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## Transparency International praises debarment of corrupt companies

**Transparency International praised the Washington based Inter-American Development Bank's (IADB) publication of its list of sanctioned firms and individuals. Publication of this information is an effective deterrent to fraud and corruption in development assistance and in the countries receiving that assistance argues TI.**

"Contractors on IADB projects will now think twice about engaging in fraud and corruption, knowing that a violation will result in public blacklisting and the loss of revenue and reputation," said Huguette Labelle, Chair of Transparency International.

TI has long urged all multilateral development banks (MDBs) to create public blacklists, which not only provide an incentive for firms to act ethically, but also allow others to reduce corruption risk by avoiding doing business with firms that have acted improperly. Ultimately, the MDBs should establish a single standard for debarment whereby firms that have engaged in corrupt practices with one bank are publicly identified and automatically banned from contracting with all MDBs.

TI continues to urge the MDBs to make the establishment of an effective anti-bribery compliance programme a pre-condition for companies to participate in MDB-financed procurement and investment. Enhanced due diligence mechanisms would also reduce the risk of corruption and fraud in MDB projects. With these improvements, preventive measures could become more effective, decreasing the risks linked to the supply side of corruption.

Transparency International is a global civil society organisation, based in Berlin, leading the fight against corruption and has long promoted effective corporate anti-bribery compliance programmes plus encouraging companies to model their own initiatives on international standards, such as TI's Business Principles for Countering Bribery.



 Huguette Labelle, Chair of Transparency International

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