



Transparency Watch

the e-bulletin of the anti-corruption movement

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SPOTLIGHT STORY



The Ethicist on perceptions of corruption

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The blacklisting of German engineering company Lahmeyer International by the European Bank for Reconstruction and Development (EBRD) has been widely celebrated as the first case of cross-debarment. Debarment of firms from projects undertaken by multilateral development banks is hailed as a powerful incentive for them to improve their compliance policies. Transparency Watch talked to Ms. Enery Quinones, the EBRD's Chief Compliance Officer on the debarment of Laymeyer and about the Bank's work with private firms in increasing transparency and integrity. >> read more

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SPOTLIGHT STORY

The Ethicist on perceptions of corruption

By Amber Poroznuk



Ethics and integrity are deeply connected to the theme of corruption, as they are all essentially linked to human behaviour. Thus Transparency International's (TI) mission- to create change towards a world free of corruption- can best be addressed by asking how to change people's patterns of behaviour. TI's approach to examining why humans engage in corruption has to date largely focused on economic and legal incentives rather than exploring other fields such as psychology.

Randy Cohen's weekly column for *The New York Times*, "The Ethicist", provides a glimpse into the intrinsic beliefs of individuals; beliefs that convey a society's general perceptions on ethics, values and behaviour. The questions people ask and how they are framed can already say a lot about what they believe to be right or wrong. More importantly, they say a lot about the possibilities of altering behaviour.

After eight years of answering questions about right and wrong, Cohen has developed his own concise definition of ethics- "Ethics is 'right conduct'," he says. "It's about behaving in the proper way. Ethics is not only an individual decision made in a moment of crisis; it is not about what one does in isolation. Ethics is an expression of community values." **So how do people make decisions about ethics?**

One of the most common models people use to guide their behaviour and assist them in making decisions is to examine the legalities of the situation. Questions about what people are obliged to do by law are frequent in Cohen's column, and, he says that there is a tendency to think that what is ethical and what is legal are the same thing. "It's not entirely foolish to use the law to guide behaviour," he says. "The law is a society's way of expressing its values. But beyond an expression of values the law is an expression of power."

Legal issues, however, do not cover all areas of life. So, what other tools exist to help people make decisions about ethical issues? In his column, Cohen makes reference to a number of philosophical rules of thumb that can help determine the right choice in a given situation; For example, using the 'golden rule' of 'do unto others', the concept of 'making a good faith effort', or the 'what if everyone were to do it' test.

Another of his favourite tests for evaluating morality is the 'cake test'. "One technique for evaluating behaviour is to consider how you would feel if you were the other party in the transaction," Cohen explains. "This is a style of moral reasoning demonstrated by our mothers when they divide the last piece of cake by having one child cut and the other pick."

Sadly, the cake test is not widely taught in, for example, business schools. Moreover, Cohen has learned that when it comes to very serious moral transgressions, people do not usually reflect on the tools philosophers have provided to guide decision making. "People *don't* make the decision to act ethically or unethically. It involves casually acquiescing to standards, or 'ordinary behaviour' in a community. They don't see it as a decision. Once people can clarify the situation they are in as requiring a moral choice, we've won – they have a very good chance of knowing the right answer."

That said, **how can one teach ethics and integrity?** According to Cohen, education is perhaps not the most important factor: "If you want to changing human behaviour, which is the point of all this, you do not change people's character. What shapes people's behaviour is the shape of the community in which they live, whether that is their family, their school, their corporate culture or their country."

The more difficult task, therefore, is to create the kind of community where people are inclined to behave well. "People behave the way their neighbours behave," he says. "If we were hanging out with Attila the Hun, we would probably think looting and pillaging was more part of our normal, everyday activities than we do now. I almost never pillage, have never had the chance to loot."

One can extrapolate about more typical corruption topics based on questions asked of the Ethicist about everyday life. For example, "A friend's son was seriously injured in a car accident. Fund-raisers were held, and a significant amount of money was donated to help his family care for him. The family filed a lawsuit in connection with the accident and collected more than \$10 million after attorneys' fees. Sadly, their child died. Some donors have wondered if the family should refund some of the donations? Are they right?"

Cohen answered: *"They are. While gifts generally come without strings, here it is the recipient, not the donors, who implicitly defined a condition for these gifts: donations would be used for the care of a child. Now that this is, alas, no longer possible, donors should have their money back if they desire (even if they express no legal claim to it)."*

One could ask the same question of donor countries or multilateral development banks who have donated a significant sum of money to a certain country for development purposes. Time passes, they see no significant results, and the country cannot account for the money. Are the donors right to ask for their money back?

Another example comes from a query about the ethicality of doing something illegal when enforcement was spotty: *"Since my firm reopened in New Orleans, I've been parking illegally in a loading zone. Enforcement is sporadic, so I average only about one \$20 ticket a week, cheaper than putting the car in a lot. Friends say it's unethical to exploit a broken municipal system. I say I harm nobody: there are no businesses open on this block, so nobody to use the loading zone. What do you say?"*

Cohen's answer: *"In this particular case, I'm with you. With no businesses on the block, the purpose of the loading zone is obviated, and you do no harm in parking there. But as a general matter, your friends are correct. You should obey the law even when enforcement is spotty and getting caught a bargain. A fine is not a fee for the right to break the law; it is a device for discouraging misconduct."*

This question could equally be applied to the Organisation for Economic Cooperation and Development Convention against the Bribery of Foreign Officials. If firms believe the fines they are forced to pay if found guilty of bribery are less than the money they have earned on the contract, then like the parking ticket violator, there is no motivation to adhere to the rules of the convention.

Cohen says that motivation to act ethically is less about negative incentives than about procedures. The establishment of rules and procedures in and of itself is a symbol of management's values. "The incidence of sexual harassment cases has really dropped in the last 20 years in America," he says. "This is because nearly every corporation now has very serious procedures in place for what should happen when there are allegations of sexual harassment. You don't have to rely on the goodwill of your supervisor, companies have specific procedures. It is amazing how successful it has been to simply have this clarity. In the past, this sort of thing was seen as a sort of moral failing- and the person should get sort of a moral education; you have to treat your colleagues with respect, well, that didn't work very well. But establishing certain procedures makes it very clear that this is conduct that the corporate culture takes very seriously."

Cohen's point on procedures typifies his greatest lesson learned from eight years on the job. "I have come to see that my job is not so much to tell people what to do, as to tell people why to do it, he says. "You can tell from the way they construct the questions that they know what the right decision is – they know they shouldn't kick the dog, but they don't know why. And I think what they want from me is a logical reasoned argument."

About The Ethicist

Randy Cohen has been writing "The Ethicist" column for eight years. His background is in writing humor pieces, essays, and stories for newspapers and magazines (The New Yorker, Harpers, the Atlantic, Young Love Comics) and for the television programme the Late Night Show with David Letterman. Randy auditioned for the part of the Ethicist by responding to a test question: "You're at work, and you stop by a colleague's desk to drop off some papers. You glance at the screen and your name jumps out at you- your colleague is writing an email to your boss blaming the failure of a group project on you. What should you do?"

According to Cohen the ethical answer was relatively simply. Of course, you should not have read the email on your colleague's screen, but looking when your name is in something, it naturally jumps out at you. The question was so cunning, because it was set up in a way where you yourself were already involved in wrongdoing. "If you saw that email and didn't read it, it wouldn't be a sign of strong ethics, but a lack of vitality," he wrote, "you can't *not* read it, but at the same time, you can't admit that you did". The correct way of reacting would be to write a pre-emptive email to your boss, he says, never mention that you read the email, but go over the project in detail and that you would never blame anyone. Instead, you suggest positive solutions, and lessons learned. And then walking by your colleague's desk, you would accidentally spill a cup of coffee on their keyboard.

INTERVIEW OF THE MONTH

Enery Quinones, Chief Compliance Officer, EBRD

By Amber Poroznuk



Debarment of firms from projects undertaken by multilateral development banks is hailed as a powerful incentive for them to improve their compliance policies. Transparency Watch talked to Ms. Enery Quinones, the European Bank for Reconstruction and Development's (EBRD) Chief Compliance Officer on their recent cross-debarment of German engineering company Lahmeyer International and about the Bank's work with private firms in increasing transparency and integrity.

Transparency Watch (TW): *The blacklisting of German firm Lahmeyer by the European Bank for Reconstruction and Development (EBRD) has been widely celebrated as the first case of cross-debarment. (See TI's press release on this subject.) Have you debarred other firms through your own investigation?*

European Bank of Reconstruction and Development (EBRD): We have not debarred any company through our own investigation. Lahmeyer was the first instance of cross-debarment.

TW: *Have there been discussions regarding cross-debarring other companies?*

EBRD: Yes, as you know there were quite a few companies involved in the Lesotho scandal, including Acres. Acres International Ltd. is a Canadian engineering company found guilty in Lesotho [of bribery in the World Bank-funded Lesotho Highlands Water Project] and debarred by the World Bank. However, we did not invoke cross-debarment at the time because we didn't really have anything to debar them from – they had never worked with us on projects – so it would have been rather meaningless. On the other hand, Lahmeyer is a firm that has done a lot of business with us over the years and was actually being considered for an award of a contract that was to be financed by the EBRD. So in this case, cross-debarment was quite significant.

TW: *The Guardian* has written that Lahmeyer was told by EBRD it would be debarred until "it improved its anti-corruption policies." What would constitute improvement and how would you measure this?

EBRD: We thought a number of elements could still be strengthened. Obviously Transparency International's *Business Principles for Countering Bribery*, or the World Economic Forum's *Partnering against Corruption Initiative* principles would provide good guidelines. We would certainly want to see a number of elements in place and strengthened: a compliance monitor to advise on and assist in developing an overall effective anti-corruption/ corporate governance structure; and a viable reporting mechanism and a policy that protects employees that report corruption in good faith, to name a few.

TW: *Can you explain more about your sanctions process, and how you would go about investigating allegations of corruption?*

EBRD: Well, if we got information there were allegations of corruption in an EBRD-financed project, it would depend obviously on what the nature of the allegation was and whether it involved our client, our contractors, or our staff.

Our investigative procedures are based on an administrative process, not a criminal process, and so we have different rules and different standards of proof. We are not a criminal investigative body, we are not set up for that kind of function. For us, it doesn't have to stand up in a court of law. If a preponderance of evidence shows that the company had more likely than not engaged in fraud or corruption, that would be enough for us to decide that we don't want to do business with them. It is a business decision.

As to the investigation itself, this generally comes about as a result of allegations. The World Bank has almost a quasi-judicial process, where companies are allowed to be represented by lawyers. In the EBRD, my office would do an investigation, depending upon the results of that investigation, I would present my findings and recommendation to the Bank's Procurement and Contracting Committee.

The committee would then have to come to a conclusion as to whether they agree or disagree with my recommendations. At this point, it would go to the Bank's Executive Committee for the final decision as to whether or not a sanction is warranted in the particular case; and if so, what that sanction should be.

As a matter of practice, the investigator would speak to the company at quite an early stage to allow the company to bring any information to the table that would change my recommendations to the

committee. With Lahmeyer, we offered the company a chance to explain why they should not be cross-debarred. They came in and explained what they had done since being convicted in Lesotho –put in a compliance programme and added a code of conduct. But we still found some important elements to be lacking, and so in the end, the Executive Committee made the decision to cross-debar.

TW: *You mentioned before that most investigations are triggered by allegations of corruption –where do these allegations come from?*

EBRD: Certainly in the case of procurement, many allegations come from competitors – companies who have entered tenders, lost the contract, and then allege that the firms who have won the contract have done so through fraud or corruption. Other allegations may come into the office's compliance inbox or through the Bank's hotline for reporting corruption.

TW: *In your opinion, are these allegations accurate and helpful, or are they sour grapes?*

EBRD: Well, you always need to start by assessing the veracity of the allegation. Of course, for some disappointed competitors this might be a situation of "sour grapes" and so you have to be careful. A lot of companies in countries from the former Soviet Union are still not very familiar or comfortable with relatively new procurement procedures, including open tendering, and so they may not readily appreciate how the system works. They may think that because they have not won the contract, there must have been corruption. Other times, companies may use corruption as a way to challenge a contract award or to delay the process of contract award.

TW: *Debarment is hailed as a powerful incentive for firms to improve their compliance policies, from your experience how powerful is it really? Have you seen many firms improve their policies in the light of debarment measures and actually implement them afterwards?*

EBRD: Debarment alone may not result in improved compliance policies. However, debarment coupled with a requirement to implement effective compliance and anti-corruption programs as a condition for reinstatement of eligibility, or as a condition for a reduced penalty, is very effective to ensure real change.

TW: *What other incentives do you see that encourage firms to clean up their operations?*

EBRD: The EBRD carries out extensive integrity due diligence before making any decisions about investment. One of our pre-conditions to engaging in a business relationship with clients is that they put in place corporate governance and anti-money laundering measures in the case of an investment with a financial institution.

TW: *Discussions are underway between the World Bank and regional development banks about the harmonisation of their sanctions policies –how far away is an agreement on such a policy?*

EBRD: We have made excellent progress in agreeing to harmonise definitions of fraud and corruption. Also, we have a uniform set of investigative guidelines. Cross-debarment among all the multilateral development banks would be a powerful anti-corruption measure, but whether we will get there, and in what time frame, is still quite unclear.

TW: *What are some of the obstacles?*

EBRD: You have to be very sure that when you take a decision based on a decision made by someone else, that you are comfortable with that decision-making process. One can obviously vouch for the processes and procedures of one's own institution. In other cases, you may not think that others' decision making processes are very transparent or fair. Cross-debarment is saying "yes, we trust that the decision was made in a way we can rely on." We need to work amongst ourselves to reach that level of comfort and trust between the other institutions. This is ongoing. We are going to meet again in May this year. I am confident that we will get there eventually.



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This area provides highlights of the valuable work of the anti-corruption movement, championing a world free of corruption.

This month highlights the following stories:

- [New anti-corruption opportunities in Latin America](#)
- [Presidential candidates engage on proposals by Transparency-International France](#)
- [Increasing transparency in European Union funds](#)

New anti-corruption opportunities in Latin America

By Marta Erquicia



The Inter-American Development Bank (IADB) and the Organisation of American States (OAS) signed a Memorandum of Understanding (MoU) in March 2007 to implement anti-corruption measures in their work. The MoU is based upon recommendations from the Inter-American Convention against Corruption's monitoring mechanism (MESICIC). The Norwegian government has committed to provide the IADB with US \$4.9 million over three years to implement projects to promote transparency and access to information as ways to combat corruption.

These initiatives are important steps towards curbing corruption in Latin America, and will further encourage improving integrity levels and the implementation of international conventions. Transparency International's (TI) chair, Huguette Labelle, welcomes the MoU. "This initiative is a first step to welcome an opportunity to collaborate in the design and implementation of projects resulting from it and we hope that this translates into real action to reduce corruption levels in the Americas," she said in a statement. TI cautions, however, these initiatives must include the participation of civil society as an outside monitor in order to be as effective as possible. More information at:

www.transparency.org/news_room/latest_news/press_releases/2007/2007_03_30_oas_inter_american_development_bank.

Presidential candidates engage on proposals by Transparency-International France

By Georg Neumann



With France's 2007 presidential elections drawing closer, Transparency-International France (TI France) put issues of anti-corruption and transparency high on the national agenda by engaging candidates for the presidency.

Presidential candidates François Bayrou, Olivier Besancenot, Marie-Georges Buffet, Jean-Marie Le Pen, Ségolène Royal, Nicolas Sarkozy and Dominique Voynet answered questions on proposals made by TI France to prevent corruption or to remove corruption risks in education, political party financing, public contracting, whistle blowing, development aid, international judicial cooperation, national defence and France's extractive industries.

While the candidates generally agreed on and committed to the anti-corruption proposals made by TI France, the question of limited access to information for public documents involving national security or higher interests ("Secret défense") and limiting the political mandate to two periods provoked differing answers.

TI France points out that it is up to the public to hold their politicians accountable to seeing these anti-corruption proposals through and has committed to monitoring the effective follow-up and implementation of these proposals.

To read more, please see: www.transparence-france.org

Increasing transparency in European Union funds


By Kate Sturgess



A focus of Transparency International's work on the level of the European Union (EU) has been campaigning for more transparency in the distribution and expenditure of EU funds. Access to information is fundamental to show citizens how the EU allocates its European tax dollars and empower them to hold governments accountable for subsidies received. One such way to increase the accountability is through public websites.

Recently, the website Farmsubsidy.org was honoured by Investigative Reporters and Editors (IRE) Inc with the 2006 IRE Award for investigative reporting. The work of the website's three founders, journalists Jack Thurston, Brigitte Alfter, and Nils Mulvad, has been groundbreaking in disclosing farm subsidies in Europe through the website and its database. The website uses national freedom of information laws to push European governments to release detailed data on the distribution of Europe's € 48.5 billion annual farm subsidy payments.

Farmsubsidy.org served as a useful resource for TI's Transparency Through Awareness (TTA) project, which in 2005 and 2006 contributed to the effective and transparent use of EU funds for new member states through increasing public and civil society understanding of their purpose, distribution and use. TI coordinated the implementation of the TTA project with National Chapters and contact groups in the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland and Slovakia.

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Corruption stories of note in the news this month:

- [Media baron Lord Black stands trial for corruption](#)
- [Murder of cricket coach raises questions of corruption](#)
- [U.S. Congress investigates dismissal of eight U.S. attorneys](#)

Media baron Lord Black stands trial for corruption

By Veronica Rossini



The trial of Canadian-born media mogul Lord Conrad Black on 17 criminal charges of tax evasion, obstruction of justice, money laundering, racketeering and fraud began on 20 March, reports *The New York Times*. Lord Black, 62, is charged with stealing US \$84 million from shareholders of the media company Hollinger through “non-compete” payments from magazine and newspaper deals, according to *The Guardian*.

On top of these allegations, Lord Black and wife Barbara Black supposedly spent US \$1.5 million of corporate funds to redecorate their apartment in New York, US \$40,000 on Mrs Black’s birthday party and used the company jet for a private holiday to Bora Bora, reports the *BBC*.

Lord Black has called the charges against him “absolute nonsense” and “completely without merit”, according to the *BBC*.

Standing trial with Lord Black on lesser charges are his former colleagues, Hollinger executives Peter Atkinson, John Boulton and Mark Kipnis, reports *The International Herald Tribune*.

Murder of cricket coach raises questions of corruption

By Stephanie Don



The murder of Pakistan’s coach Bob Woolmer during the cricket World Cup brought the question of corruption in sports back into the international limelight. Cricket has suffered from scandals in the past involving gambling rings and allegations of match fixing, and *the BBC* notes that many now speculate whether Woolmer’s death can be attributed to this dubious underworld. “Conspiracy theories that he was silenced as he was about to lift the lid on the world of match rigging have spread like wildfire,” reports the *BBC*.

Corruption in cricket has been a problem since the 1990’s despite the Anti-Corruption and Security Unit the International Cricket Council set up to go after illegal bookies. *Time* magazine explains that “... bookies in Mumbai (formerly Bombay), Karachi and across the Arabian Sea in Dubai pull in hundreds of millions of dollars on scheduled series of big matches, and might have been keen to shut Woolmer up if he threatened their gold mine.”

“The link between the murder of Pakistan’s coach, Bob Woolmer, and match fixing is for now unproven but it is sure to form a major part of inquiries by both the Jamaican police and the cricketing authorities,” reports the *Guardian*.

U.S. Congress investigates dismissal of eight U.S. attorneys

By Stephanie Don

On 7 December 2006, the U.S. Justice Department fired seven United States’ attorneys, an unprecedented number according to the *New York Times*, although partisans defend it as not uncommon. These dismissals, along with that of another attorney fired back in June 2006, instigated a series of Congressional hearings into whether the dismissals were politically motivated.



According to the *Atlanta-Journal Constitution*: "There is strong evidence that in at least three instances, prosecutors were removed because they had failed to use their office to investigate and indict Democrats, or had been too aggressive in indicting Republicans."

The strongest example suggesting that politics are behind the dismissals, is that of Carol Lam, the fired attorney from San Diego. The *Los Angeles Times* cites a *CBS Face the Nation* interview in which, "Sen. Dianne Feinstein (D-Calif.) revealed evidence that Lam had notified Washington about search warrants in a Republican corruption case last year. Soon thereafter, a top Justice Department official in Washington wrote to the White House about a 'real problem we have right now with Carol Lam.'"

The *Los Angeles Times* reports that similar suspicion has been raised over the case of David Iglesias, the former U.S. attorney of New Mexico. "Democrats charge that his departure is linked to veiled attempts by two Republican lawmakers to speed up action on a Democratic corruption scandal before last year's midterm election. "

The *Atlanta-Journal Constitution* challenges the White House's cited reason of poor work performance for the dismissals, pointing out: "That explanation almost immediately unravelled. Most of the eight had sterling job-performance reviews and were very well regarded in their regions."

NEWS FROM THE ANTI-CORRUPTION MOVEMENT

Education campaign in Peru reveals corruption in administration

Proética's (TI's national chapter in Peru) recently released report on its campaign targeting corruption in the education sector, found that 307 cases of corruption have been reported. This publication is composed of reports from interviews of teachers, administrators, parents and students. Nearly half of the cases reported relate to administrative practices in the education sector, such as hiring or moving personnel among regions. Thirty-four percent of the cases involved complaints about selling report cards or lack of proper tutoring by teachers. The report also includes recommendations such as the adoption of an integrity policy in the education sector.

Proética's campaign "With Corruption There Is No Education" was launched in six of Peru's 25 regions last December and aims at providing citizens with trustworthy channels to report on corruption in the education sector. In the next eight months, the campaign will be implemented in a further 12 regions. This project is being carried out in partnership with the Peruvian Ombudsman. To read more, please see: www.proetica.org.pe/Descargas/PDF/infodefensorial.pdf

Transparencia Paraguay will monitor public contracting in customs

The National Customs Directorate of Paraguay has signed an agreement to have Transparencia Paraguay, TI's national chapter in the country, monitor the implementation of its 2007 Annual Contracting Program (ACP). The TI chapter will be charged to independently monitor all phases of the country's national and international contracting processes including their execution, and to help draft terms and conditions for public contracting. Transparencia Paraguay will publish all related information on its website to assure that the process is transparent. For more information, please see: www.transparencia.org.py/images/Destacados/acuerdo_especifico_decooperacion_aduanas.pdf

New study shows citizens find politics in Fiji corrupt

Ninety percent of citizens in Fiji believe that political parties are corrupt, according to a study released by Transparency International (TI) Fiji in March. The study's other main findings showed that more than 50 percent of respondents believed that the government was either ineffective in the fight against corruption or actively encouraged corruption, and that respondents viewed the business community as only 'slightly better' than politicians. When asked for their opinions about the incidence of corruption in the legal system, the majority of respondents replied that bribes did not need to be paid to get a fair judgement from a court. The survey was conducted before the coup in 2006 for TI Fiji by Tebbut Research. For more information, see: www.transparency.org/news_room/latest_news/press_releases_nc/2007/2007_03_22_fiji_politics_corrupt

Integrity Pact concluded with India's Vishakhapatam Steel Plant

Transparency International (TI) India signed a Memorandum of Understanding (MoU) with the Vishakhapatam Steel Plant on 29 March 2007 to adopt Integrity Pacts in its procurement activities. The Integrity Pact is a tool developed by TI to ensure that all procurement activities between a company or governmental body and its suppliers are handled in a fair, transparent and corruption-free manner. This is the second Public Sector Undertaking in India to sign such an MoU, after the commitment of India's Oil and Natural Gas Commission in 2006. Now, other PSUs like the Steel Authority of India Limited, Mangalore Oil Refinery and the Airport Authority of India are considering introducing Integrity Pacts in their procurement contracts.

Procurement manual launched in Pakistan

On 4 April 2007, the Port Quasim Authority (PQA) of Pakistan launched a procurement manual developed in partnership with TI Pakistan. The manual consists of all standard bidding documents on procurement, based on international standards such as those used by the World Bank and the International Federation of Consulting Engineers. The launch was celebrated with a ceremony at head office of the National Accountability Bureau (NAB) in Karachi. The Chairman of the PQA, Asad Quraish, Mukhtar Ahmad of the NAB and Syed Adil Gilani, Chairman TI Pakistan attended the ceremony.

TI Palestine's (AMAN) annual conference looks at political corruption

The AMAN Coalition, TI's chapter in Palestine, held its annual conference last month in Ramallah. The conference examined a number of issues tied into the theme of political corruption. These included the relationship between the three branches of authority in the Palestinian political system – executive, legislative, and judiciary. Academics, Palestinian Legislative Council members, political elites, political party representatives, representatives of civil society organisations and donors attended AMAN's annual conference. A set of recommendations emerged from these discussions on the urgent need to clarify the relationship between the Palestine Liberation Organisation and the Palestinian National Authority as well as that of the Office of the President to the government.

Uganda: TI report on Corruption and Good Governance in Local Governments

A survey implemented by TI Uganda in Kyontera County, Rakai District found that leadership and governance in this area are compromised, placing a heavy toll on development, as funds meant for the provision of services are embezzled. The study, implemented in December 2006 as part of a project financed by the European Union under its European Development Fund / Civil Society Capacity Building Programme, was undertaken to provide a baseline documentation of the nature, magnitude and severity of corruption in the target area. Other objectives were to identify possible causes of corruption; to examine the level of awareness among community members and their leaders; to identify current initiatives to eradicate corruption at the local level; and to assess people's capacity to participate in anti-corruption activities. For more information, contact Charles Mubbale, National Programme Manager TI Uganda, at: mubbale@yahoo.com

Slovakia opens new Advocacy and Legal Advice Centre (ALAC)

Poradňa Transparency International Slovensko, Slovakia's new Advocacy and Legal Advice Centre (ALAC), opened its doors on 1 February 2007. The centre, run by TI's national chapter in Slovakia, provides legal advice and assistance to citizens on corruption-related issues and undertakes advocacy for broader reform. Since opening in February, the centre has received 27 complaints, of which, more than 50 percent have been successfully processed. The ALAC is supported by the European Union as part its project entitled "Strengthening the Role of the Local and Regional Government Watchdog Organisations in the Fight against Corruption."



CORRUPTION IN QUOTES

"I made one wrong move in my career, now it has tarnished my reputation. I fully regret what I did. Football has been my life, but it has taken me down now."

Malaysian football coach Chow Kwai Lam, on the match-fixing charges were filed against him last year.
The Straits Times; Singapore; 11 April 2007

"The world's administrators will try and dismiss Woolmer's death as a one-off crime, rather than a malign disease on the body of the game. Greed will screen the truth. It is in the interests of cricket's administrators to pretend they cannot smell the stink of corruption, since cricket has given them budgets beyond their wildest fantasies."

M J Akbar, editor of *The Asian Age*
The Daily Telegraph; UK; 3 April 2007

** Please see Transparency Watch's summary of this story on in the Corruption in the News section.

"The Nigerian government should ensure that these elections mark a sharp departure from the violence and corruption that has marred the political system...But it seems plain that this April, Nigerian voters will again face the threat of violence, intimidation and fraud."

Peter Takirambudde, Africa director of Human Rights Watch
Irish Times, Ireland; 5 April 2007

"High government positions and powerful connections should not be tickets to corrupt self-enrichment. The public trust is not for sale."

Carol Lam, fired US Attorney from San Diego, CA, after announcing the indictments of two high level alleged corruption co-conspirators the day before she stepped down from office.
Los Angeles Times, US; 9 March 2007

** Please see Transparency Watch's summary of this story on in the Corruption in the News section.

"A key message from the research is that Australians think children in developing countries would be much better off if it weren't for corrupt governance, the inadequacy of the aid budget and an insufficient proportion of aid agency funds directly reaching the communities."

ChildFund chief executive officer Nigel Spence
The Australian; Australia; 2 April 2007

"People have already started using them and it is working. One auto-rickshaw driver was pulled over by a policeman in the middle of the night who said he could go if he was 'taken care of'. The driver gave him the note instead. The policeman was shocked but smiled and let him go. The purpose of this is to instil confidence in people to say no to bribery."

Vijay Anand, the president of 5th Pillar, on their 0 "rupee" notes, intended to help normal people make a statement when asked for bribes.
The Australian; Australia; 10 April 2007

"[Russian Chief Military Prosecutor Sergei] Fridinsky drew a disheartening conclusion for the (Russian) military. There was no radical change in the combating of theft in the army. The scale of theft is counted in hundreds of millions of rubles."

Andrei Sharov, *Defence and Security, Russia*; 2 April 2007

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Barbara Ann Clay, Director of Communications

Phone: +49-30-343 82042

Email: bclay@transparency.org

Amber Poroznuk, Online and Publications Editor

Phone: +49-30-343 820664

E-mail: aporoznuk@transparency.org

Transparency International- International Secretariat

Alt-Moabit 96

10559 Berlin, Germany

Phone: +49-30-343 8200

Fax: +49-30-3470 3912

E-mail: ti@transparency.org

Web: <http://www.transparency.org>

