion-euro contract for a project in south China, and also for allegedly misappropriating public funds intended for the construction of three nuclear power plants.

China

Sinopec chairman gets suspended death sentence

Chen Tonghai, the Chairman of Sinopec, a subsidiary of China Petroleum and Chemical Corporation, was convicted of taking \$27m in bribes. He is reported to have admitted altering Sinopec's accounts, embezzling tax revenues, diverting public funds to give cash and bribes to other officials and accepting expensive gifts himself. He has two years to appeal a death sentence.

China

Ex-head of Beijing airport executed

China's official news agency, Xinhua, reported that Li Peiying, the former head of the state-firm that owns Beijing airport, was executed following his conviction on corruption charges. He was found guilty of accepting \$4m in bribes and stealing a further \$12m in public funds.

In addition, two business people, Du Yimin and Si Chaxian, were convicted of defrauding investors of more than \$120m. They were also executed.

China

Inquiry in Namibia involves Chinese company

Namibian prosecutors have charged three people who allegedly provided help to a Chinese company, Nuctech Company Limited, to win a \$55.3m contract to install Nuctech scanners at customs inspection points across Namibia. Most of the cost of the contract was to be borne by a loan that China's government reportedly granted Namibia on the condition that it purchase scanners from Nuctech. Namibia's government paid about \$12.8 million to Nuctech in February. But prosecutors allege that most of that money was transferred to a Namibian company listed as a Nuctech consultant, and then split among the defendants. There are also reports that the Namibian government grossly overpaid for the scanning equipment and that much of the excess payments were diverted to some Namibian politicians. Until last year, Mr. Hu Haifeng, the son of China's President, Hu Jintao, was president of Nuctech. There is no evidence that Hu Haifeng, or other high officials of the company knew of the Namibian dealings. But Chinese government censors allegedly blocked Internet news about the younger Mr. Hu, Namibia or Nuctech.

China
Shanghai building collapse

A 13-storey block of flats at Lotus Riverside complex in Shanghai collapsed killing one construction worker. Officials are reportedly taking action against the developer, construction contractor and supervisor of the project after it was reported that the company's construction license had expired in 2004. China Daily, the state-run newspaper, condemned the often corrupt link between Chinese property developers and local government officials.

Cuba
New body to fight corruption

A new government agency, the Comptroller General's Office, has been set up to fight corruption. It will have power to audit and control all government and economic entities. Transparency International ranked Cuba 65th of 180 countries in its 2008 corruption index, higher than most countries in Latin America and the Caribbean.

DR Congo
Purge of judiciary

Democratic Republic of Congo's President Joseph Kabila has sacked 165 of his country's 1,650 judges and prosecutors to try to reduce corruption in the judiciary. The president of the Supreme Court and the State Prosecutor were amongst those dismissed. Kabila has run the rich but notoriously corrupt nation since 2001 but he has come increasingly under pressure to eradicate corruption. It is reported that the Congolese military legal system would be targeted next.

DR Congo
Swiss court releases assets to Mobutu family

A Swiss court judgment released more than \$6m frozen in Swiss bank accounts to the family of Mobutu Sese Seko, the late ex-leader of the Democratic Republic of Congo. The government of DRC has criticised the decision, stating that Switzerland had not done enough to ensure the money was given back to the people of DRC. The country apparently cannot appeal the decision because the legal process has ended. Mobutu ruled DRC - then known as Zaire - for 32 years. He died in 1997. Transparency International names Mobutu as the third most corrupt leader of all time - behind Suharto of Indonesia and Ferdinand Marcos in the Philippines. TI estimates that Mobutu stole approximately US\$6bn in aid money received by his country from the International Monetary Fund.

Dubai
Australian businessmen charged with fraud

Two Australian businessmen, Matt Joyce and Marcus Lee, have been charged with fraud by the Dubai authorities. They were reportedly arrested 6 months ago on suspicion of bribery while working for Nakheel, a property development company owned by the ruler of Dubai. The businessmen were reportedly each held in solitary confinement for seven weeks. Now, they are being housed in a facility with 98 other men. Authorities have not set a date for trial.

Equatorial Guinea
Oil corruption – Report by Human Rights Watch

A report by Human Rights Watch on Equatorial Guinea explains that much of the country's population continues to live in poverty despite the fact that the country is one of the fastest-growing oil producers in Africa. In 2007, the government's oil revenues had grown to \$4.8 billion, yet according to the International Monetary Fund, 77 percent

of the population lived under the poverty line in 2006. Equatorial Guinea is a member of the Extractive Industries Transparency Initiative, but it has made "only modest progress" to implement transparency, according to the International Monetary Fund. Transparency International ranked Equatorial Guinea as the world's ninth-most-corrupt country. Less than 2% of its GDP goes on public health and less than 1% on education.

France
France may have to compensate Taiwan in frigate case

The Taiwanese government is claiming reimbursement of all commissions paid in relation to a contract for the sale of 6 military warships to Taiwan by the French company Thomson (now Thales) in 1991 for 16.4 billion French francs. The claim is made on the basis that commissions were forbidden by the contract. It is alleged that illicit commissions estimated at several hundred million euros were paid. The case is being determined by a Swiss-based tribunal. The verdict is expected in a few months when France could be sentenced to pay more than one billion euros to Taiwan in compensation. Criminal charges, in relation to the illicit commissions, were dismissed last October by a French penal court because much of the information in the case was reportedly classified. A series of mysterious deaths have surrounded the case. Thierry Imbot, a former French secret service agent based in Taiwan, fell out of a window of his Taiwan high rise in October 2000. Jacques Morisson, a former Thomson manager who negotiated the frigate contract, also fell out of his apartment bedroom window in Neuilly-sur-Seine in May 2001.

Germany
Siemens debarred from World Bank projects

Siemens AG, the German engineering firm, has reportedly been debarred from World Bank financed projects for two years. Siemens has also reportedly agreed not to tender for World Bank projects in Russia for a period of four years.

Germany
Ex-Siemens executive charged

A former top executive at Siemens, Michael Kutschenreuter, and two former colleagues, have been charged with breach of trust and abetting bribery. They are accused of helping the Siemens' communications division use slush funds to win business. The trial is expected to commence at the end of the year.

Ghana
Corruption reporting line established

Ghana Integrity Initiative, the local chapter of Transparency International, has established an Advocacy and Legal Advice Centre (ALAC) in Accra to provide legal advice and assistance to victims and witnesses in corruption cases. ALAC was pioneered by TI in Eastern Europe in 2003.

Greece
Ex-Siemens directors investigated

A number of ex-Siemens' staff are apparently being investigated by Greek prosecutors in relation to charges of bribery and money laundering. Prodromos Mavrides, a former director of Siemens' Greek branch was arrested pending trial. Michael Christoforakos, head of Siemens' Greek branch from 1996 to 2007, was arrested in Germany and is fighting extradition. A former executive of OTE, the Greek telecoms group, has also been charged. All deny wrongdoing. Prosecutors are investigating whether former Siemens officials paid Euro57 million in bribes to secure a contract with OTE in the 1990s.

Iraq**Iraqi Kurds appoint consultants to fight corruption**

Iraq's autonomous Kurdistan region has called in international consultants, PricewaterhouseCoopers, to fight corruption and to restructure its administration. The Prime Minister Neshirvan Barzani said the restructuring will aim to improve governance and increase transparency. He stated that PwC's appointment could help eliminate corruption.

Ireland**Tackling political corruption**

A former government press secretary, Frank Dunlop, was jailed for two years and fined €30,000 for corruption after bribing councillors to re-zone land around Dublin for development deals. Ireland's score on Transparency International's Corruption Perceptions Index (CPI) has worsened in the wake of corruption revelations. In 1995, Ireland's score on the table was 8.57 out of 10, with a score of 10 denoting a country free of corruption. In 2002, the score dropped to 6.9. In 2008, it recovered to 7.7, ranking Ireland in 16th place of least corrupt countries. All of the major political parties have signalled they would be in favour of new measures to clean up Irish politics.

Israel**Ex-ministers involved in corruption**

Former Israeli Finance Minister Avraham Hirschson has been sentenced to five years in jail for the theft of NIS 2.5 million from the National Workers Organization when he was the institution's head. The case is the latest in a series of scandals relating to Israeli officials. Former Prime Minister Ehud Olmert had to resign over his alleged involvement in a corruption case. Israeli Foreign Minister Avigdor Lieberman is currently under police investigation for alleged bribery, fraud, breach of trust, money laundering and obstruction of justice.

Jamaica**Jamaican official resigns**

The Junior Minister of Transport and Works, Joseph Hibbert, has resigned after being implicated in a bribery scandal involving British bridge-building firm Mabey & Johnson.

Kazakhstan**Anti-corruption measures**

President Nursultan Nazarbayev has ordered the implementation of a special programme aimed at eliminating fraud and dismissing top government officials implicated in corruption. According to official figures, close to 1,000 corruption investigations have been opened this year, many of them against government employees. Ex-Defence Minister Danial Akhmetov has been dismissed, although no reason was given for his dismissal. Deputy defence minister, Khazimurat Mayermanov, was arrested reportedly suspected of accepting bribes in connection with the purchase of military equipment for the state. The companies allegedly involved are Soltam Systems and Israel Military Industries (IMI). Israeli businessman, Boris Sheinkman, a former Soviet army colonel and an agent of Soltam and IMI, has also been arrested. Mukhtar Dzhakishev, the head of the state-owned nuclear firm "Kazatomprom", was arrested along with a number of his deputies. He is alleged to have misappropriated 60% of Kazakhstan's uranium deposits, worth billions of dollars, and sold them to foreign firms. The former Environment Minister Nurlan Iskakov and two of his deputies are charged with financial manipulation and embezzling more than \$6m from the state budget. Some question the anti-corruption drive claiming that it is part of a bigger power struggle.

Kenya**Kenya ranked most corrupt in East Africa**

Kenya has been ranked as the country with the highest bribery index in East Africa. In a survey carried out between April and May 2009, Transparency International established that the bribery index (the proportion of those polled who indicated that they had paid bribes to access services) in Kenya stands at 45 per cent. Uganda's bribery index is 35 per cent while Tanzania has the lowest at 17 per cent. The survey shows that the police are the most corrupt officials in East Africa. Transparency International Chief Executive, Job Ogonda, revealed that Kenya Police topped the index in the region. Their Tanzanian counterparts came in second while Kenya's Ministry of Defence closed the top three institutions with the highest bribery index.

Liberia**Liberia aid workers suspected of fraud**

World Vision, a US-based international Christian relief organisation, reported that it believed that more than 90% of its aid (c.\$1 m) to Liberia went missing in a fraud scam. A former senior World Vision official in Liberia and two other workers have been charged over the alleged fraud. They are accused of selling food aid in local markets and keeping the profits. They are also alleged to have used construction materials to build themselves multiple homes using labour provided by US-funded aid workers. World Vision sent auditors to 258 Liberian towns believed to be benefitting from the programme. They could only establish that 9% of the food aid had reached the intended recipients and that 34 of the towns did not even exist. Documentation showing receipt of food aid had been falsified. The organisation intends to tighten its procedures.

Malawi**Ex-President's passport seized**

Malawi's Anti-Corruption Bureau seized ex-President Bakili Muluzi's passport claiming it had information that the former president would not return from travel abroad to face corruption charges. The former president was scheduled to visit the UK for a medical check-up. Mr. Muluzi is under investigation for allegedly diverting donor funds into his personal account, charges he denies. Mr. Muluzi stepped down in 2004 after serving two consecutive terms as Malawi's president.

New Zealand**Former MP faces up to seven years in jail**

Taito Phillip Field, New Zealand's first Pacific Islands MP, became the first New Zealand MP to be convicted of corruption. He was accused of giving immigration favors to Thai people in return for work on his properties and falsifying information in order to hide his actions. He faces 7 years in prison.

Peru**Ex-President convicted of corruption**

The former President of Peru, Alberto Fujimori, has been convicted by Peru's Supreme Court of giving \$15m in state funds to his intelligence chief Vladimiro Montesinos. Fujimori admitted making the payment, but said he later repaid the money. He has been given a seven-and-a-half year prison sentence. The sentence is the third handed down against Fujimori since he returned from exile in late 2007 to face charges. Last April, he was sentenced to 25 years in jail for ordering killings and kidnappings by the security forces. Fujimori was already serving a six-year term after being found guilty in 2007 on separate charges of abuse of power. Montesinos is currently in prison convicted of several charges including corruption and embezzlement. He was at the centre of the scandal which erupted after videos emerged showing him bribing opposition politicians and media magnates.

Philippines**Senator seeks US help against Pfizer**

The chairman of the Senate committee on trade has sought the assistance of the US government in its investigation into allegations of bribery by drug manufacturer Pfizer Philippines to stop the imposition of the cheaper medicines law in the Philippines. The chairman stated that Pfizer might have violated not only Philippine Anti-Corruption Laws but also the US Foreign Corrupt Practices Act. During a Senate hearing, it was reportedly disclosed that Pfizer offered the government five million discount cards worth P100 million but this was turned down by the Health Secretary. The chairman has also requested Pfizer to submit complete documents and records of the company's representations, communications, and positions relative to its pricing discussions with other pharmaceutical companies and other government officials.

Rwanda**High Court clerk jailed for five years**

A former clerk in the High Court, Jean Damascene Gashumba, has been sentenced to five years in prison after being found guilty of receiving \$70 to fix a closer date of hearing for a court case.

Sierra Leone**Land ministry officials dismissed**

Sierra Leone's Lands Ministry dismissed 14 officials for allegedly having illegally sold state land. The Lands Ministry still owns some of the most valuable land in Sierra Leone. This land cannot be officially sold but only leased and there is a huge waiting list for such leases. Sierra Leone is recovering from the brutal 1991-2001 civil war. Land conflicts are rife with ownership often unclear because many people were displaced during the war and records were lost.

Sweden**Charges against Novo Nordisk**

Swedish state prosecutors are investigating why Novo Nordisk, one of the world's largest producers of insulin, invited four diabetes doctors and four diabetes nurses from Malmö University Hospital on an all-expenses-paid conference trip to South Africa in December 2006. Novo Nordisk's Swedish subsidiary has already been fined Skr80,000 for having sent 150 hospital employees on a conference trip that was deemed to be 'tourist in nature' by the Swedish pharmaceutical watchdog IGM. Novo Nordisk has previously faced bribery charges in connection with the UN's Oil for Food programme in Iraq which it settled out of court. It is also named as one of 70 companies in a \$10 billion lawsuit brought by the Iraqi government in New York.

Ukraine**Former Ukraine general implicated in murder**

General Pukach, a former Ukrainian general, has reportedly confessed to the murder of Georgiy Gongadze, an investigative journalist who had exposed high-level corruption. Three others - all former policemen - were jailed for the murder last year. Gen Pukach was the chief of the interior ministry's surveillance department at the time of the killing. Secret tape recordings are reported to implicate the then-President, Leonid Kuchma. Mr Kuchma did not deny the voice in the recordings was his, but insisted it was doctored to make him appear to say things he did not actually say. The scandal prompted protests against Mr Kuchma's government.

USA**IMI pays \$18.2m fine to DoJ**

IMI, the engineering group, has agreed to pay the US Department of Justice an \$18.2m fine in relation to bribery by a California-based subsidiary, Control Components Incorporated. Two former senior executives in CCI have already pleaded guilty in the US to making corrupt payments to foreign officials in state-owned companies in China, India and the Middle East. IMI opened an internal investigation into CCI in 2007 after it discovered that some of CCI's agents in developing countries made commission payments to secure contracts. CCI makes valves for use in the nuclear, oil and gas and power generation industries.

USA**General Electric pay \$50m fine to SEC**

General Electric Co. has agreed to pay a \$50 million civil penalty to settle charges by the Securities and Exchange Commission relating to improper accounting in order to make its financial results appear more attractive to investors. The company does not admit or deny the allegations. Reportedly, a number of employees working on the relevant transactions were dismissed and GE has implemented new internal accounting controls.

USA**Ex-Governor of Alabama seeks retrial**

Donald E. Siegelman, the former Alabama governor convicted on corruption charges in 2006, has asked for a new trial based on alleged new evidence of prosecutorial misconduct. Mr. Siegelman was sentenced to seven years in prison over accusations that he reappointed Richard M. Scrusby, the former chief executive of HealthSouth, to a seat on a state hospital board in exchange for \$500,000 in contributions for a state lottery campaign. Mr. Scrusby was also convicted. The Office of Professional Responsibility at the Justice Department is investigating the Siegelman prosecution.

USA**British companies suspected of fraud**

Federal investigators are investigating a procurement fraud case in which two British companies allegedly created sham shipping bills to collect nearly \$8.5 million for armoured vehicles which were never delivered to Iraq's Interior Ministry. The two companies were reportedly assisted by an American businessman, Benjamin R. Kafka, who has pleaded guilty and is cooperating with U.S. authorities. The money to pay for the vehicles came out of the Development Fund for Iraq, an account made up of Iraqi oil revenues and financial aid from the U.S. and other countries.

Zambia**Donors suspend aid to Zambia**

The Netherlands and Sweden have suspended \$33 million in aid for Zambia's fight against HIV/AIDS and other health programmes because of official corruption. The decision was made after it emerged that senior health ministry officials had allegedly stolen \$2 million of aid funds. State media reported that 20 senior officials in the ministry of health have been suspended. Zambian President Rupiah Banda's office said the funds were stolen through a syndicate of payments to companies that were registered to deliver goods and services to the ministry of health but failed to do so. However, civic groups and opposition leaders accuse Banda of taking a low-key approach to fighting corruption.

Zambia Minister reinstated

President Rupiah Banda restored to government a minister at the centre of corruption allegations. The Supreme Court had ruled that Dorya Silya, former transport and communications minister, had breached the constitution by awarding RP Capital of the Caymans Islands a \$2 million contract to value the assets of the state-run telecoms firm, Zamtel Ltd. However, this decision was overturned on appeal on the basis that the Supreme Court had overstepped its mandate. Banda has appointed Silya as Minister of Education.

Zambia Former president acquitted

Frederick Chiluba, the former president of Zambia, has been acquitted of theft and corruption charges. Chiluba had already lost a civil court case, brought in the UK High Court, that found he laundered around \$50m from state funds to help fund lavish spending on designer clothes and shoes. TI Zambia reported that the current president, Rupiah Banda, openly supported former president Chiluba and had said that whether he was convicted or not he would remain his friend and would continue to be invited to State House. Chiluba is the first African leader ever to face trial for alleged corruption. His wife, Regina, was convicted on corruption charges in March and sentenced to three and a half years in prison. His own trial has dragged on for six years due to procedural delays and his ill health.

International G8 Summit – Obama speaks to African leaders

In a meeting with African leaders, President Obama spoke about development and the importance of governance. The president recounted that when his father, Barack Obama Sr., came to the United States from Kenya, Kenya's GDP was higher than Korea's. He stated that the problems that Africans face, including corruption, were not just a product of colonialism or past history, nor were they the fault of the G-8. He gave the example of South Korea, he said, to make the point that the South Korean government working with the private sector and civil society was able to create a set of institutions that provided transparency and accountability and efficiency that allowed for extraordinary economic progress. He stated that there was no reason why African countries could not do the same.

International TI's Global Corruption Barometer

The *2009 Global Corruption Barometer* published by Transparency International (TI) found that over half of respondents believe that the private sector uses bribes to influence public policy, laws and regulations; that over half of respondents were willing to pay a premium to buy from corruption-free companies; that the poor are disproportionately burdened by bribe demands; and that government efforts to combat corruption are generally perceived as ineffective, and that there were high levels of perceived corruption in political parties, parliaments and the civil service. The Barometer surveys more than 73,000 respondents drawn from 69 countries and territories around the world. In Cameroon, Liberia, Sierra Leone and Uganda, more than 50 percent of respondents reported having to pay a bribe in the past 12 months. The Middle East and North Africa registered the worst results, with 4 in 10 respondents reporting bribe payments in the past year. The police were identified as the most common source of bribe demands: globally, one in four of those who had contact with the police in the previous year paid a bribe. For the full survey see: www.transparency.org/news_room/latest_news/press_releases/2009/2009_06_03_gcb2009_en

International Inadequate enforcement of anti-bribery law

Transparency International has published a report stating that inadequate enforcement of anti-bribery laws is jeopardising the success of the OECD anti-bribery convention which came into force in 1999. The report evaluated 36 countries which have signed the convention and found that only four - Germany, Norway, Switzerland and the USA - actively enforced the convention, which they have all signed. Britain was identified along with 10 other countries, including France, Japan, South Korea, Spain and Sweden, as "moderately" enforcing the pledges. Twenty-one countries had little or no enforcement, including Argentina, Australia, Brazil, Canada, Ireland, Israel, Poland, South Africa and Turkey. In Germany, there are more than 150 ongoing investigations into foreign bribery, and there have been 16 convictions under laws enacted since the convention entered into force. In the USA, 21 cases were opened last year and 120 have been initiated since the convention entered into force. Israel and South Africa joined the convention during the past year. China, India and Russia also need to be brought into the fold to make it more effective.

U.K. News

UK Parliament Standards Act 2009

The Government enacted the Parliament Standards Act 2009 reportedly to clean up politics in the wake of the Members of Parliament (MP) expenses scandal. Transparency International and a number of lawyers have criticised the double standard introduced by the legislation in relation to penalties for fraud. Under existing fraud law, the maximum penalty for fraud is ten years' imprisonment. Under the new Act, the maximum penalty for fraudulent claims by MPs is one year's imprisonment. In addition, TI maintains that the new Independent Parliamentary Standards Authority will be independent in name only because its members must be approved by the Speaker's Committee almost all of whom are MPs, and it will be without teeth in that it will have no power to initiate an investigation into an MP.

UK Draft Bribery Bill

On 28th July 2009, the Joint Committee of the House of Lords and the House of Commons published a report on the draft Bribery Bill. The bill would create two new offences of bribing and being bribed, and make bribing foreign officials a specific offence. It would also create a new offence for firms that negligently fail to prevent bribery by people working on their behalf. The committee said it strongly supported the bill. It recommended a number of changes including a recommendation that a company or partnership should be "strictly liable" for any bribe paid by a person performing services on its behalf, except where the organisation proves that adequate anti-bribery procedures were in place. The Committee has also recommended that provisions in the bill to give MI5, MI6 and GCHQ, the government's electronic eavesdropping centre, a "licence to bribe" should be dropped. Under the current draft anti-bribery bill,

MI5, MI6 and GCHQ would for the first time be able to get permission to bribe. An official from the OECD told the committee when it was taking evidence that he was not aware of any other country in the world where the law specifically sanctioned bribery in the way proposed. The full text of the report can be found at: http://www.parliament.uk/parliamentary_committees/joint_committee_on_the_draft_bribery_bill.cfm

UK

Consultation of reforming the law on bribery and corruption in Scotland

The Scottish Government has launched a consultation on reforming the law on bribery and corruption in Scotland, based on the proposals in the UK Government's draft Bill published in March 2009. The deadline for responses is 23rd October 2009. Full details including an online response form can be found at: <http://www.scotland.gov.uk/Publications/2009/07/17121235/0>

UK

Briton charged with corruption

The City of London police anti-corruption unit has launched its first case against a British national. It has charged Patrick Orr, a solicitor, and two Dutch consultants over a \$34m United Nations deal to supply life-saving drugs to the Democratic Republic of Congo. The charges include conspiracy to corrupt, conspiring to money launder and fraudulent trading.

UK

City of London Police database

The City of London Police is undertaking a project to assemble a data base on the occurrence of corruption in overseas countries to assist UK businesses which are trading in those countries. In order to

provide data for this project, a confidential on-line survey is being undertaken. The link to the survey is:

http://www.cityoflondon.gov.uk/corporation/consultation/ocap/overseas_corruption_assessment_project.htm

UK

Mabey & Johnson admits overseas corruption

Mabey & Johnson, a British engineering company, has pleaded guilty to involvement in overseas corruption in contracts in Jamaica and Ghana and to breaching UN sanctions in Iraq. The cases were brought by the UK's Serious Fraud Office. Mabey & Johnson self-reported the issues and co-operated with the SFO. Five of Mabey & Johnson's directors have resigned since the allegations came to light, and new management has been installed. The company has substantially revised its compliance programme, and an independent monitor has been appointed. The company is to be sentenced later this year.

UK

SFO moves towards US-style negotiations

The Serious Fraud Office confirmed that it plans to move towards a US-style system where businesses can self-report corruption issues and then negotiate a settlement. As part of the incentive for self-reporting, the SFO says it will use civil penalties such as fines wherever possible instead of criminal sanctions. However, some legal advisers have warned that although the emphasis for self-reported issues will be on civil settlements, companies are still at risk, because the SFO could subsequently decide to launch a criminal prosecution. This is because although the guidelines say the regulator will pursue civil remedies wherever possible it reserves the right to change its position. More guidance is seen to be necessary as to how the procedure will work in practice.

Forum News

New working groups

The Forum has re-structured its existing seven Working Groups into four broader Working Groups which will lead the Forum's actions and development of its policies as follows:

Business Practices Working Group: This working group's objectives will be to:

- Search for published best practice anti-corruption guidelines and tools for business (e.g. codes of conduct, training, due diligence procedures, whistleblowing etc.).
- Where best practice does not exist in any relevant area, to develop guidance on such best practice, and publish it in the Forum's name.
- Supply information on these best practices (either Forum developed or third party) to Forum members, and publish it on the Forum web-site.

Professional Standards Working Group: This working group's objectives will be to:

- Search for published best practice anti-corruption guidelines and tools for professional institutions (e.g. professional codes and standards, training, whistleblowing procedures, and professional institution disciplinary mechanisms).
- Where best practice does not exist in any relevant area, to develop guidance on such best practice, and publish it in the Forum's name.

- Supply information on these best practices (either Forum developed or third party) to Forum members, and publish it on the Forum web-site.

Law and Enforcement Working Group: This working group's objectives will be to:

- Examine areas where UK or international anti-corruption laws impact on the sector, and to examine and recommend ways in which they can be improved so as to be reasonable, workable and effective.
- Examine areas where UK or international anti-corruption enforcement (prosecution, fines or debarment) impacts on the sector, and to examine and recommend ways in which they can be improved so as to be reasonable, workable and effective.
- Communicate and co-operate with the relevant legal and enforcement agencies so as to promote these improvements (e.g. World Bank, EU Commission, SFO, UK Law Commission, UK Department of Justice etc.)

External Liaison Working Group: This working group's objectives will be to:

- liaise with the relevant departments of the UK Government so as to promote the interests and ideas of the Forum.
- Liaise with international organisations and national organisations in other countries, so as to promote the interests and ideas of the Forum.

- Promote the creation of anti-corruption forums, similar to the UK Anti-Corruption Forum, in other countries.
- Meet international delegations which come to the UK, and which wish to meet representatives of the Forum to learn about the Forum's work.

Nineteenth Meeting of the Forum

The nineteenth meeting of the Forum was held on 16th July 2009. The activities of the working groups and other relevant issues were reviewed, and future actions were agreed.

City of London Police addresses Forum

In July 2009, Detective Superintendent Colin Cowan, Head of the Economic Crime Directorate, who heads the overseas bribery and UK fraud units, spoke to the Forum on the City of London Police's work in investigating and prosecuting overseas bribery, and fraud in the UK construction sector. At the same meeting, Mark Stollery, Leader of the Overseas Corruption Assessment Project spoke on the new project being run by City of London Police to assemble a data base on the occurrence of corruption in overseas countries to assist UK businesses which are trading in those countries.

Forum Information

What is the U.K. Anti-Corruption Forum?

The Anti-Corruption Forum is an alliance of U.K. business associations, professional institutions, civil society organisations and companies with interests in the domestic and international infrastructure, construction and engineering sectors. The purpose of the Forum is to promote industry-led actions which can help to eliminate corruption. The members of the Forum believe that corruption can only be eliminated if governments, banks, business and professional associations, and companies working in these sectors co-operate in the development and implementation of effective anti-corruption actions.

Membership of the UK Anti-Corruption Forum

For information on how to join the Forum, either visit the website or contact the Co-ordinator (see addresses below).

Information on the UK Anti-Corruption Forum

For information on the Forum, either visit the website:

www.anticorruptionforum.org.uk

Or contact Neill Stansbury, Forum Co-ordinator, at

coordinator@anticorruptionforum.org.uk

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