

ANTI-CORRUPTION FOCUS JULY 2015

Transparency International UK's Quarterly Newsletter

In this edition:

- Documentary: From Russia With Cash
- FIFA Corruption Scandal
- New Report: Empowering the UK to Recover Corrupt Assets
- Statement on Corruption from the Prime Minister
- News from the TI Movement

Latest News

You can keep up to date with the latest corruption news by visiting the TI-UK Newsroom: www.transparency.org.uk/news-room or by signing up for TI's [Daily Corruption News](#)



From Russia with Cash

On 8 July, Channel 4 aired the landmark documentary "[From Russia with Cash](#)" where 'Boris' – an imposter oligarch created by Channel 4 and Amos Pictures – highlights the need to prevent money laundering through the UK property market. [Read more...](#)



FOREX: forget semantics, this is corruption at the heart of the City

Among the spate of City scandals and fines, it has been tempting for the anti-corruption community to debate the semantics: is this corruption, or just an ethical failure? [Read more...](#)



Proposals to help recover corrupt assets invested in the UK

Following the release of the "[Empowering the UK to recover corrupt assets](#)" discussion paper, TI-UK looks into Unexplained Wealth Orders as a tool to stem the flow of corrupt money into the UK. [Read more...](#)



Who knew contracts could be so interesting?

TI-UK takes a comparative look at Slovakian open governance and open governance in the UK, finding that the UK still has some work to do in order to come good on its 2013 OGP commitments to open contracting. [Read more...](#)



Virunga (2014)

TI-UK has started a new blog series where we will be reviewing our favourite corruption documentaries, films and books. The inaugural post is on the documentary Virunga, which highlights the actions of actors competing for the control of Africa's oldest National Park. [Read more...](#)



Corruption and the new UK Government

Following the re-election of David Cameron as Prime Minister, TI-UK assesses what lessons should the Prime Minister learn from his first term - and what should he do now? [Read more...](#)

Top Ten Stories

Our selection of ten interesting articles or reports about corruption published during the past quarter:

- 1 Al Jazeera English Inside Story | [Can the FIFA scandal lead to reform?](#)
- 2 Bloomberg News | [We've called for FIFA's Sepp Blatter to step down: Unger](#)
- 3 Financial Times | [Corruption watchdog says UK blocked just 7 suspect deals in year](#)
- 4 The Independent | [Britain's £100bn-a-year money-laundering problem: police only acted forcefully on seven reports of grand corruption last year](#)
- 5 Press Association | [Money laundering via UK 'too easy'](#)
- 6 The Guardian | [Compass Group uncovered 'suspect fraud' at Kazakhstan joint venture](#)
- 7 Financial Times | [Anti-corruption groups warn SFO against deferred prosecution](#)
- 8 Open Democracy | [Can open data tackle corruption?](#)
- 9 The Economist – Letters to the editor | [Shine a light on government](#)
- 10 The Guardian | [London estate agents caught on camera dealing with 'corrupt' Russian buyer](#)

FIFA Corruption Scandal

Following the [arrest of 14 FIFA executives and officials](#) on [corruption charges](#) on the morning of 27 May, [Transparency International called on Sepp Blatter to resign](#).

Transparency International has just released the publication [Give Back the Game: How to fix FIFA](#) which identifies [seven steps](#) based on the principles of transparency and accountability that FIFA should follow in order to achieve significance reform.

At the top of [Transparency International's](#) list of steps that can be taken to reform FIFA is the implementation of an [Independent Reform Commission](#) with the power to publicly publish their recommendations.



Empowering the UK to Recover Corrupt Assets

Transparency International UK [launched its report](#) addressing the ongoing problem of corrupt wealth being laundered through the UK titled [Empowering the UK to recover corrupt assets: Unexplained Wealth Orders and other new approaches to illicit enrichment and asset recovery](#) on 10 June.

The report has three main purposes:

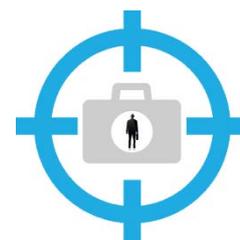
- 1) [Highlight the full extent of the problem](#) - It focuses on the suspicious activity reports (SARs) that businesses are required to submit to the National Crime Agency if they are suspicious about a transaction or activity.
- 2) [Bring to light an important recent case study](#) in which the SFO were unable to act on a suspicious report.
- 3) [Suggesting solutions to the problem](#). TI-UK convened a group of experts to explore possible solutions that would enable the UK to act more decisively and proactively on corrupt assets. One option that has been developed is "[The Unexplained Wealth Order \(UWO\)](#)".

TI-UK Programme News

At the start of June, [Mark Pyman](#) stepped down as director of [TI's Defence & Security Programme](#). We are extremely grateful for his stewardship and dedication over these last 10 years. Our new director [Katherine Dixon](#) announced her vision for the Programme's future, focusing on [Arms Trade & Transfers, Accountable Defence Sectors](#), and [Insecurity & Conflict](#).

On 27 April we launched our [2015 Defence Companies Anti-Corruption Index](#). Research showed that [33% of defence companies had improved](#) the transparency and quality of their anti-corruption programmes since 2012, but [two-thirds failed to receive a passing grade](#) and the industry as a whole still has a long way to go.

The Programme also [launched a report](#) produced by U.S. law firm Covington & Burling on [suspension and debarment systems](#) used by the U.S., the World Bank, Brazil, India, and Kenya. In London, [Michael Bowes QC](#) organised and chaired a highly successful and lively seminar that included Katherine Dixon and at [Outer Temple Chambers](#) on 9 June 2015: "Defence Industry: "Tightening the Tripwires": Should Suspension and Debarment be introduced in the UK?"



News from the TI Movement

The **TI Secretariat** published the report [Lobbying in Europe](#) on 15 April in Brussels. The report brought together the work from 17 different chapters on lobbying. The report examines the practice of lobbying and the attempts to regulate it in 19 European countries and within the three core EU institutions.

The **Kuwaiti Chapter** is under threat. [On 17 May, the Kuwaiti government moved to dissolve the board and replace it with government appointees.](#) **The Secretariat passed a resolution** suspending the organisation from the Transparency International movement until further notice. TI is calling for the reinstatement of the elected Board of Directors of its Kuwait chapter Kuwait Transparency Society.

TI Uganda has [condemned the murder of Joan Kagezi](#). Ms Kagezi was the Deputy Director of Public Prosecution and Senior Principal State Attorney and in charge of the International Crime Division handling international crimes such as terrorism, war crimes, and trafficking in persons.

TI Macedonia has [received full support from Transparency International](#) on its work on whistleblowing. Currently FYR Macedonia does not have whistleblower protection laws and TI Macedonia has been contributing to the debate to introduce such laws.

The Movement is [calling for a fair trial and transparent process](#) for the Azerbaijani human rights defender Leyla Yunus, and her husband Arif Yunus. Leyla Yunus, director of the **Institute for Peace and Democracy**, was arrested on 30 July 2014, and faces charges of tax evasion, illegal entrepreneurial activities and other economic crimes, as well as treason. The **Parliamentary Assembly of the Council of Europe** adopted a resolution calling for the Yunus' immediate release.

Recent Publications



How Open Data Can Help Tackle Corruption – Policy Paper (June 2015)

This policy paper provides a summary of our research into how open data can be used to tackle corruption. This research involved analysing 95 case studies of corrupt behaviour and identifying the primary method of finding this information.

[Read and Download here](#)



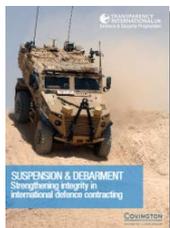
Empowering the UK to Recover Corrupt Assets: Unexplained Wealth Orders and Other New Approaches to Illicit Enrichment and Asset Recovery (May 2015)

This report addresses the ongoing problem of corrupt wealth being laundered through the UK. [Read and Download here](#)



Defence Companies Anti-Corruption Index 2015 (April 2015)

The Defence Companies Anti-Corruption Index 2015 measures the transparency and quality of ethics and anti-corruption programmes of 163 defence companies from 47 countries. [Read and Download here](#)



Suspension and Debarment: Strengthening integrity in international defence contracting (April 2015)

This report looks at the question of how governments can protect themselves from corruption in the contracting process without becoming overburdened by long and detailed legal processes, and outlines the options for suspension and debarment systems. [Read and Download here](#)

Dates for Your Diary

Full details of all our events, including external speaking engagements, can be found at www.transparency.org.uk/events

Time / Date:

18:00
09 December 2015

Location:

*Clifford Chance
10 Upper Bank Street
E14 5JJ*

[Details](#)



External Events

A recorded speech on corruption in the pharmaceutical sector by TI-UK's Executive Director, Robert Barrington, will be played at the [Fifth Asia Pacific Pharmaceutical Compliance Congress](#), August 17-18 in Manila.

Peter van Veen, Director of the Business Integrity Programme will be speaking at the [Compliance & Ethics International event](#), November 17-20 in London, UK.

Robert Barrington is speaking at the 16th [Pharmaceutical Regulatory Compliance Congress](#), October 21-23 in Washington D.C.

James Sale, Manager of the Pharmaceuticals and Healthcare Programme will be speaking at the 11th [European Healthcare Fraud & Corruption Network Conference](#), November 6 in The Hague.

Support TI-UK

Thank you for your continued support and partnership in the fight against corruption. To keep abreast of TI-UK's perspective on developments through our news releases, blog posts and publications, please visit our website www.transparency.org.uk

If you would like to become a member or supporter, or renew your existing membership, please contact Claire Prescott at claire.prescott@transparency.org.uk or on + 44 (0)20 7922 7906, or go online at <http://www.transparency.org.uk/get-involved/join-us>. We are particularly keen to recruit more Life Members, who make a donation of £1,000. Thank you for your support!

Follow us on [Twitter](#) and like us on [Facebook](#) to receive daily updates from TI-UK

Join the **1100+ people** calling on the incoming UK Government in May 2015 to **end corrupt money in UK property**. Sign up [here](#)

SIGN THE PETITION

**Take action by joining our call for
transparency over company
ownership of UK property**

Statement by the Prime Minister on Corruption

On 6 June, Prime Minister David Cameron made a seminal statement on corruption while at the G7 Summit in Germany, labelling it as “[the cancer at the heart of so many of the problems](#)” around the world. While unusual for the leader of a G7 country to issue such a statement on corruption, we feel that its importance and strength means it should be reproduced in full below.



Flickr/Creative Commons: Number 10

In the last fortnight we have seen the stark truth about Fifa. The body governing the game that means so much to so many around the world has faced appalling allegations that suggest it is absolutely riddled with corruption. Blatter's resignation this week is the first step on a long road to reform and we will do everything we can, together with our international partners, to help identify and prosecute anyone guilty of wrongdoing and to clean up the game we love.

But at the heart of Fifa is a lesson about tackling corruption that goes far deeper. Corruption at Fifa was not a surprise. For years it lined the pockets of those on the inside and was met with little more than a reluctant sigh. The world shied away from taking on the problem, until some brave British journalists and American lawyers showed that things really could change.

The same is true of corruption the world over. Just as with Fifa, we know the problem is there, but there is something of an international taboo over pointing the finger and stirring up concerns. At international Summits, leaders meet to talk about aid, to discuss how to grow our economies and how to keep our people safe. But we just don't talk enough about corruption. This has got to change.

Corruption is the cancer at the heart of so many of the problems we face around the world today. The migrants drowning in the Mediterranean are fleeing from corrupt African states. Our efforts to address global poverty are too often undermined by corrupt governments preventing people getting the revenues and benefits of growth that are rightfully theirs. Corruption undermines the wider global economy too. The World Economic Forum estimates that corruption adds 10% to business costs globally, while the World Bank believes some \$1trillion is paid in bribes every year. Cutting corruption by just 10% could benefit the global economy by \$380billion every year - substantially more than was estimated for the Doha Trade Round. While corruption costs the EU economy alone €120billion every year.

Corruption doesn't just threaten our prosperity, it also undermines our security. Whether it is the abduction of schoolgirls in Nigeria or the recruitment of fighters to the Taliban and Islamic State, time and again ordinary people are drawn to extremist groups partly as a reaction to the oppression and corruption of their own governments.

World leaders simply cannot dodge this issue any longer. We have to show some of the same courage that exposed Fifa and break the taboo on talking about corruption. I will start tomorrow at the G7 in Germany and I will put corruption at the heart of my agenda at the United Nations in September and the G20 in Turkey, culminating with a major anti-corruption Summit in London next year.

Of course there will be some who will be sceptical and say it is all too difficult. But I believe we should draw confidence from what we have already achieved. When we began the Open Government Partnership, many doubted that it would amount to much. But today 65 countries have made over 2,000 specific commitments on openness and transparency - from pioneering citizens' budgets in Liberia to letting the public audit major government projects in the Philippines.

When I put tax, trade and transparency on the G8 agenda for Lough Erne two years ago some said we would never get agreement on a global standard for the automatic exchange of information over who pays taxes where. But today over 90 countries have agreed to share their tax information automatically by the end of 2018, meaning more people will pay the tax that is due.

While there is further to go, Britain has also taken important steps in practising what we preach. Last December we published our first comprehensive national Anti-Corruption Plan, which Eric Pickles will help take forwards as my anti-corruption champion. We are establishing a dedicated team of National Crime Agency investigators to pursue overseas corruption and we are strengthening our ability to prosecute professional advisers who facilitate corruption. We were recently judged by the OECD to be one of only four countries globally which actively pursues bribery of foreign public officials. We continue to lead the world on open data and transparency and next year we will be the first major country to establish a public central registry of who really owns companies. This is a ground-breaking step in countering money laundering and corruption - and I will continue to press our overseas territories and crown dependencies to follow our lead.

So now is the time to build on these foundations. Just as we take the bold step to put fighting corruption at the heart of our international dialogue, so we also need to put fighting corruption at the heart of our international institutions. We need to find ways of giving more support and encouragement to those in business, civil society and the media who are working to fight corruption - including by expanding the use of open data globally, something that could also play a crucial role in cleaning up football. We need to do more to make the global business environment more hostile to corruption and to support the investigators and prosecutors who can help bring the perpetrators to justice.

We also need to secure a fundamental change in the way we tackle global poverty. As co-chair of the UN High Level Panel I fought hard to put good governance at the heart of the replacement for the Millennium Development Goals. It took months of negotiation, but there is now a clear international consensus for an explicit target on reducing corruption and bribery. If we can galvanise the world to meet it, we really could achieve our ambition of eliminating extreme poverty by 2030.

The world of football is beginning a long road to rid itself of corruption and it will take time, courage and determination to see through the reforms that Fifa needs. I believe world leaders must show the same courage and determination to begin a long battle against the corruption that threatens our security and prosperity across the world. That will be my mission tomorrow at the G7 and in the months and years ahead.

*This was first published on the Huffington Post Blog and can be accessed [here](#).