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FOCUS Linde latest German company to step up efforts to keep corruption at bay

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FRANKFURT (Thomson Financial) - **Linde** AG is the latest in a string of German companies to shake up its compliance efforts -- as the pace of fighting corruption accelerates in the wake of the ongoing **Siemens** saga -- a company spokesman told Thomson Financial News.

Linde (other-otc: [LNAGF.PK](#) - [news](#) - [people](#)) is in the process of rolling out compliance department, a new code of ethics, and an 'integrity' hotline, head of external communications Uwe Wolfinger told Thomson Financial.

'Following Linde's acquisition of BOC, we are becoming an increasingly global company, and felt it was necessary to take such steps,' Wolfinger said.

He added that anti-corruption measures within the compliance department -- which is made up of legal and auditing experts - are in the process of being rolled out.

Linde's creation of an 'integrity line' will enable employees to report anonymously any suspicions of corruption or bribery within the company via email, telephone or fax.

And its newly-revised code of ethics is to feature information on competition laws, dealing with international governments, ethical purchasing and protecting company secrets.

After global conglomerate Siemens (nyse: [SI](#) - [news](#) - [people](#)) hit international headlines following allegations of dealing in slush funds, bribery and securing lucrative contracts abroad, German companies are increasingly launching preventative measures to ensure that any element of corruption is nipped in the bud, according to corruption watchdog Transparency International.

'Siemens is just the tip of the iceberg though,' Peter Von Blomberg - Germany's deputy chairman of corruption watchdog Transparency International - told Thomson Financial, adding that it would not surprise him if more historical cases of corruption at large German companies 'bubble to the surface'.

One example of a company successfully fighting corruption is Fresenius AG which yesterday announced that, as part of a new company realignment, its head of legal, compliance and personnel affairs Juegen Goetz is to be catapulted to the company's board of management.

Goetz, who is also to take on responsibilities as the company's Labour Relations Director, said compliance has always been an integral part of Fresenius's corporate culture.

'Fresenius has adopted specific corporate guidelines to prevent corruption. Well defined groups of Fresenius employees are recurrently trained on these guidelines,' he told Thomson Financial.

Anti-corruption measures are also being stepped up at Deutsche Bahn AG, it was announced this week, with the appointment of renowned public prosecutor Wolfgang Schaupensteiner as chief compliance officer, effective mid July.

Corruption has for some time been a hot theme at the rail company, where 430 cases of corruption were reported between 2000 and 2005, a company spokeswoman confirmed.

With burgeoning globalisation taking hold, it is crucial for international companies with their contrasting legal standards to be able to operate in a 'kosher' manner with one another, said Transparency International's Blomberg.

The German branch of Transparency International this week lodged a complaint with the German Federal Ministry of Economics and Technology (BMWi) against 57 German companies for allegedly violating OECD Guidelines adopted by Germany and 38 other governments that set social, environmental and anti-corruption standards for Multinational Enterprises.

For several years, corruption was a topic that several international companies turned a blind eye to, said Blomberg, adding that conglomerates believed that if other companies acted in an illicit manner and were getting away with it, they could do the same.

'This is why there needs to be a sense of solidarity between rival companies as they fight internationally against corruption,' he said.

BASF (nyse: [BF](#) - [news](#) - [people](#)) AG, which has had chief compliance officer in place since 2003, has for some time been making every effort to avoid having its name up in lights for the wrong reasons.

'For BASF, the theme of compliance is so important that we felt it was necessary to implement a chief compliance officer that could coordinate this topic for the whole company,' said a company spokesman.

Transparency International's Blomberg noted: 'It is true that hopeful initiatives are being taken in Germany to combat corruption, but more needs to be done.'

Transparency International says that experts believe that worldwide, only 5-10 pct of corruption is discovered and acted upon within companies.

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