



WORKSHOP REPORT FORM

Number and title of workshop

Workshop 5.7, “Corporate ‘Best Practices’ from In-House Compliance Officers”

Date and time of workshop

01 November 2008, 14:00 – 16:00

Moderator (Name and Institution)

Alexandra Wrage, President, TRACE International

Rapporteur (Name and Institution)

Stephen Wrage, Professor, US Naval Academy

Panellists (Name, institution, title)

1. **Pascale DuBois**, Sanctions, Evaluation and Suspensions Officer, The World Bank.
2. **Liam McCollum**, General Counsel, Middle East and Africa, The General Electric Company.
3. **Alexandra Wrage**, President, TRACE International.

Main Issues Covered

Corporations’ interests in avoiding any involvement in bribery.

The basic standards of bribery laws in the US, Europe, Asia, Africa and Latin America.

Various challenges corporations face in complying with anti-bribery laws.

How the World Bank tackles corruption: a. Helping member countries, b. Sanctioning corrupt companies, c. Partnering with others, d. Giving incentives to cooperate.

The World Bank’s Voluntary Disclosure Program and the lesser sanctions available if a company cooperates and puts in place a compliance program.

The exceptional challenges faced by a very large company doing business globally in almost every business sector.

Main Outcomes

- Explanation of World Bank standards and procedures regarding the actions of companies that may impinge on ethical practices.
- Definition of a “robust compliance program.”
- Clarification of one corporation’s position on such matters as third party agents, facilitating payments and gifts and hospitality.



- Demonstration that private sector, government and civil society and international financial institutions have a shared interest in reducing commercial bribery and increasing commercial transparency.

Main Outputs

- Greater awareness of efforts and challenges of corporations and of The World Bank in dealing with corruption.
- Highlighting of costs to companies of failure to control bribery, in the form of costly investigations, fines and sanctions, disruption of operations and reputational damage.
- A sound *business* argument for reducing bribery and therefore reducing risk, expense, waste and delay.

Recommendations, Follow-up Actions

That corporations and international organizations be more outspoken and definitive in opposing facilitating payments.

That enforcement agencies, particularly the U.S. Department of Justice, be more definite in their guidelines on gifts and hospitality, especially in announcing safe harbours.

Workshop Highlights (including interesting quotes)

Quotes:

- “The US has grown more aggressive in its enforcement of anti bribery laws.” A. Wrage
- “The US enforcement agencies are losing their tolerance of facilitating payments and this may be the most significant source of changes in the near future.” -- A. Wrage
- The World Bank wants to give incentives to companies to cooperate and change behaviour so, for example, sanctions can be significantly reduced if the company has a robust compliance program in place and has cooperated with the Bank in its investigation.” P. DuBois
- “We have never had a problem doing business without paying bribes... On occasion when GE has been confronted with corrupt demands, we have found that if we go high enough, even to the president, we could avoid corrupt influence further down in the system. Of course GE has the benefit of being a very large company.” L. McCollum
- “Third party agents can be problematic. GE has a strong preference to go direct. Our preference would be to have zero agents.” L. McCollum
- “A business leader who is having trouble making earnings goals and is willing to compromise with compliance to do so is in the wrong company. I have been involved in the termination of several employees who have done that.” L. McCollum
- Congratulations to Alexandra Wrage for showing enormous courage in speaking out against facilitating payments. Hers was the first major organization to do so, long before Transparency International.” -- Frank Vogel, Journalist, Member, Board of Directors, Transparency International.



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