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Anti-Corruption

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**Anti-Corruption***

I. Introduction

International anticorruption efforts gained momentum around the world in 2007 and, once again, reached all-time highs in the United States. Even the record-breaking cases—such as the €201 million settlement between Siemens and German prosecutors—lost headlines to speculation surrounding the ongoing multinational investigation of defense contractor British Aerospace Engineering (BAE), which threw many of the hurdles of such prosecutions into sharp relief. The British government’s decision to drop the investigation into alleged bribes paid to Saudi Arabia by BAE galvanized civil society and led to sharp criticism by the Organization for Economic Cooperation and Development’s Working Group on Bribery. Other governments have picked up the investigation, but questions remain as to whether the British will share information with them. While 2007 was a story of success, it also left lingering questions and renewed dialogue regarding international cooperation, prosecutorial discretion, and the interaction of national security with anticorruption efforts.

II. US Developments

U.S. enforcement of the Foreign Corrupt Practices Act (FCPA) continued its dramatic climb in 2007. At the end of 2006, the Department of Justice (DOJ) formed a new team within the Criminal Division’s Fraud Section dedicated to enforcement of the FCPA. To complement the team, the FBI formed a dedicated unit of FCPA agents.

A. COMPANY PROSECUTIONS AND SETTLEMENTS

1. **Vetco Gray**

   On February 6, 2007, three wholly-owned subsidiaries of Vetco International Ltd. pled guilty to violating the foreign bribery provisions of the FCPA and conspiracy to violate the FCPA in connection with the payment of approximately $2.1 million in bribes to Nigerian Customs Service officials over a two-year period. The companies agreed to pay aggregate criminal fines of $26 million and to hire an independent monitor. This was the second time in less than three years that Vetco Gray companies pled guilty to violating the FCPA in Nigeria. A fourth subsidiary, Aibel Group Ltd., signed a deferred prosecution agreement on January 5, 2007. Aibel Group admitted that it engaged in conduct similar to that

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* This report was prepared by members of the Anti-Corruption Committee: Leslie Benton, Michael Kieval, Caroline Lindsey, Kerry Mandernach, Philip Urofsky, and Alexandra Wrage. A more complete version is available on the Committee’s website, http://www.abanet.org/dch/committee.cfm?com=IC700600.

of the other three companies and agreed to institute a comprehensive monitoring program.2

2. Dow Chemical

On February 13, 2007, the Securities and Exchange Commission (SEC) filed a settled enforcement action against Dow Chemical Company for violating the books and records and internal controls provisions of the FCPA.3 Dow consented to a $325,000 civil penalty and to the entry of a cease and desist order.4 The SEC’s complaint alleges that between 1996 and 2001, Dow’s subsidiary, DE-Nocil Crop Protection Ltd., made approximately $200,000 in improper payments to a variety of Indian officials.5

3. Baker Hughes

On April 11, 2007, the DOJ brought an enforcement action against Baker Hughes, Inc., and its wholly-owned subsidiary Baker Hughes Services International, Inc. (BHSI), alleging the company had paid over $4 million in bribes, disguised as agency commissions, to officials of the Republic of Kazakhstan in exchange for oil construction contracts.6 BHSI pled guilty and was sentenced to pay a criminal fine of $11 million. The parent company entered into a deferred prosecution agreement stipulating to the underlying facts.7 In addition, on April 26, 2007, Baker Hughes settled an SEC enforcement action alleging violations of the books and records and internal controls provisions of the FCPA and for violating a 2001 cease-and-desist order.8 The combined penalties totaled $44.1 million, the largest penalty imposed in an FCPA enforcement matter to date.

4. Omega Advisors

On June 6, 2007, the DOJ announced a non-prosecution agreement with the hedge fund Omega Advisors, Inc., relating to Omega’s investment in the privatization program in Azerbaijan.9 Omega acknowledged that one of its employees, Clayton Lewis, learned prior to the investment that co-investor Viktor Kozeny (see below) had entered into ar-
rangements with Azeri government officials that gave those officials a financial interest in the privatization of certain industries. The agreement provided for a $500,000 civil forfeiture and Omega's continued cooperation with the Government in exchange for an agreement not to prosecute Omega for any crimes (other than criminal tax violations) related to this investment.  

5. Delta & Pine Land Company

On July 25 and 26, 2007, the SEC filed two settled enforcement actions against Delta & Pine Land Co. and its subsidiary, Turk Delapine, Inc., charging Turk Delapine with payments totaling $43,000 to officials of the Turkish Ministry of Agricultural and Rural Affairs. Delta & Pine was charged with failing to keep accurate books and records and having failed to implement effective internal controls. The companies consented to a cease and desist order, which required Delta & Pine to retain an independent consultant to review its FCPA compliance procedures and to pay a $300,000 penalty.

6. Paradigm B.V.

On September 24, 2007, the Justice Department announced that it had entered into a non-prosecution agreement with Paradigm B.V., a Dutch company based in Houston that provides enterprise software to the global oil and gas industry. Paradigm admitted that it and its subsidiaries made or promised corrupt payments to officials of state-owned gas and oil companies to obtain business in Kazakhstan, Mexico, China, Indonesia, and Nigeria. Paradigm voluntarily disclosed its findings to DOJ. In exchange for a promise not to prosecute Paradigm or its subsidiaries, Paradigm agreed to pay a $1 million fine, to institute a compliance program with an outside monitor, and to cooperate with the government.

7. Bristow Group Inc.

On September 26, 2007, the SEC announced the filing of a settled enforcement action against Bristow Group Inc., a Houston-based helicopter transportation and oil field services firm. Bristow is alleged to have improperly recorded at least $423,000 in payments made to two Nigerian state government tax officials through a Nigerian affiliate in 2003 and 2004 in exchange for lowering the company’s payroll taxes. Bristow consented to the entry of a cease and desist order.

10. Id.
12. Id.
14. Id.
15. Id.
B. OIL FOR FOOD

The DOJ, SEC, and New York County District Attorney’s Office resolved six Oil for Food cases in 2007.

1. Humanitarian Services Cases

In August, Textron entered into a non-prosecution agreement with the DOJ and consented to an injunction with the SEC in which Textron acknowledged that its subsidiaries had paid kickbacks to the Iraqi government to win contracts to supply industrial pumps equipment to Iraq under the Oil for Food program. Textron agreed to pay a criminal penalty of $1.15 million, a civil penalty of $800,000, and to disgorge $2,735,040 in profits and pre-judgment interest.\(^\text{17}\)

In October, York International entered into deferred prosecution agreements with the DOJ and consent orders with the SEC. York International, which admitted to corrupt payments to officials in Asia, Africa, Europe, and the Middle East in addition to the Oil for Food kickbacks, agreed to pay a $10 million criminal penalty, a $2 million civil penalty, and to retain an independent compliance monitor.\(^\text{18}\) York will also disgorge $10,032,880 in profits and pre-judgment interest.\(^\text{19}\)

Also in October, Ingersoll-Rand entered into a deferred prosecution agreement admitting that its subsidiaries made $963,148 in kickback payments to the Hussein government and promised an additional $544,697. It will disgorge $2,370,987 in profits and pre-judgment interest, pay a civil penalty of $1.95 million, and pay a criminal fine of $2.5 million.\(^\text{20}\)

2. Oil contract cases:

In a joint settlement with the SEC, DOJ, and the New York County District Attorney’s Office, Chevron Corporation agreed to disgorge $20 million in profits pursuant to an agreement with the US Attorney’s Office for the Southern District of New York, forfeit

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an additional $5 million pursuant to an agreement with New York County, pay a $3 million civil fine to the SEC, and pay $2 million in penalties to the Office of Foreign Asset Controls of the Department of the Treasury.21

Swiss oil trading firm Vitol SA pled guilty in New York State court to grand larceny in connection with its Oil for Food contracts and agreed to pay $13 million in restitution and another $4.5 million in lieu of fines, forfeiture, and to cover the cost of prosecution.22

During trial in the Southern District of New York, Oscar Wyatt pled guilty to conspiring to commit wire fraud in connection kickbacks to the Iraqi government in exchange for Oil for Food contracts. Wyatt was sentenced to twelve months incarceration in November.23

C. INDIVIDUAL PROSECUTIONS

In 2007, individual prosecutions were brought against three individuals in connection with companies that had previously settled cases with the DOJ and SEC:

In March, the SEC filed a settled complaint against Charles M. Martin, the former Government Affairs Director for Asia for Monsanto Company, relating to a bribe payment in Indonesia.24 Martin agreed to pay a $30,000 civil penalty.25

In June, Si Chan Wooh, a former senior officer of SSI International, Inc., a subsidiary of Schnitzer Steel Industries, Inc., pled guilty to violating the FCPA and settled similar SEC charges in connection with payments officials in China.26 Wooh will disgorge over $15,000 in bonuses and prejudgment interest and pay a $25,000 civil penalty.27 He will be sentenced on the criminal charges on May 12, 2008.28


27. Id.

In September, the SEC filed a settled complaint against Monty Fu, founder and former CEO and Chairman of Syncor International Corp. Fu agreed to pay a civil penalty of $75,000.29

1. Frederick Bourke and David Pinkerton

In 2005, Viktor Kozeny, Frederic Bourke Jr., and David Pinkerton were indicted for FCPA and Travel Act violations in connection with an alleged scheme to acquire controlling interests in SOCAR, the Azeri national oil company. On June 21, 2007, the district court granted Bourke's and Pinkerton's motions to dismiss the FCPA counts, finding that the government had failed to file a motion to stay the statute of limitations within the limitations period. It, however, subsequently granted reconsideration as to three of the counts on July 16, 2007.30 The government has appealed the dismissal of the remaining counts.31 Kozeny is contesting extradition from the Bahamas and has not yet appeared in the US.32

2. James Giffen

On December 8, 2006, the Second Circuit Court of Appeals dismissed the government's interlocutory appeal in the case of James Giffen, the U.S. citizen indicted in 2003 for allegedly paying more than $80 million in bribes to Kazakh officials for oil and gas deals.33 The government had appealed the district court's July 2004 order compelling the government to produce classified documents Giffen had sought in order to support an alleged public authority defense. Although the Court found the government's appeal premature, it voiced significant concern over the district court's misapplication of the public authority defense and suggested in dicta that none of the information contained in the district court order would, in fact, support a properly construed public authority defense.34 In a separate proceeding, on May 3, 2007, DOJ filed a civil forfeiture action for approximately $84 million in proceeds allegedly traceable to bribery and wire fraud in the case and agreed to transfer those proceeds to a World Bank trust fund for use on projects in Kazakhstan.35


32. See Bahamas Court Ruled Not to Extradite Czech-Born Kozeny to USA, CZECH NEWS AGENCY, Oct. 25, 2007.

33. United States v. Giffen, 473 F.3d 30 (2d Cir. 2006).

34. Id.

3. **William J. Jefferson**

On June 4, 2007, Congressman William J. Jefferson was indicted on various corruption charges, including violating the FCPA by offering, promising, and making payments to a Nigerian official. The indictment alleges that Jefferson met with the Nigerian official in Maryland in July 2005 and offered him a bribe to use his position to help get business commitments for business ventures in which Jefferson or his family had a financial interest. Jefferson has pled not guilty and is awaiting trial in February 2008.

4. **Christian Sapsizian**

On June 7, 2007, Christian Sapsizian, a former Alcatel executive, pled guilty to conspiracy and a substantive FCPA count in connection with making $2.5 million in corrupt payments to Costa Rican officials to obtain a mobile telephone contract. The government asserted jurisdiction based on ten wire transfers from Alcatel's New York bank account to the consulting firm that served as the conduit for the bribes. Sapsizian agreed to cooperate with the DOJ and with foreign authorities and to forfeit $261,500. He will be sentenced in June 2008.

5. **Leo Winston Smith**

On June 18, 2007, the FBI arrested Leo Winston Smith, former executive at Pacific Consolidated Industries LP, for allegedly conspiring to bribe and bribing a U.K. Ministry of Defense official in order to obtain a Royal Air Force contract. Smith's trial is set for April 2008. UK authorities have already prosecuted the Ministry of Defense official, who was sentenced to two years in jail.

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6. **Jason Edward Steph**

In November 2007, Jason Edward Steph, a U.S. citizen, pled guilty to conspiring to pay over $6 million to Nigerian officials to obtain and retain gas pipeline construction business from a joint venture majority-owned and controlled by the Nigerian state oil company while general manager of Willbros International, Inc.'s on-shore operations in Nigeria. Steph has pled guilty and is scheduled to be sentenced in June 2008.

7. **Stephen J. Ott and Roger M. Young**

On July 25, 2007, Stephen J. Ott and Roger M. Young, former executives of ITXC Corporation, pled guilty to conspiring to violate the FCPA. They are to be sentenced on April 7, 2008. Ott, ITXC's former Executive Vice President of Global Sales, and Young, its Managing Director in the sales department for Africa and the Middle East, admitted to conspiring to make corrupt payments to employees of foreign state-owned telecommunications carriers in Nigeria, Rwanda, and Senegal in order to obtain and retain contracts. The bribes alleged total $266,000.

8. **Chandramowli Srinivasan**

On September 25, 2007, Chandramowli Srinivasan, former President of A.T. Kearney India, a subsidiary of Electronic Data Systems Corporation, settled an SEC complaint in connection with $720,000 in bribes paid to officials of state-owned energy companies in India. Srinivasan consented to the entry of an injunction and a $70,000 penalty.

### III. Enforcement Actions Abroad

#### A. Cases

1. **Argentina**

   Swedish construction firm Skanska is alleged to have paid bribes of up to $4.5 million to win a contract to expand a natural gas pipeline. Judges are investigating allegations of tax evasion and bribery of Argentine government officials, using money from over-billing the

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49. Press Release, U.S. Dep’t of Justice, supra note 42.

project. Seven former Skanska employees were arrested in May, and the head of the Ar-
gentine natural gas regulatory agency and a state bank official have been fired.51

2. Austria

Austria's ruling party pledged to cancel its contract to purchase eighteen Eurofighter
Typhoon jets due to evidence of questionable payments by a lobbyist to a company con-
trolled by the wife of the head of the Austrian air force, but the contract stated that while
Eurofighter Ltd. could not engage in bribery, any evidence of third-party questionable
activity would not be cause for contract cancellation.52

3. Australia

In 2006, an independent governmental commission cleared the Australian government
of any wrongdoing surrounding the Australian Wheat Board (AWB) and the United Na-
tions Oil for Food Program but recommended that eleven former AWB executives be
considered for prosecution. In May 2007, the Australian government rejected the recom-
mendations, but the Australian police are assessing information contained in the commis-
sion's report that AWB may have also bribed officials in Indonesia, Pakistan, and Yemen.53

In 2006, Woodside Petroleum reported that it was cooperating with a police investiga-
tion into allegations that it bribed a Mauritanian government official to secure a lucrative
oil deal. In May 2007, an Australian senator requested that the investigation be broadened
to include allegations that Woodside used a government official to assist the company
while negotiating an oil contract.54

4. Brazil

In August 2007, the Brazilian Supreme Court indicted forty Brazilian officials and lob-
byists in a money-for-votes scandal. The indictments follow a two-year congressional
investigation and aggressive reporting by the Brazilian media.55

5. China:

In July 2007, China executed the former head of the State Food and Drug Administra-
tion, Zheng Xiayou, for approving untested medicine in exchange for cash. The pharma-
ceutical registration department director, Cao Wenzhuang, also received the death
sentence with a two-year reprieve.56

55. Mac Margolis, _Brazil Cries "Enough!" Against All Odds, The Country that Beat Hyperinflation Targets An-
6. Germany

German prosecutors continue to investigate allegations of bribes at Volkswagen and have secured two convictions. A third individual, charged with using company funds to obtain prostitutes for labor leaders in return for favorable votes, has been charged but has not yet stood trial.57

German authorities are investigating Thyssen Krupp for allegations of bribery surrounding the sale of warships to South Africa. Thyssen was part of a consortium that allegedly paid approximately $25 million in kickbacks, including $3 million to “Chippy” Shaik, the head of procurement at the South African Ministry of Defense at the time the contract was signed.58

A German commercial court judge filed criminal charges in August against Fraport AG, alleging that the company bribed Philippine officials to obtain approvals during the construction of Ninoy Aquino International Airport’s Terminal 3.59

7. Ghana

The Ghana Commission for Human Rights and Administrative Justice is studying allegations made by a former employee of Scancem, a Norwegian cement company, that he paid bribes to former President Jerry Rawlings and his associates to ensure Scancem’s continued monopoly over cement production and distribution.60

8. India

Indian authorities are investigating Dow Chemical Company (Dow) subsidiary DE-Nocil Crop Protection Limited (DE-Nocil) for allegations that DE-Nocil paid over $32,000 to an Indian agriculture ministry official to expedite product registration from 1996 to 2001. In February, Dow agreed to pay a civil penalty of $325,000 to the SEC for violations of the books and records and internal controls provisions of the FCPA in connection with the improper payments made by DE-Nocil.61

Argentina rejected a request by Indian authorities to extradite Italian Ottavio Quattrocchi on bribery charges regarding a 1986 artillery contract. Quattrocchi was arrested in Argentina in February 2007 but was permitted to leave in August after India reportedly


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withdrew its appeal of the court's decision. India's Supreme Court has asked for a copy of the court order rejecting the extradition request.62

9. Israel

Israel's Attorney General ordered a criminal investigation into allegations that Prime Minister Ehud Olmert purchased a home for less than market value in exchange for helping the developer obtain construction permits. Investigators are also reviewing allegations of corruption by Olmert when he was finance minister.63

Israeli police completed an investigation of Knesset House Committee Chairperson Ruhama Avraham for receiving bribes and other crimes relating to a 2005 trip overseas, funded by Agrexco Agricultural Export Company.64

10. Italy

In January 2007, Immucor Inc. settled charges that its Italian subsidiary, Immucor Italy, made improper payments to an Italian physician. Immucor Italy is required to pay $122,000 in fines and penalties and restitution to a hospital where the doctor worked. Charges against Dr. Gioacchino De Chirico, president and CEO of Immucor Inc., are pending in Italy. On September 28, 2007, De Chirico settled related charges with the SEC for $30,000.65

11. Korea

Prosecutions of automaker Hyundai for bribery and corruption continued in 2007. Eight people were sentenced on charges of bribery, including a former vice governor of the Korea Development Bank. The court acquitted a former finance ministry official. Prosecutors have filed an appeal with the Supreme Court of a lower court ruling to suspend a three-year jail sentence imposed on Hyundai Motor Group Chairman Chung Mong-koo.66

The Busan District Prosecutors' Office arrested former presidential protocol secretary Jeong Yun-jae on bribery and influence-peddling charges for facilitating the bribe of a business man to avoid a tax audit. The business man has admitted to the bribes, and the tax official has also been arrested.67


66. Seven People Given Jail Sentences over Hyundai Motor Kickbacks, AGENCE FRANCE PRESSE, Jan. 29, 2007; South Korean Prosecutors Appeal to Highest Court over Hyundai Motor Chairman Case, YONHAP NEWS AGENCY OF KOREA, Sept. 11, 2007.

67. S Korea Ex-Aide Charged with Bribery, TIME, Oct. 18, 2007; Prosecutors Seek Arrest Warrant Again for Rob's Former Aide, KOREA TIMES, Sept. 27, 2007; Prosecutors Say Jeong Yun-jae Received 20 Million Won,
12. Norway

The Norwegian Parliament is investigating allegations that Hydro Aluminum, the state-owned aluminum producer listed on the New York Stock Exchange, may have engaged in corruption in Tajikistan. Hydro Aluminum is allegedly using a company, Talco Management Limited (TML), 30-percent owned by wealthy Tajiks, as an intermediary in its purchase of Tajik aluminum. The World Bank and others have called for greater transparency in TML's finances.68

Norwegian company StatoilHydro acknowledged in October that it was conducting an external investigation of the authorization of over $7 million in questionable payments in Libya in 2000 and 2001. The investigation arose out of the merger of Statoil and Norsk Hydro. StatoilHydro has notified both Norwegian and U.S. authorities of the investigation.69

13. Philippines

The Philippine Senate is investigating bribery allegations surrounding a $330 million contract between the government and ZTE Corporation of China to build a national broadband network, including allegations that elections commissioner Benjamin Abalos offered bribes to facilitate approval of the project and to fix bids and allegations that President Arroyo's husband threatened bidders. Abalos resigned his position as Chief of the Commission on Elections, and President Arroyo announced her decision to cancel the contract in October.70

President Arroyo pardoned former President Joseph Estrada just one month after he was found guilty of plunder and sentenced to life in prison in 2007 and ordered to forfeit over $15 million in assets. The court acquitted Estrada of a separate perjury charge; his son and lawyer, who were also accused, were found innocent.71

14. Thailand

Authorities froze former Prime Minister Thaksin Shinawatra's assets for abuse of power during his tenure. Thaksin and his wife have been formally charged with violation of Thai anti-corruption laws. The Supreme Court suspended the trial until Thaksin, currently in Britain, appears in court.72


Other cases currently under investigation in Thailand include alleged corruption surrounding the 2003 purchase of rubber saplings and alleged corruption in connection with the purchase of CTX baggage scanners and the installation of an electrical cable system at Bangkok's Suvarnabhumi airport. Thai authorities have obtained documents from U.S. authorities as part of their investigation into the purchase of the CTX scanners from GE InVision.73

15. United Kingdom

The Serious Fraud Office (SFO), in cooperation with a specialized unit of the City of London Police, is investigating thirteen cases of overseas corruption and is considering an additional eighteen allegations for possible investigation, as of April 4, 2007.74

The SFO has also initiated a formal investigation into allegations that British firms paid kickbacks under the UN Oil-for-Food program. The SFO investigation will be supported by as many as sixty investigators and is expected to cost £22 million.75

16. Multiple Jurisdictions

Austria, the Czech Republic, Hungary, Sweden, Switzerland, the United States, and the U.K. reportedly are investigating bribery allegations in connection with BAE. In December 2006, the SFO announced the director's decision to discontinue its investigation into alleged bribes paid by BAE to Saudi Arabian officials, citing the need to safeguard national security.76 At the end of the year, however, the U.K. High Court granted leave to seek judicial review of the decision to terminate the investigation into two civil society organizations.77 The SFO investigation into allegations of corruption by BAE officials in Chile, the Czech Republic, Romania, Qatar, South Africa, and Tanzania continues.78 Officials from Sweden, Austria, the Czech Republic, Switzerland, and the UK reportedly met in early May to discuss the coordination of their respective inquiries.79

Germany's investigation of bribery allegations at the communications division of German engineering giant Siemens resulted in a €201 million fine. Siemens, however, remains under investigation by prosecutors in China, Japan, Italy, Liechtenstein, Switzerland, Greece, Nigeria, and the United States for over an estimated €1.6 billion in


75. UK Firms are Focus of 'Bribes' Inquiry, ABERDEEN PRESS & J., Feb, 15, 2007, at 5.


78. Id.

unaccounted-for expenditures since the early 1990s. Analysts say that Siemens may face more than €1 billion in fines.\(^8\)

Total’s CEO, Christophe de Margerie, is under investigation by the French government on suspicion of paying bribes to win a large gas project in Iran. Total invested $2 billion in the project. In December 2006, the Swiss prosecutor in Lausanne responded to requests for information on the case from the French investigative magistrate. In April 2007, the DOJ and the SEC reportedly opened an investigation into Total’s activities in Iran and Iraq.\(^8\)

B. ANTI-CORRUPTION EFFORTS

1. Australia

In response to the Cole Commission’s report on the UN Oil-for-Food Program, the Australian government passed new legislation that makes it a strict liability crime to provide false or misleading information in connection with the administration of UN Security Council sanctions, clarifies that the charge of bribing a foreign public official includes unsuccessful bribes and disallows tax deductions for certain payments to foreign governments.\(^8\)

2. China

Beijing initiated a campaign against corruption in the medical equipment industry. The Chinese Ministry of Health is implementing new rules prohibiting pharmaceutical companies from “engaging with local medical institutions.” China also recently established the National Bureau of Corruption Prevention, tasked with creating guidelines on corruption prevention, assisting trade organizations develop self-monitoring system, publishing policies aimed at preventing commercial bribery, and initiating publicity campaigns against corruption.\(^8\)

3. Czech Republic

The Czech government proposed legislation that would include tougher sentences for corruption and would create a public list naming the offending firms.\(^8\)


\(^8\) Craig S. Smith, Bribery Accusations Follow New Total Chief, INT’L HERALD TRIB., Mar. 27, 2007, at 11; Carola Hoyos et. al., US to Quiz Total Chief in Bribe Probe, FIN. TIMES LIMITED, Apr. 4, 2007, at 6.


\(^8\) Id.

4. **Greece**

In February 2007, the Greek cabinet adopted legislation to establish tougher penalties for private sector corruption, bringing Greece closer to other EU member states.86

5. **Philippines**

President Arroyo announced the creation of a Procurement Transparency Group (PTG) to monitor transparency and good governance in public investments.87 The group will be comprised of members of various government departments, local government, and civil society. The PTG announcement followed earlier calls by the World Bank, the Asian Development Bank, and the Transparency and Accountability Network for the Philippines to strengthen its efforts to increase transparency and deter corruption in public procurement.88

6. **Thailand**

The Thai Cabinet approved legislation that would allow freezing or confiscation of assets in corruption cases.89 The National Legislative Assembly is considering bills to ease the National Counter Corruption Commission’s workload and empower government agencies to deal directly with corruption.90

7. **United Kingdom**

In March 2007, the U.K. abandoned its draft 2003 Corruption Bill due to “significant and influential opposition.” The government referred the matter to the Law Commission for a review that is expected to last eighteen months. A Corruption Bill, drafted by the UK Chapter of Transparency International and scheduled for a second reading in the House of Commons in October, was never read and has now expired.91

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88. Id.


90. Id.

IV. International Anti-Corruption Treaties and Public International Organizations

A. **Mutual Evaluation Mechanisms**

In 2007, the OECD Working Group on Bribery (WGB) issued reviews of implementation of the Anti-Bribery Convention in Chile, Greece, Ireland, Italy, Japan, Korea, Mexico, Norway, Poland, Portugal, Slovenia, Switzerland, and the U.K. The WGB expressed serious concerns regarding Chile’s compliance with the Convention and recommended that Chile take immediate steps to amend its laws.


WGB expressed serious concerns regarding the U.K.'s decision to drop the BAE investigation and failure to adopt modern anticorruption legislation. The WGB decided to have a supplementary review of the U.K. as a result. The states parties to the Convention also marked its ten-year anniversary with a high-level meeting in Rome, Italy, in November. South Africa also became a state party to the Convention in 2007.

The Group of States Against Corruption (GRECO) launched its third evaluation round in 2007 and published reports on Montenegro, Georgia, Bosnia and Herzegovina, Andorra, and Ukraine. Italy, Russia, and Monaco joined GRECO in 2007.

The Committee of Experts for the Inter-American Convention Against Corruption (MESICIC) issued second-round reports on Argentina, Paraguay, Nicaragua, and Ukraine.
Uruguay, Ecuador, Honduras, Bolivia, Peru, Costa Rica, Venezuela, Mexico, and Trinidad and Tobago in 2007.

B. THE UNITED NATIONS CONVENTION AGAINST CORRUPTION

In 2007, the states parties to the United Nations Convention Against Corruption launched a self-assessment mechanism and a pilot project for mutual evaluation. The processes had not been completed by the end of the year, although many responses to the self-assessment checklist are publicly available. The Working Group on Review of Implementation continues the process.

C. MULTILATERAL DEVELOPMENT BANKS

In September 2007, the Independent Panel Review of the World Bank Group Department of Institutional Integrity released its report evaluating the role and activities of the Department of Institutional Integrity (INT) in the broader context of the Bank’s Governance and Anti-Corruption Strategy, including the role of INT in the Bank’s structure, INT’s investigations of external operations and of staff, and personnel issues within INT. INT opened 292 new cases and closed 241 cases in the fiscal year ending June 30, 2006.
The Integrity Division of the Asian Development Bank had 147 cases open as of May 2007. The Office of the Chief Compliance Officer of the European Bank for Reconstruction and Development (EBRD) dealt with twelve new cases of alleged misconduct. The EBRD announced in early 2007 that it had debarred Lakmeyer, a German company, for fraud, the first example of cross-debarment by a multi-lateral development bank. The Office of Institutional Integrity of the Inter-American Development Bank (IADB) completed 137 investigations of allegations received in 2006 and prior years. In 2007, the IADB began an external review of its anti-corruption operations.

124. The Integrity Division’s website is http://www.adb.org/Anticorruption/unit.asp.
125. VOLCKER ET AL., supra note 122., at Appendix A-1.