

# Transparency Watch

JANUARY 2009

## INTERVIEW OF THE MONTH



Siim Kallas, Vice President, European Commission

Transparency Watch discusses transparency and accountability issues in the EU with Siim Kallas, the Vice-President of the European Commission in charge of Administration, Audit and Anti-fraud >> [read more](#)

## SPOTLIGHT STORY



Prominent Sri Lankan editor and TI Integrity Award winner shot dead

In some parts of the world speaking out against corruption can be met with threats, intimidation and physical harm, even death. Courageous individuals work at great personal risk to make their voices heard in places where dissent can meet with harsh repercussions. The beginning of January saw the brutal murder of one such individual, Sri Lankan newspaper editor Lasantha Wickramatunga. >> [read more](#)

## ANTI-CORRUPTION WORK AROUND THE WORLD



Foreign Policy and Ethisphere magazines recognise Transparency International >> [read more](#)



TI chapters around the world mark International Anti-corruption Day >> [read more](#)



Anti-corruption event in Moldova >> [read more](#)

## NEWS FROM THE ANTI-CORRUPTION MOVEMENT

The TI movement is committed to fighting corruption around the world. Click here to read this month's highlights. >> [read more](#)

## CORRUPTION IN THE NEWS



Corruption shadow over Afghanistan >> [read more](#)



India's biggest fraud investigation underway >> [read more](#)



Siemens to pay US \$1.3 billion in fines >> [read more](#)

## CORRUPTION IN QUOTES

"All the jobs and money go to those who have relatives in power, and corruption is everywhere..." >> [read more](#)

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## INTERVIEW OF THE MONTH

Siim Kallas, Vice President, European Commission

By Michael Sidwell

Siim Kallas has served in Estonia as Prime Minister, Minister of Finance, Minister of Foreign Affairs and President of the Central Bank. In May 2004, he was appointed a Member of the European Commission, working in the field of Economic and Monetary Affairs. Since November 2004, Mr Kallas has been Vice-President of the European Commission in charge of Administration, Audit and Anti-fraud. Transparency Watch speaks to him about the issues of transparency and accountability in the EU.



**Transparency Watch (TW):** *You are a leading force in the European Transparency Initiative. In your opinion, what role does transparency play in the EU's legitimacy as a public institution?*

**Siim Kallas(SK):** There is a need for the modern world to be transparent and for information to be made available. If you don't, then you are lagging behind the modern world. The question is how to handle all the information – it is a natural part of modern administrations that information is open and publicly accessible.

**TW:** *When the EU Commission's register of lobbyists that seek to influence its policymaking was launched in June, you stated that voluntary registering would become obligatory if few lobbyists signed up. How is registering progressing? Are you optimistic that it can continue as a voluntary initiative?*

**SK:** Yes, I am optimistic. The number is around 480 in our register. It is not satisfactory in the sense that we estimated there to be 1500 possible entries, so this is one third, but you can consider that this number is quite big and be happy as well.

It would have been an utter failure if there would have been just tens of entries, but now there are hundreds, and they are still coming. Some very big players have registered so others will follow. We will assess next spring whether there is enough or what should be amended. I am more and more convinced though, that this voluntary approach is the right one as it is clear that if you are part of this that you have nothing to hide and that you are reliable. Therefore, it creates a kind of moral peer pressure which convinces others to also sign up. I would not have started this operation at all if there had not been a common understanding that something must be done to create an additional level of legitimacy to this field and now it's there.

**TW:** *Currently the Commission and Parliament have separate lobbyist registers, while the Council has none. Are there plans for one register which will cover all three institutions?*

**SK:** This is perhaps the plan with Parliament and we hope and propose to have a common register for all the institutions. The Council was not very interested in doing this, which I regret and we will try to convince them to go ahead with these ideas. In Parliament they have a completely different approach as registered lobbyists have access to Parliament, but we have a common understanding that if you are a lobbyist then you should not have two different applications – one application to Parliament and one application to the Commission. This information should be interchangeable. They [EU Parliament] have a different logic – they have a registry of people and we of organisations - but of course this can be combined and I believe that in the future we will have a common register with Parliament.

**TW:** *In light of the highly critical reports recently issued by the Commission detailing Bulgaria and Romania's lagging anti-corruption efforts, and, in Bulgaria's case, the reported misuse of EU funds, does the Commission have plans to revise its policies/procedures?*

**SK:** This is another part of my portfolio, the fight against fraud, securing and monitoring the proper use of money. It is part of our wider strategy to improve fiscal governance and the Commission has started to be much tougher on member states. This is not only Bulgaria and Romania, we have suspended payments to the UK, to Spain, to Greece, and this will be the case until member states take the necessary measures. Overall, the Commission has no competence in legislating anti-corruption rules in member states, but we, of course, try to be very active and have suggested several actions to fight corruption in member states. While we do not have the competence to legislate directly, there are numerous ideas on what can be done based on all our experiences. For example, we are working actively in Bulgaria, where we have suspended payments, with our anti-fraud office to see improvement.

Learn more:

- [TI Brussels Office](#)

**TI press releases:**

- [TI welcomes new transparency on EU fund beneficiaries but calls for more standardised information](#)
- [TI supports freeze of EU funds to Bulgaria, urges accelerated reform in Romania, other EU states](#)

Interview was conducted at [13th IACC](#) held in Athens, Greece.

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## SPOTLIGHT STORY

Prominent Sri Lankan editor and TI Integrity Award winner shot dead

By Michael Sidwell



In some parts of the world speaking out against corruption can be met with threats, intimidation and physical harm, even death. Courageous individuals work at great personal risk to make their voices heard in places where dissent can meet with harsh repercussions. The beginning of January saw the brutal murder of one such individual, Sri Lankan newspaper editor Lasantha Wickramatunga.

On 8 January, Wickramatunga was shot by unidentified gunmen on motorcycles on his way to work. He was rushed to hospital but died after three hours of emergency surgery.

Wickramatunga received "numerous death threats through his career and was detained on several occasions because of the controversial nature of his stories," notes the [BBC](#). The Sunday Leader newspaper is renowned for being critical of the government, and Wickramatunga, a qualified lawyer, had "often fought defamation cases brought by senior politicians," reports [AFP](#). In 1998 gunmen shot at his home and the paper's printing presses have come under repeated arson attacks.

"Lasantha was a symbol of dissent whose motto was "unbowed and unafraid". His life was full of challenges all revolving around exposing of corruption. Many took to investigative journalism due to his leadership and guidance. When the media was attacked with impunity, he stood strong exposing those responsible. His death has exposed the danger of being a corruption fighter but, let us hope, thousands of Sri Lankans will come forward to stand by his motto," said J.C. Weliamuna, Executive Director of [TI Sri Lanka](#).

Hundreds of Sri Lankan journalists took to the streets of Colombo to protest Wickramatunga's murder and the suppression of the media. The US, European Union, India and the World Bank also joined in condemning the shooting as "the government came under local and foreign pressure to protect freedom of expression," writes [AFP](#).

Wickramatunga had been highly critical of the government's policy and the war with the Tamil Tigers. In his final [editorial](#), he wrote, "Winning the war? Then there must be elections around the corner. It is no secret that the war has become Sri Lankan President Mahinda Rajapakse's recipe for electoral success."

Rajapakse has publicly condemned the killing and ordered a police investigation into the murder. "This heinous crime points to the grave dangers faced by the democratic social order of our country, and the existence of forces that will go to the furthest extremes in using terror and criminality to damage our social fabric and bring disrepute to the country," said Rajapakse in a [statement](#).

However, [Amnesty's](#) Sri Lankan country specialist questions the likelihood of the perpetrators being brought to justice. "At least 14 journalists or other media workers have been killed in Sri Lanka over the past three years. More than 20 journalists have left the country due to death threats...the police have yet to find the killers of any of the other murdered journalists," he writes. "

Journalists face murder, harassment, abduction and arbitrary detention in Sri Lanka," reports [Reuters](#). Sri Lanka was ranked 165th out of 173 countries in media rights group [Reporters Without Border's](#) 2008 Press Freedom Index – the lowest ranking of any democratic country. The group criticised Rajapaksa and the government media saying they had, "incited hatred against him and allowed an outrageous level of impunity to develop as regards violence against the press."

The murder of Wickramatunga is one more tragic example of a worrying pattern of violence and intimidation against the media and civil society in Sri Lanka. In September 2008, the home of TI Sri Lanka's Executive Director J.C. Weliamuna came under [a grenade attack](#), which has yet to be fully investigated, and the MTV/MBC television studios near Colombo were stormed by 15 masked gunmen on 6 January.

In 2000, Wickramatunga was awarded Transparency International's first [Integrity Award](#) to underscore his commitment to unearthing corruption and in recognition of the difficult and dangerous circumstances he faced as The Sunday Leader editor. "Lasantha Wickramatunga's assassination is a grim reminder to us all that some activists still have to pay the highest of prices for their dogged pursuit of accountability and transparency. I feel privileged to have met Lasantha Wickramatunga and I hope that his memory will stand as a symbol of perseverance and courage for all anti-corruption activists," said Susan Côté-Freeman, who handled TI's 2000 Integrity Awards programme and is now TI's Private Sector

Programme Manager.

**Podcast:**

**J.C.Weliamuna, Executive Director of TI Sri Lanka speaks on his experiences.**

Click photo to play>>



**Human rights attacks on activists**

**J.C. Weliamuna**

**Executive Director Transparency International Sri Lanka**

**Links:**

**In Focus:**

- [On the front lines - the risks facing anti-corruption activists](#)

**Press releases:**

- [Transparency International vehemently condemns bombing of Sri Lankan anti-corruption advocate's home](#)
- [Transparency International condemns killing of Lasantha Wickramatunga](#)

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JANUARY 2009

## ANTI-CORRUPTION WORK AROUND THE WORLD

Foreign Policy and Ethisphere magazines recognise Transparency International

By Georg Neumann



The global politics magazine Foreign Policy published a Think Tank Index ranking the world's top think tanks, based on a worldwide survey of hundreds of scholars and experts. As part of the top 20 Non-US Think Tanks, Transparency International comes in 6th, while British Chatham House and the International Institute for Strategic Studies head the list. The complete list is available at: [www.foreignpolicy.com/story/cms.php?story\\_id=4598&page=0](http://www.foreignpolicy.com/story/cms.php?story_id=4598&page=0)

In its latest edition, the magazine Ethisphere lists the 100 most influential people in business ethics 2008. Among them are a number of Transparency International activists and related people. These include Davor Harasic, for his work as President of the Chilean chapter of TI, where he attempted to accelerate the process of promulgation of transparency and probity in the Chilean government administration; Nancy Boswell, TI Board of Directors and Chair of TI USA; and Michael Hershman, TI Individual Member and President and CEO of The Fairfax Group. The magazine also lists Le Hien Duc, a retired nearly 80-year old teacher who won TI's 2007 Integrity Award, for her taking on corruption in Vietnam by filing complaints and helping citizens combat injustices by the government.

The complete ranking is available here: <http://ethisphere.com/100-most-influential-people-in-business-ethics-2008>. The list is developed based on what individuals did in 2008, rather than their lifetime achievements. It is developed by an advisory board of professors from business schools around the world, as well as a group of Ethisphere editors, writers and fact checkers.

# Transparency Watch

JANUARY 2009

## ANTI-CORRUPTION WORK AROUND THE WORLD

International Anti-Corruption Day

By Georg Neumann



On 9 December, chapters all around the world celebrated Anti-corruption Day. From Albania to Zimbabwe chapters organised events to raise awareness of the effects corruption has on the poor and how it undermines human rights.

### Bangladesh:

The first anti-corruption rally to take place in the capital Dhaka was marked by the spontaneous participation of people from all walks of life. TI Bangladesh organised the rally in partnership with the Anti-Corruption Commission (ACC) of Bangladesh to observe International Anti-corruption Day. More than 3000 people from various organisations, schools, colleges, universities, trade bodies participated in the rally.

TI Bangladesh and ACC also arranged a cultural programme on 5 December, which featured anti-corruption songs, street drama, folk songs and rock music, and attracted more than 7000 people. During the programme, the audience took an oath to resist corrupt practices, which was broadcast live on the internet.

TI Bangladesh and ACC organised similar events last year all over the country in which thousands of people took part.

### Israel:

TI-Israel participated in a special Parliament discussion hosted by the State Audit Committee and involving the State Comptroller and Attorney General. TI-Israel was represented at the discussion by the chapter's chairman Professor Yossi Gross, who presented Israel's position on different corruption scales, such as TI's Corruption Perceptions Index and the World Bank index.

The State Comptroller and the Attorney General both opened their speeches with references to Israel's score and ranking in TI's 2008 Corruption Perceptions Index.

The Parliament discussion included Parliament members, students and delegates from TI-Israel.

### Palestine:

Under the slogan of "Towards the rule of law and the independence of the Judiciary", the TI chapter in Palestine (AMAN - Coalition for Integrity and Accountability) held its annual transparency festival. The festival was held in the cities of Ramallah and Gaza through video conferencing facilities.

The festivities included the annual Integrity and Accountability awards, which went to two journalists. Ghazi Bani Odeh received the award for his investigative reporting on expired and counterfeit food and medicines and Abdel Basset Khalaf for his work on urban sprawling in the Palestinian agricultural areas. The 2008 Integrity and Accountability award for public sector employees went to Ibrahim Qindah who suffered harassment after he blew the whistle on corruption cases in the Palestinian Broadcasting Corporation, which involved bribery and exploitation of public position. The National Insurance Company received the private sector award.

The chapter also honoured the winners of a drawing competition titled: "Children of Palestine: an Eye on Corruption," in which thousands of children from more than a hundred UNRWA and private schools in both the West Bank and Gaza Strip took part.

### Sierra Leone:

The TI chapter in Sierra Leone, the National Accountability Group, organised a series of events to commemorate Anti-corruption Day. Events included a quiz and debates for schools as part of the chapter's anti-corruption education programme "Sowing Seed of Integrity", radio discussions and a vigil in collaboration with the Inter-Religious Council in the run-up to the day. On 9 December, a public message was broadcast by radio and a procession took place in collaboration with other civil society organisations in the streets of Freetown, targeting schools and young people. The activities were organised with the national Anti-Corruption Commission and the Human Rights Commission. Banners were on display throughout the whole country for a week to raise awareness.

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## ANTI-CORRUPTION WORK AROUND THE WORLD

Moldova: Anti-corruption event in Floresti

By Georg Neumann



TI Moldova organised an anti-corruption event on 19 December including such activities as seminars on “Promoting ethical conduct in public service – a way of preventing corruption” and petitions as a form of preventing corruption, debates on corruption, as well as the screening of TI Moldova’s film “Touching the conflict of interest in the public service”. The daily work of TI-Moldova’s ALAC hotline was explained and legal consultations offered to citizens and victims of corruption.

In order to present its actions in the fight against corruption to the public, the chapter participated in two broadcasts on the TV station Flor-TV, one on corruption in the fiscal system and the other on how corruption can be eradicated in the educational system. TI Moldova also used this opportunity to present its proposals about the anti-corruption legal framework in Moldova.

Finally, TI-Moldova donated two educational films to Flor-TV to help familiarise the public with the international practices of preventing corruption by promoting ethical conduct and tackling conflict of interest in public service. TI-Moldova also made a donation of its publications to eight public libraries in the town and organised an exhibition of anti-corruption cartoons and television spots.

The day, supported by the major of the town Floresti, Mr. Lurie Tap, gathered 40 employees of the local public administration and about 100 representatives from civil society.

Learn more about the chapter: <http://www.transparency.md/about.htm>

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JANUARY 2009

## CORRUPTION IN THE NEWS

Corruption undermines Afghanistan's future

By Michael Sidwell



In an opinion piece in the [Washington Post](#), NATO secretary general Jaap de Hoop Scheffer labelled corruption and bad governance the fundamental cause of instability in Afghanistan.

"The basic problem in Afghanistan is not too much Taliban; it's too little good governance. Afghans need a government that deserves their loyalty and trust; when they have it, the oxygen will be sucked away from the insurgency," writes de Hoop Scheffer. "Crucially, Afghan officials must make the difficult choices necessary to create an efficient and corruption-free government in which its people can believe."

De Hoop Scheffer's remarks echoes those of the UN's top envoy to Afghanistan, Kai Eide, who recently called the fight against corruption "one of the single most important issues for the future of the young democracy," reports the [UN News Service](#).

"We must all demonstrate – every day and at all levels that we reject corruption. The example we all set will shape the future. It can restore trust. It can bring development. It can meet the most basic human needs. It can turn resignation into hope," said Eide during an event which was attended by Afghan President Hamid Karzai.

Similarly, US General Robert Cone, commander of the force that trains the Afghan army and police, told [Reuters](#) in an interview in December 2008: "The final point is corruption, corruption, corruption; it is endemic."

According to [Reuters](#), "Senior officers and Interior Ministry officials are renowned for taking a cut of the salaries of policemen, who then exact bribes from the populace to make up their pay. Public confidence in the force is undermined and the Taliban gain support."

A [New York Times](#) article published in January claims that: "the state built on the ruins of the Taliban government seven years ago now often seems to exist for little more than the enrichment of those who run it."

The [article](#) details how: "Everything seems to be for sale: public offices, access to government services, even a person's freedom," noting that US President Barack Obama "may be required to save the Afghan government not only from the Taliban insurgency – committing thousands of additional American soldiers to do so – but also from itself."

In response to de Hoop Scheffer's comments, an Afghan foreign ministry spokesman, Sultan Ahmad Baheen, told the [BBC](#) that "the government was committed to trying to eliminate corruption." Baheen also accused Nato member countries with a presence in Afghanistan of supporting "their own favourite warlords".

In a parliamentary session in January, Karzai said, "We admit that there is corruption in our administration. But there is even more corruption regarding international aid. If we can stop this kind of corruption, God willing, our administration will soon become free from corruption," reports the [BBC](#).

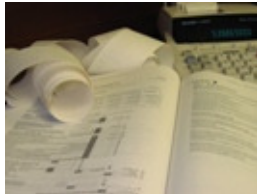
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JANUARY 2009

## CORRUPTION IN THE NEWS

India's biggest corporate fraud investigation underway

By Michael Sidwell



In India's allegedly biggest-ever case of corporate fraud Satyam Computer Service Ltd. founder Ramalinga Raju and his brother Rama face charges of "criminal conspiracy and breach of trust in an alleged \$1 billion [734 million] fraud," reports [Bloomberg](#).

The scandal broke when Raju confessed to "filling the company's balance sheets with "fictitious" assets and "nonexistent" cash in an extraordinary letter to the company's board," writes the [International Herald Tribune](#) (IHT).

Raju said that he had "falsified accounts for "several years" to stave off a takeover, however, accounting experts can't explain how the reporting error went unnoticed, writes [Bloomberg](#).

According to the [BBC](#), "Satyam's shares plummeted on the news by 75%, dragging down India's stock main market by 7%."

"Officials have seized documents and the nation's accounting body is examining auditor PricewaterhouseCoopers LLC's local unit," according to [Bloomberg](#).

In a bid to minimise the fall-out from the scandal, the Indian government appointed Deepak Parekh, chairman of HDFC Bank; Kiran Karnik, a former president of the National Association of Software Services Companies outsourcing industry body; and C.Achuthan, director of the National Stock Exchange and formerly of the Securities and Exchange Board of India, to the company's board on 11 January ([Financial Times](#)).

Corporate Affairs Minister Prem Chand Gupta called the Satyam case "an aberration," urging that the "credibility of the Indian corporate sector in general, and IT sector in particular, should not be allowed to suffer because of this," reports [IHT](#).

Many analysts say that the "chase for huge profits, and the desire to keep up with the break-neck speed of India's \$50 bn outsourcing industry's growth rates that may have been behind Mr Raju's motivation in fudging the accounts at his firm," writes the [BBC](#).

# Transparency Watch

JANUARY 2009

## CORRUPTION IN THE NEWS

Siemens pays US \$1.3 billion to settle corruption investigations

By Lydie Gerboin



The German engineering company Siemens agreed on 15 December 2008 to pay more than US \$1.3 billion [€970 million] in Germany and the US to “settle long-standing corruption charges”, reports the [BBC](#).

“Wrapping up the biggest corporate corruption investigation in history, Siemens agreed to pay \$800 million [€598 million] to settle a U.S. investigation by the Department of Justice and the Securities and Exchange Commission [SEC] into bribes it paid to win contracts,” writes [Reuters](#). “It will also pay 395 million euros (\$531.9 million) to resolve a similar bribes-for-business investigation in Germany.”

Siemens has also agreed to “appoint an independent monitor for up to four years (...) and to cooperate with the US Government’s continuing investigation in the case,” details [Reuters](#).

The company will keep its “responsible contractor” status in the US, which means it will still be able to bid for government contracts, explains the [BBC](#).

“From the mid-1990s until last year, units of the company paid kickbacks and bribes to win contracts from Iraq’s government in the United Nations oil-for-food program and for projects including commuter rail in Venezuela, mobile-phone networks in Bangladesh, power plants in Israel and traffic-control systems in Russia,” writes [Bloomberg](#). The same article adds that: “None of the contracts won with illegal bidding will have to be surrendered.”

“We regret what happened in the past but we have learned from it and taken appropriate measures. Siemens is now a stronger company” said Siemens CEO Peter Löscher, according to [CNN](#).

“Lawyers say that a growing number of companies are focusing on FCPA compliance issues,” reports the [Financial Times](#). “Since January 2006, the SEC has brought 38 FCPA enforcement actions – more than were brought in total since 1977.”

## NEWS FROM THE ANTI-CORRUPTION MOVEMENT

This area provides highlights of the valuable work being done by Transparency International national chapters, members and Secretariat.

- [Africa and the Middle East](#)
- [The Americas](#)
- [Asia and the Pacific](#)
- [Europe and Central Asia](#)
- [TI - Secretariat](#)

### **Africa and the Middle East**

#### **Bahrain: Seminar on parliamentary interrogation**

The TI chapter in Bahrain, the Bahrain Transparency Society (BTS), organised a seminar with the parliament on professional parliamentary interrogation. The event inaugurated with opening speeches by the president of BTS Mr. Abdulnabi Alekry and the Vice-President of the Parliament. Two papers were presented by former MPs from Kuwait and Bahrain, followed by a debate and workshops, which concluded with recommendations to the Parliament and political blocks. The seminar was attended by the State Minister for Foreign Affairs, several current and former MPs, as well as representatives of political and public organisations and the media.

#### **Ghana: Declaration of assets by public officials**

Following the successful elections at the end of December 2008 in Ghana, the TI chapter, the Ghana Integrity Initiative, called for both outgoing and incoming government public officials to declare their assets. Every public official needs to declare her or his assets, as required by national legislation at the beginning and end of their terms of office. The law covers the President, Vice-President, Ministers and Parliamentarians, including officials who left office before the end of their term. At the same time, the chapter draws attention to the weaknesses of the Asset Declaration Law, and calls on the government to address the Regulations for Act 550, which is awaiting Parliament's approval, within the first 100 days in office.

#### **Kenya: Grand coalition scandals raise concern**

TI Kenya has expressed concern following two recent corruption scandals within the energy and national food security sectors, which underlines the scale of corruption, the extent of capture in state institutions and the disregard for public welfare in the Grand Coalition Government. TI Kenya calls for transparent food security management measures, such as the regular publication and public audit of strategic grain reserves, as well as for the immediate investigation and prosecution of the government officials, business people and any other person involved in the current frauds.

According to the chapter, the lack of transparency in the conduct of public affairs is what leads to the capture of state institutions by corrupt businesses. The passing of the Freedom of Information Bill will allow the public to scrutinise public processes and decisions before corruption occurs. The complete press release can be found at: [www.tikenya.org/viewnews.asp?ID=1206](http://www.tikenya.org/viewnews.asp?ID=1206)

#### **Palestine: Transparency Festival organised on Anti-corruption Day 2008**

Under the slogan of "Towards the rule of law and the independence of the Judiciary", Transparency International's chapter in Palestine (AMAN - Coalition for Integrity and Accountability) held its annual transparency festival. The festival was held in the cities of Ramallah and Gaza through video conferencing facilities on the occasion of the International Anti-corruption Day.

The festivities included the annual Integrity and Accountability awards, which went to two journalists. Ghazi Bani Odeh received the award for his investigative reporting on expired and counterfeit food and medicines and Abdel Basset Khalaf for his work on urban sprawling in the Palestinian agricultural areas. The 2008 Integrity and Accountability award for public sector employees went to Ibrahim Qindah who was suffered harassment after he blew the whistle on corruption cases in the Palestinian Broadcasting Corporation, which involved bribery and exploitation of public position. The National Insurance Company received the the private sector award.

The chapter also organised and celebrated the winners of a drawing competition under the

theme "Children of Palestine: an Eye on Corruption", in which thousands of children from more than a hundred of UNRWA and private schools in both of the West Bank and Gaza Strip took part.

#### **Sierra Leone: Anti-corruption day celebrations**

The TI chapter in Sierra Leone, the National Accountability Group, organised a series of events commemorating Anti-corruption Day. Events included a quiz competition and debate for schools as part of the chapters anti-corruption education programme "Sowing Seed of Integrity", radio discussions and a vigil in collaboration with the Inter-Religious Council in the run-up to the day. On 9 December, a public message was broadcast by radio and a procession took place in collaboration with other civil society organisations in the streets of Freetown, targeting schools and young people. The activities were organised with the national Anti-Corruption Commission and the Human Rights Commission. Banners will be on display in the whole country throughout the week to raise awareness.

#### **The Americas**

##### **Chile: new public awareness campaign launched**

Chile Transparente, the TI chapter in Chile, has launched an exciting new publicity campaign called "A Chile free of corruption, get involved!". Rather than focusing on corruption in elite circles, such as political corruption or transnational fraud, the campaign aims to heighten public awareness of some of the common, everyday practices that are nonetheless tolerated in Chilean culture. The campaign will appear in the national newspaper La Tercera, on Santiago de Chile's public transport system, on billboards and the radio so as to reach as many people as possible. Thanks to a new online portal dedicated to the campaign, members of the public will be able to submit contributions to the "Dictionary of Corrupt Language," which will record and define the everyday slang used to refer to dishonest practices. In the second phase of the campaign, these terms will be distributed publicly in printed format.

For more information (in Spanish), please click [here](#).

##### **Mexico: Federal Government welcomes results of national competition to identify the most useless administrative procedure**

In October 2008, Transparency Watch reported on a national call for Mexicans to help Transparencia Mexicana and the Mexican government identify the country's most useless administrative procedure or application, as part of planned reforms to radically streamline the state bureaucracy. The call received an overwhelming response from the public, with 20,000 entries being submitted in just one month. On 9 January, an awards ceremony was held to present the results and honour the winners. Mexican President Felipe Calderón thanked the citizens for their participation and their "truly innovative suggestions" for improvement, which he promised to take on board. Echoing the words of the President, the head of the government body responsible for the proposed reforms, Salvador Vega Casillas, recognised that citizens had been subjected to inexcusable amounts of red-tape and arbitrary mistreatment. He also stated that attention to administration surrounding job creation and generation of investment would be particular priorities for him in the upcoming restructuring process.

For more information please click [here](#).

##### **Panamá: Index of Integrity in Public Institutions published**

To coincide with Anti-Corruption Day, the TI chapter in Panama, the Fundación para el Desarrollo de la Libertad Ciudadana, released its first Index of Integrity in Public Institutions. The Index aims to diagnose the extent to which regulations preventing corruption and promoting transparency and citizen participation have been formally institutionalised in the 33 public bodies surveyed. Between March and November 2008, the chapter's dedicated research team first solicited and then verified responses to a specially-designed questionnaire from over 300 civil servants. The results saw 9 institutions classified with a high level of integrity, 22 with a moderate level and 2 with an unstable level.

The chapter hopes that the Index will serve as a starting point from which to overturn the commonly held belief among public bodies that promoting institutional success stories constitutes adequate disclosure of information about internal management and procedures. The chapter also stated that the Index, which has already seen several bodies update their websites in compliance with Panama's Transparency Law, reflects the growing recognition of citizens' right to information concerning their public institutions.

For the press release and executive summary of results (in Spanish), please click [here](#).

##### **Peru: 5th National Opinion Poll on Corruption reveals bleak picture**

The results of Proética's, the TI Peruvia chapter, 5th National Opinion Poll on Corruption (Encuesta Nacional de Corrupción) were released in December 2008. The poll reveals a marked downturn in public perceptions of corruption in the country in comparison to previous years.

The 2008 findings show public endorsement/approval of the Presidency, currently held by Alan García, has hit a new low. Disenchantment with politicians and Peruvian democracy more generally appears to have risen: the poll results reveal that García enjoys less legitimacy than his two predecessors and his administration is considered to show "little" to "very little" commitment to the fight against corruption.

In 2006, one-fifth of respondents envisaged reductions in the levels of corruption by 2011. In comparison, less than one-tenth of those surveyed in 2008 had comparable aspirations and the majority thought the problem would maintain similar proportions if not increase in magnitude. This

disenchantment, accompanied by consistently or even increasingly high levels of tolerance of corrupt practices, shows the heightened urgency of Proética's work in leading civil society efforts to involve citizens in the fight against corruption.

More information can be found [here](#).

### **Asia and the Pacific**

#### **Asia: Workshop on political finance**

TI organised a training workshop on political finance in the Asia Pacific region in Kuala Lumpur, Malaysia, from 5-6 December 2008. The workshop was attended by representatives from research teams of Bangladesh, Indonesia, Malaysia, as well as donor representatives. Participants shared country specific contexts, reviewed the methodology of the project and mapped out advocacy and stakeholder engagement activities as follow-up to the research.

The project seeks to develop a better understanding of political party finance through the creation of an index. Researchers from each country will examine the levels of transparency in national legislation and current practices of political parties and candidates in both election and non-election years. On this basis, comparisons of political party financing, recommendations for reform and work to develop awareness raising activities will be made across the region. The results of the study are scheduled to be published in July 2009. The project is funded by GTZ in Bangladesh, Indonesia and Nepal, and the Konrad Adenauer Foundation in Malaysia.

#### **Bangladesh: Study on election tracking process**

In the run-up to last year's elections in Bangladesh, TI Bangladesh conducted a study called "Election Tracking Process", which focused on the violation of electoral rules. The study showed that before the legally permissible campaign and spending for the same started, candidates spent a total amount of Tk 43,227,400 (US\$ 650,000). Accordingly, on average each candidate spent Tk 304,418 (US\$ 4,500). The two main political parties spent an equal amount of money in their campaigns, while money spent by individual candidates varied from about US\$ 4,500 up to more than US\$ 55,000.

The complete report can be accessed via: [www.ti-bangladesh.org](http://www.ti-bangladesh.org)

### **Europe and Central Asia**

#### **Belgium: conference on "Soft corruption in bank and financial markets"**

On 4 December 2008, TI Belgium organised a conference on "soft corruption in bank and financial markets", presented by Prof. Eric de Keuleneer, teacher at the Free University of Brussels. The conference aimed to show that corruption does not only take the shape of envelopes or bribes. When it comes to bank and financial institutions, it's not unusual that mechanisms, incentives or payments divert employees, associates and sometimes clients from a basis ethics and from the interests of those they are supposed to defend. The presentation looked over some of these mechanisms, such as unethical practices performed by investment banks and rating agencies, as well as financial offers that are received on a daily basis. The presentation also examined our own behaviours as customer and employees.

The slides of the presentation (in French) are available [here](#).

For more information, contact TI Belgium at [info@transparencybelgium.be](mailto:info@transparencybelgium.be)

#### **Bosnia and Herzegovina: Roundtable on the state of corruption**

In December, TI Bosnia and Herzegovina organised a roundtable on the state of corruption in Bosnia and Herzegovina in the Bosnian Parliament. The event, which included Miroslav Lajcak, the High Representative of the International Community and EU Special Representative in Bosnia and Herzegovina, took stock of the fight against corruption in the country and called for a new start to be made in the fight against corruption. The parliament leadership agreed during this roundtable on the necessity to adopt a new strategy at the parliamentary level in order to tackle the worrying level of corruption. Issues of non-compliance of Bosnian laws with the UN Convention Against Corruption (UNCAC) and the ongoing project of the chapter in cooperation with the OSI (Open Society Institute) to draft a new Anti-Corruption strategy for the country were also part of the discussions.

#### **France: Civil society activists released on bail in Gabon**

On 12 January, the TI chapter in France, Transparence International (France), and the SHERPA association welcomed the Gabonese authorities' decision to release Grégory Ngbwa Mintsa, Marc Ona Essangui, Georges Mpaga and Gaston Asseko on bail, following days of large-scale international mobilisation by both non-governmental groups and French authorities in Paris and Libreville, Gabon. The four civil society activists had been detained in Libreville since 30 and 31 December 2008, respectively.

The activists have been charged with "possession of a document for dissemination for the purpose of propaganda" (*Détention d'un document en vue de sa diffusion dans un but de propagande*), and with "oral or written propaganda aimed at inciting rebellion against state authorities" (*Propagande orale ou écrite en vue de l'incitation à la révolte contre les autorités*), which are offences according to articles 88 and 90 of the Gabonese criminal code.

There is concern that Mr Thierry Lévy, a French lawyer mandated by their families to assure the

activists' defence, was denied at the last minute a visa so as to travel to Libreville and prepare for judicial proceedings together with Gabonese lawyer Ruphin Nkoulou Ondo, Esq.. Transparency International (France) and Sherpa urge the Gabonese authorities to allow Mr Lévy into Libreville to assure the activists' defence.

To read the press release, please click here ([English](#), [French](#))

#### **Germany: Paper on transparent lobbying mechanisms in Germany**

TI Deutschland in cooperation with degepol, the German Association of Political Consultants, published a paper on how to develop fair and transparent lobbying mechanisms in Germany. The catalogue of demands is directed at lobbyists as well as politicians and asks for a binding register of lobbyists, a binding and comprehensive code of conduct for lobbyists and clear regulations regarding conflict of interests. The paper, in German, can be downloaded here:

[www.transparency.de/index.php?RDCT=44cb2f073785851050ec](http://www.transparency.de/index.php?RDCT=44cb2f073785851050ec)

#### **Macedonia: Workshop on building civil society for anti-corruption reform**

The new TI chapter in Macedonia, Transparency Zero Corruption, organised a workshop "Building Civil Society for Anti-Corruption Reform in Macedonia" for Anti-corruption Day. The workshop held in Skopje gathered attendees from civil society in Macedonia and TI representatives from Albania, Bosnia and Herzegovina, Kosovo, Norway and Slovenia, as well as civil society organisation representatives from a number of South Eastern European countries and representatives of the donors' community in Macedonia. Professor Josip Kregar, Dean of the Faculty of Law at the University of Zagreb, Croatia, was one of the key speakers. As part of the networking event of the workshop, a number of Macedonian companies have been awarded, as in previous years, with certificates for good corporate management for 2008 by Transparency Zero Corruption and the Macedonian Chambers of Commerce. The award aims to strengthen the standards for corporative governance and ensure zero tolerance for corruption in Macedonia.

#### **International Secretariat**

##### **Integrity Awards 2008**

The 2008 TI Integrity Awards will take place on 17 February in London. An announcement of the winners will be circulated shortly.

Launched in 2000, the Integrity Awards honour the bravery of individuals and organisations around the globe whose efforts are making a distinct difference in curbing corruption. The programme's goal is to give greater recognition to the efforts of journalists, civil society activists, government and corporate whistleblowers who work to investigate and unmask corruption, often at great personal risk.

For further information on TI's Integrity Awards, please click [here](#).

# Transparency Watch

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## CORRUPTION IN QUOTES

"All the jobs and money go to those who have relatives in power, and corruption is everywhere. How else could they build these big houses? Nobody cares about the poor[...]"

Abdul Ghani, 47, an Afghan farmer who came to the city to find a job but stays unhired

*The Washington Post*, USA, 12 January 2009

"Bribery was Siemens's business model (...) Siemens had institutionalized corruption."

Uwe Dolata, the spokesman for the association of federal criminal investigators in Germany

*The New York Times*, USA, 20 December 2008

"The problem of corruption has still not been resolved since the time when Berlusconi used to say in Milan that you can't build anything without waving a checkbook,"

Corriere della Sera in an editorial about the problem of corruption in Italy

*Agence France-Presse*, Italy, 21 December 2008

"We estimate that a country that improves its governance from a relatively low level to an average level could almost triple the income per capita of its population in the long term, and similarly reduce infant mortality and illiteracy."

Daniel Kaufmann, who spearheaded the World Bank's efforts to improve the study of governance and the rule of law

*Reuters*, USA, 17 December 2008

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## MASTHEAD

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