



HM Government

UK Anti-Corruption Plan

December 2014

UK Anti-Corruption Plan



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Ministerial Foreword

Corruption harms societies, undermines economic development and threatens democracy.

At the Open Government Partnership (OGP) Summit last year, the Prime Minister set out the 'golden thread of conditions' which allow countries to thrive: the rule of law; the absence of conflict; the presence of strong property rights and institutions; and the absence of corruption.

The UK has a strong track record of tackling corruption, with the level of corruption in the UK far lower than the majority of other countries around the world. But more can be done to improve, yet further, our standing at home and strengthen our reputation for dealing with corruption and bribery offences overseas. We will build on the commitments we made at the G8 Summit in Lough Erne in 2013, by doing even more to increase transparency, tackle money laundering and return stolen assets.

This cross government anti-corruption plan, backed by coordinated resources, will bring more coherence to our efforts and ensure that future activity to tackle corruption is joined up and collaborative. The purpose of this plan is threefold: to demonstrate the breadth of the UK's current anti-corruption activities; to set out clearly the actions that government will take to tackle corruption in the UK; and to set out our priorities for raising international standards and leading the global fight against corruption in all its forms.

We welcome the broad range of contributions to the development of this plan. The engagement of the devolved administrations has also been helpful and enabled us to learn from their experiences.

We are committed to making sure that the UK takes a “whole of government” approach to combating corruption and to ensuring that the actions in this document are delivered. When we achieve these commitments, we will have made it harder for criminals in the UK to use corruption to carry out their crimes; we will have strengthened the integrity of institutions across the public and private sectors; and we will have in place plans to make best use of the UK’s position, as a leading international donor and centre of world trade and investment, to stamp out bribery and corruption and raise global standards.



A handwritten signature in blue ink, appearing to read "Matthew Hancock".

Rt Hon Matthew Hancock MP
Government Anti-Corruption Champion and
Minister for Business, Enterprise and Energy

The blight of corruption will not be solved overnight and we will continue to work with partners across government, international institutions, civil society and business to improve the response both here in the UK and around the world.



A handwritten signature in blue ink, appearing to read "Karen Bradley".

Karen Bradley MP
Minister for Modern Slavery and
Organised Crime

Executive Summary

1.0 Corruption threatens our national security, economic prosperity and international reputation. It is often the root cause of international instability and conflict.

1.1 The UK has a strong track record of tackling corruption and bribery, with the level of corruption in the UK far lower than most other countries around the world.

1.2 The Government's strategic response to corruption in the UK will adopt the four components used in the Serious and Organised Crime Strategy: prosecuting and disrupting people engaged in corruption (**Pursue**); preventing people from engaging in corruption (**Prevent**); increasing protection against corruption (**Protect**); and reducing the impact of corruption where it takes place (**Prepare**).

1.3 Internationally, our approach is aligned with work to **raise global standards, build prosperity, and promote sustainable global growth**, open markets and fair access to resources. The UK's leading role in the global trade and financial systems, and our commitment to international aid places a particular responsibility on government to lead the response to business-related bribery and illicit financial flows.

1.4 This Anti-Corruption Plan recognises the threat that corruption poses across different sectors both in the UK and overseas. It sets out the actions government will take to: make it harder for criminals in the UK to use corruption to carry out their crimes; strengthen the integrity of institutions across the public and private sectors; make best use of the UK's position as a leading international aid donor and centre of world trade and investment to re-enforce the global fight against corruption; stamp out bribery and corruption; and raise global standards.

1.5 Within the UK, our immediate priorities are to:

- **build a better picture of the threat from corruption** and the UK's vulnerabilities;
- **increase protection** against the use of corruption by organised criminals and strengthen integrity in key sectors and institutions, including the criminal justice system and regulated professions; and
- **strengthen our law enforcement response** so that we can pursue, more effectively, those who engage in corruption or launder their corrupt funds in the UK.

1.6 Internationally, our priority is to continue to be at the forefront of engaging with our overseas partners (including foreign governments, the United Nations and other international institutions) to:

- **improve transparency, tackle money-laundering and return stolen assets;**
 - **raise global standards** for all, including through our international development programmes; and
 - **promote sustainable growth**, including through our work to **stop bribery**.
- 1.7** A new Inter-Ministerial Group has been established to oversee delivery of the actions in this plan and set the strategic direction for the UK's anti-corruption efforts. The UK Anti-Corruption Plan will be reviewed on a regular basis, as part of the Government's commitment to the Open Government Partnership, with new actions developed in collaboration with civil society.

What do we mean by corruption?

There is no universally accepted definition of 'corruption'. The UN Guide for Anti-Corruption Policies (2003) notes that "definitions applied to corruption vary from country to country in accordance with cultural, legal or other factors and the nature of the problem as it appears in each country."

A number of organisations, including 'Transparency International' define it as "the abuse of entrusted power for private gain". The World Bank defines a 'corrupt' practice as the 'offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.'

In the UK context, this document takes a broad view across sectors where the Government is taking action to combat what the UK public may commonly view as corruption. It looks at a range of activity, both here and overseas, in relation to conduct connected to individuals, the public sector and private institutions.

This Plan looks at bribery (both in the UK and internationally), the use of corruption by criminals to enable their crimes, the abuse of position by individuals for personal gain; and the systems and processes which corruptors exploit to achieve a gain for themselves or others. It also sets out what the Government will do to raise international standards as well as denying safe haven to the proceeds of corruption.

Our approach to corruption in the UK

The Government’s strategic response to corruption in the UK can be illustrated as follows:

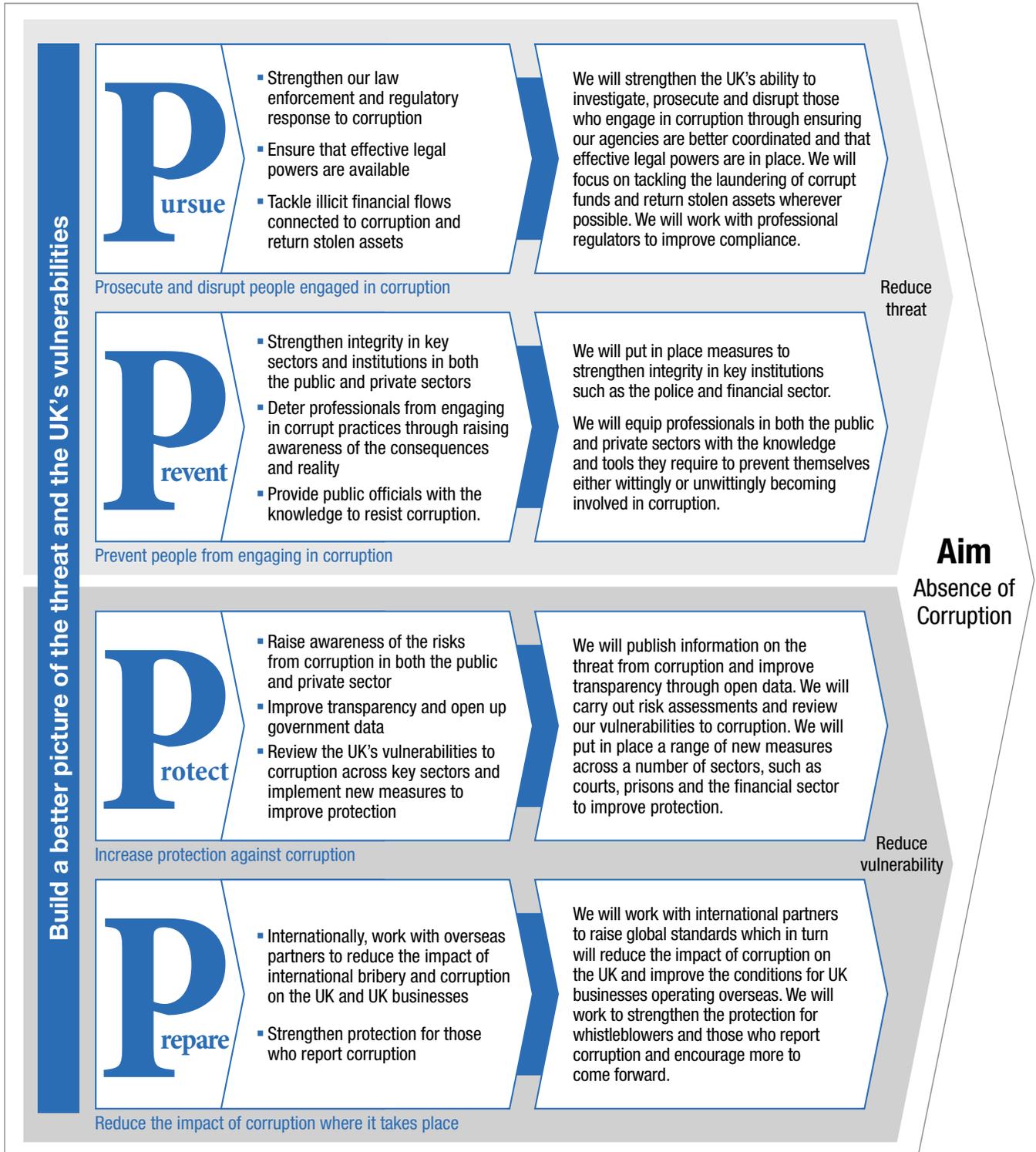


Table of Actions

No.	Action	Objective	Lead	Timescale
Understanding and Raising Awareness of the Risks from Corruption				
1	National Crime Agency to produce regular reporting on the use of bribery and corruption by organised crime	Pursue/Prevent/Protect/Prepare	NCA	From December 2014
2	National Crime Agency to produce regular alerts on bribery and corruption threats	Prevent/Protect	NCA	From December 2014
3	National Crime Agency to establish a national multi-agency intelligence team focussing on serious domestic and international bribery & corruption	Pursue/Prevent/Protect/Prepare	NCA	April 2015
4	Cabinet Office to work with government departments, civil society organisations and academics to identify data held by the Government which could be published to improve transparency and reduce opportunities for corruption	Pursue/Prevent/Protect/Prepare	CO	June 2015
5	Home Office to improve how corruption is recorded in national crime reporting	Pursue/Prevent/Protect/Prepare	HO	May 2015
6	Home Office and law enforcement agencies to develop a model for a single reporting mechanism for allegations of corruption	Pursue	HO	July 2015
7	Home Office to implement a communications plan for improving public awareness of how to report corruption	Pursue/Prevent	HO	October 2015
8	Home Office and BIS to consider what more can be done to incentivise and support whistleblowers in cases of bribery and corruption	Prepare	HO	October 2015
9	BIS to evaluate the implementation of whistleblowing provisions introduced through the Enterprise and Regulatory Reform Act 2013	Prepare	BIS	This is a five year plan and will conclude in 2018
Tackling Corruption Risks in the UK				
10	Home Office to establish a new offence of 'police corruption'	Pursue	HO	April 2015
11	Home Office to consult on measures to strengthen the protection for police whistleblowers	Pursue/Prepare	HO	December 2014
12	HMIC to publish its inspection into Police Integrity and Corruption	Pursue/Prevent	HMIC	March 2015

No.	Action	Objective	Lead	Timescale
13	NOMS to consider the extension of its corruption prevention programme to cover the increasing number of non-directly employed staff delivering custodial services	Protect	NOMS	March 2015
14	New Criminal Procedure Rules to come into effect to allow all Crown Courts to ballot jurors by number, rather than by name where the judge believes this is necessary. This should better protect jurors against the risk of "nobbling"	Protect	Criminal PRC	From October 2014
15	Border Force to review its existing anti-corruption capability and identify a package of new measures to enhance its anti-corruption activity	Pursue/Protect	BF	December 2014 – to be developed throughout 2015
16	National Crime Agency to lead, coordinate and support new operational activity targeting corruption risks at the border	Pursue	NCA	From December 2014
17	Home Office to work with experts in this field to publish a corruption risk assessment template for government departments and agencies aligned with the Cabinet Office fraud risk assessments	Protect	HO	May 2015
18	Home Office to promote guidance on managing the threat from corrupt 'insiders', to organisations vulnerable to being targeted by organised crime	Protect	HO	July 2015
19	Cabinet Office to work with DCLG to promote the counter-corruption and fraud training package to all parts of the public sector	Prevent	CO	From December 2014
20	House of Commons to approve the proposed amendments to the Guide to the Rules relating to the conduct of Members	Prevent	CO	March 2015
21	HM Government to secure passage of the Recall of MPs Bill	Pursue	CO	March 2015
22	Cabinet Office to lead implementation of the new modernised European Public Procurement Directives. Planned transposition of the public procurement directive (i); and the "utilities" and "concessions" Directive (ii)	Protect	CO	(i) First quarter 2015 (ii) Thereafter

No.	Action	Objective	Lead	Timescale
23	Cabinet Office to consider what further steps are required to make information available on suppliers excluded from public contracts, including the feasibility, potential advantages, and disadvantages of a register of excluded suppliers	Protect	CO	August 2015
24	CIPFA to develop a new counter-fraud Centre of Excellence, working with DCLG	Protect	DCLG	December 2015
25	DCLG to fund the development of a new Counter Fraud Strategy for local government – delivered by the local authority network of counter fraud experts (Fighting Fraud Locally), including CIPFA	Protect	DCLG	March 2015
26	Home Office to undertake a number of pilots to better understand the threat that organised crime poses to public procured services in local authorities; and take action in partnership, in response to any identified corruption. Home Office and DCLG to work together to ensure good practice from the pilots is shared amongst local authorities and replicated nationally.	Protect	HO	From October 2014
27	MoD to respond to Transparency International recommendations	Protect	MoD	March 2015
28	MoD to implement training on the Bribery Act for MoD personnel	Prevent	MoD	From August 2014
29	MoD to implement the package of anti-corruption activities	Protect	MoD	February 2015
30	DCMS to set out the measures the UK is taking to combat corruption in sport including consideration of ongoing international initiatives	Protect	DCMS	March 2015
31	Gambling Commission and DCMS to implement the Sports Betting Integrity Action Plan	Protect/Pursue	DCMS	From December 2014
32	Gambling Commission's improved reporting mechanism for sports corruption to contribute to Home Office's proposed single reporting mechanism	Protect	DCMS	December 2014
33	Home Office to introduce a new criminal offence for a person to operate as a private investigator without an SIA issued licence	Pursue	HO	Subject to Parliamentary timetable

No.	Action	Objective	Lead	Timescale
34	HM Treasury to commence provisions of the Financial Services (Banking Reform) Act 2013. Prudential Regulation Authority and Financial Conduct Authority to develop rules to put detailed requirements in place	Protect/Pursue	HMT	From December 2014
35	Fair and Effective Markets Review to report	Protect	HMT	June 2015
36	The Ministry of Justice will examine the case for a new offence of a corporate failure to prevent economic crime and the rules on establishing corporate criminal liability more widely	Pursue	MoJ	June 2015
The UK Law Enforcement Response to Corruption				
37	A new central bribery and corruption unit will be created within the NCA by bringing together resources from the NCA and the DfID-funded units	Pursue	NCA	April 2015
38	The NCA, working with other agencies, will implement a programme to improve the recruitment and retention of specialists to support corruption investigations	Pursue	NCA	April 2015
39	Cabinet Office to take forward a review of the enforcement response to bribery and corruption more broadly, reporting to the Inter-Ministerial Group on Anti-Corruption	Pursue	CO	June 2015
40	New guidelines on sentencing in cases of fraud, bribery and money laundering to take effect	Pursue	MoJ	From October 2014
Recovering Stolen Assets and Tackling Illicit Financial Flows Linked to Corruption				
41	DfID to develop proposals for establishing an international rapid reaction team to deploy to countries where regime change has taken place, in order to provide expert assistance in mutual legal assistance and asset recovery	Pursue	DfID	June 2015
42	HM Treasury and Home Office to complete the National Risk Assessment on Money Laundering and Terrorist Financing	Pursue/Protect	HMT/HO	Early 2015
43	HM Treasury and Home Office to produce an Anti-Money Laundering Action Plan to address issues highlighted by the National Risk Assessment on Money Laundering and Terrorist Financing	Pursue	HMT/HO	Following publication of the National Risk Assessment

No.	Action	Objective	Lead	Timescale
44	HM Treasury to work with AML supervisors to assess their sectors' vulnerability to corrupt PEPs and encourage a risk-based approach to supervision and compliance by firms. HM Treasury to report on progress including through the Annual Report on Anti-Money Laundering Supervision and the National Risk Assessment	Protect	HMT	From December 2014
45	Home Office to review the Suspicious Activity Reporting regime and to work with the reporting sectors to improve reporting to the National Crime Agency	Pursue	HO	July 2015
46	Home Office to seek to amend the Proceeds of Crime Act 2002 to enable the use of investigative powers after a confiscation order has been made to facilitate the tracing and recovery of hidden assets	Pursue	HO	March 2015
47	Home Office to seek to amend the Proceeds of Crime Act 2002, changing the legal test for a restraint order from one of 'reasonable grounds' to one of 'suspicion' in both domestic and international cases	Pursue	HO	March 2015
48	NCA to increase its liaison with the financial sector to support businesses in reducing their exposure to money laundering and increase the capability of law enforcement to target money launderers	Pursue/Protect	NCA	March 2015
49	Home Office to consider further strengthening the financial investigation powers available to law enforcement	Pursue	HO	June 2015
50	BIS to implement a central register of UK company beneficial ownership information as soon as practicable after the necessary primary and secondary legislation is in place	Pursue	BIS	Subject to Parliamentary timetable
51	BIS to implement legislation to abolish bearer shares in the Small Business, Enterprise and Employment Bill	Protect	BIS	Subject to Parliamentary timetable
52	The Home Office will work with regulators and professional bodies to deliver targeted communications campaigns aimed at deterring professionals' involvement in serious and organised crime (whether wittingly or unwittingly) and encouraging the adoption of preventative behaviours	Prevent	HO	From October 2014

No.	Action	Objective	Lead	Timescale
53	The NCA will work with regulators and professional bodies to drive the small number of corrupt legal and financial professionals out of the system and provide effective support to the overwhelming majority who want to operate safely within the law	Pursue/Protect	NCA	From December 2014
54	Home Office to introduce a new offence of participating in the activities of an organised crime group	Pursue	HO	March 2015
Leading the Fight against International Corruption				
55	DfID and FCO to continue to fund innovative projects on anti-corruption and transparency.	Build prosperity/ Raise global standards	DfID/FCO	During FY2014/15
56	DfID to review their country-specific anti-corruption strategies to take account of new and emerging threats to UK aid and opportunities for supporting national efforts to reduce corruption in partner countries	Build prosperity/ Raise global standards	DfID	December 2015
57	DfID to respond to the recommendations made by ICAI in its report on DfID's approach to anti-corruption	Raise global standards	DfID	December 2014
58	FCO and DfID will develop a toolkit of interventions to catalyse better HMG co-ordination to tackle international corruption cases and raise standards	Raise global standards	FCO/DfID	March 2015
59	Cabinet Office to coordinate the UK's international engagement on corruption so that the UK has a coherent approach and clear priorities for raising global anti-corruption standards, particularly through the G7, G20, OECD, GRECO, FATF and United Nations Working Groups on corruption and related issues	Raise global standards/ Build prosperity	CO	From December 2014
60	Cabinet Office to coordinate the UK Government's responsibility for peer reviews, including those conducted by the OECD Working Group on Bribery, GRECO and UNCAC, with all relevant Government Departments supporting the Cabinet Office in responding to the recommendations made in evaluations	Raise global standards	CO	From December 2014
61	MoJ and FCO to facilitate workshops focused on sharing the UK's experience of drafting and developing the UK Bribery Act in support of other countries as they seek to develop their own anti-bribery legislation	Raise global standards	MoJ/FCO	During early 2015

No.	Action	Objective	Lead	Timescale
62	FCO (i) to update the guidance and information provided to UK Diplomatic Missions overseas; and (ii) to consider how to enhance the training available to FCO staff overseas on dealing with bribery and corruption	Build prosperity	FCO	(i) December 2014 (ii) March 2015
63	FCO to work closely with those Overseas Territories with a financial services industry so that they can formally seek extension of the relevant Conventions	Raise global standards/Build prosperity	FCO	By late 2016
64	The UK to produce its first EITI report	Raise global standards	BIS	April 2016
Implementing the Anti-Corruption Plan				
65	Cabinet Office to establish a new cross-departmental unit on international corruption, providing support to the Government Anti-Corruption Champion		CO	From December 2014
66	Cabinet Office to arrange a regular forum for civil society and business leaders to engage with the Government on corruption and bribery issues		CO	January 2015

The Threat to the UK from Corruption



2.0 Corruption in the UK threatens our national security, economic prosperity and our international standing. If left unchecked, it damages communities and undermines the integrity of both our public and private sector institutions. Internationally, corruption threatens security and stability and harms our ability to do business around the world. Our leading role in the global trade and financial systems means that the UK has a responsibility to take a lead on tackling business-related bribery or illicit financial flows from a range of countries, including developing countries and emerging economies.

2.1 The 2014 National Strategic Assessment of Serious and Organised Crime¹ notes that: “the impact of corruption is disproportionate to the level and frequency at which it occurs and often has serious ramifications in terms of public confidence across the public and private sectors.”

In the UK:

- Organised criminals attempt to corrupt staff or processes in the **criminal justice system** to evade arrest and prosecution, and continue to commit crime;

¹ www.nationalcrimeagency.gov.uk/publications/207-nca-strategic-assessment-of-serious-and-organised-crime/file

- Corruption at the **border** allows criminals and illegal migrants to circumvent border controls and facilitates the illegal traffic in goods, people and money, both into and out of the UK;
- Criminal groups and foreign states attempt to use corruption to access sensitive information held by **central government** about the UK and its interests;
- Corruption connected to elected officials and politicians undermines the integrity of **parliament** and the democratic process;
- Organised criminals seek to corrupt **procurement** systems for financial gain;
- Corrupt **private sector professionals** can provide organised criminals with access to the legitimate economy;
- **Local government** is targeted by those who wish to corrupt local processes, such as housing or planning, for their own gain; and organised crime groups are known to target local officials to consolidate their status in communities;
- The **defence** sector is a target for those who seek to use corruption to unfairly secure major contracts or gain access to military technologies; and
- Corruption and match-fixing in **sport** significantly damages public confidence in the fairness of sport and the legitimate gambling industry.

Internationally:

- Corrupt foreign officials seek to **launder the proceeds** of their corruption and hide stolen assets in the UK
- Corruption prevents efforts to raise global standards and diverts money away from UK-funded aid projects which seek to improve standards for the poorest people **in developing countries**; and
- When **bribery** is committed by UK companies and individuals, it damages the UK's reputation for clean business and undermines our ability to promote sustainable growth and raise international standards.

Understanding and Raising Awareness of the Risks from Corruption



Intelligence

3.0 Gathering information and intelligence on corruption is inherently difficult with organisations often reluctant to disclose incidents for fear of reputational damage. The National Strategic Assessment of Serious and Organised Crime notes that: “a more cohesive and consistent intelligence picture from the public and private sector is required to assess the full extent of corruption and help direct effective organisational control measures.”

3.1 We must do more to gather and analyse information on corruption where we can. The Serious and Organised Crime Strategy set out that the National Crime Agency (NCA) “will lead on the assessment of bribery and

corruption by organised crime and produce regular reporting on this theme.” The NCA will establish a new multi-agency intelligence team focused on serious corruption and bribery. Where appropriate, the NCA will release information directly to those individuals and organisations most likely to be affected, to help them to protect themselves from recognised corruption threats and vulnerabilities.

3.2 The NCA will also ensure that operational agencies share relevant information and deliver a coherent operational response. The NCA’s Economic Crime Command will provide strategic leadership and coordination to the law enforcement efforts to tackle domestic and international corruption and to give effect to sanctions put in place

by the government. In Northern Ireland, the Organised Crime Task Force exists as a voluntary partnership to oversee the response to organised crime, including cases involving corruption.

Action 1: National Crime Agency to produce regular reporting on the use of bribery and corruption by organised crime (ongoing from December 2014) – Pursue/Prevent/Protect/Prepare

Action 2: National Crime Agency to produce regular alerts on bribery and corruption threats (ongoing from December 2014) – Prevent/Protect

Action 3: National Crime Agency to establish a national multi-agency intelligence team focussing on serious domestic and international bribery & corruption (by end April 2015) – Pursue/Prevent/Protect/Prepare

Data

3.3 It is widely recognised that there is a lack of data on corruption². There are many reasons for this. However, gathering data and making it open to scrutiny both within government and by civil society and the public is vital if we are to understand the full extent of the problem and put in place proportionate measures to stop it. The Government will therefore explore how best

to improve data collection and publication to the Open Data standards³.

Action 4: Cabinet Office to work with government departments, civil society organisations and academics to identify data held by the Government which could be published to improve transparency and reduce opportunities for corruption (by June 2015) – Pursue/Prevent/Protect/Prepare

Action 5: Home Office to improve how corruption is recorded in national crime reporting (by May 2015) – Pursue/Prevent/Protect/Prepare

Improving Reporting

3.4 Polling suggests that 92% of people living in the UK would report corruption if they were aware of it, but only 30% know how to do so.⁴ The Government's Serious and Organised Crime Strategy (2013) highlighted that the procedures for reporting bribery and corruption need to be made easier and much more widely known. The Government believes that there are strong benefits in creating a new single reporting mechanism and will examine the best way to do this. The Home Office is taking this forward and will seek to implement a solution next year. Once plans for improving reporting have been finalised we will also develop and implement a communications plan for improving public

2 EU Anti-Corruption Report (2014): UK Chapter: http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/corruption/anti-corruption-report/docs/2014_acr_united_kingdom_chapter_en.pdf

3 The Open Data Charter sets out five strategic principles that all G8 members will act on. These include an expectation that all government data will be published openly by default, alongside principles to increase the quality, quantity and re-use of the data that is released. <https://www.gov.uk/government/publications/open-data-charter>

4 Transparency International (2011) Corruption In The UK: Part One – National Opinion Survey: www.transparency.org.uk/our-work/publications/91-corruption-in-the-uk-part-one---national-opinion-survey

awareness of how to report corruption. In parallel, FCO and BIS will work to ensure that relevant allegations of corruption and bribery which come to the attention of our overseas embassies and high commissions are reported to the appropriate UK authorities (see action 62).

Action 6: Home Office and law enforcement agencies to develop a model for a single reporting mechanism for allegations of corruption (by July 2015) – Pursue

Action 7: Home Office to implement a communications plan for improving public awareness of how to report corruption (by October 2015) – Pursue/Prevent

Action 8: Home Office and BIS to consider what more can be done to incentivise and support whistleblowers in cases of bribery and corruption (by October 2015) – Prepare

Action 9: BIS to evaluate the implementation of whistleblowing provisions introduced through the Enterprise and Regulatory Reform Act 2013. This is a five year plan and will conclude in 2018 – Prepare

Whistleblowing

3.5 We need to support those who help to identify and disrupt corruption. The Government is committed to ensuring there is a strong legislative framework to encourage workers to speak up about incidents of bribery and corruption without fear of reprisal.

3.6 The response to a recent ‘call for evidence’ on the whistleblowing framework⁵ set out a number of improvements we can make to the system. It highlighted that although there was limited support for financial incentives, these should not be ruled out in all cases. We will continue to explore whether there is more that can be done to incentivise and support whistleblowers in cases of bribery and corruption.

⁵ <https://www.gov.uk/government/consultations/whistleblowing-framework-call-for-evidence>

Tackling Corruption Risks in the UK



4.0 This section highlights the actions which are being undertaken to tackle domestic corruption risks and proposes new activity.

Criminal Justice System

4.1 Various elements of the criminal justice system are targeted by criminals who seek to corrupt staff or processes so that they can avoid arrest, prosecution and conviction for their crimes. The Government has in place a range of measures across agencies to safeguard the integrity of the criminal justice system in England and Wales. In Scotland and Northern Ireland, a number of bodies have oversight of the criminal justice system and investigate allegations of corruption.

Police

4.2 Recent reports by the Independent Police Complaints Commission (IPCC) and Her Majesty's Inspectorate of Constabulary (HMIC) have found that corruption is not endemic in the police and the vast majority of police officers operate with honesty and integrity. Where it does exist, however, it is corrosive of the public trust that is at the heart of policing by consent. In addition to a wider package of measures designed to improve police integrity, and to open up the culture of policing, the Home Office is bringing forward proposals that will specifically help to prevent corruption in the police and tackle it effectively when it occurs.

New Offence of Police Corruption

4.3 Where there is sufficient evidence to bring criminal prosecutions against police officers who have acted corruptly, this must be our priority. The Government has brought forward a new criminal offence of police corruption in the Criminal Justice and Courts Bill at Report Stage in the House of Commons. The Bill is expected to receive Royal Assent in January 2015.

Strengthening Protection for Whistleblowers

4.4 Police officers and members of police staff in England and Wales can report allegations of corruption and misconduct by their colleagues both internally to their force's Professional Standards Departments and directly to the Independent Police Complaints Commission in any circumstances. We know that many police officers and staff do report allegations of corruption and misconduct, but more needs to be done to encourage others to come forward. On 22 July, the Home Secretary announced plans to strengthen protections for whistleblowers in the police. In the first instance, the Government will create a single national policy for police forces on whistleblowing, to set out best practice and ensure consistency of approach across all forces. Forces will also be required to publish information on the number of conduct issues raised by officers and staff, and the action taken by the force as a result. A public consultation will consider a range of further proposals to protect police whistleblowers.

HMIC Inspection of police anti-corruption capabilities

4.5 HMIC's inspection plan for 2014/15 includes an inspection into 'Police Integrity and Corruption'. As part of this inspection, the Home Secretary has commissioned HMIC to look into the anti-corruption capability of police forces in England and Wales.

Measures delivered by the College of Policing in England and Wales

4.6 A new Code of Ethics sets out clearly the core principles and high standards of behaviour required of all police officers and staff at all ranks across England and Wales. The Code emphasises the importance of personal integrity, honesty and fairness and includes a positive obligation to all in policing to challenge and report wrong-doing.

4.7 A new comprehensive vetting code of practice will establish, on a statutory basis, a stronger and more consistent system of vetting for police officers.

4.8 A list of struck-off police officers has been established and is available for use by police vetting and anti-corruption officers.

Action 10: Home Office to establish a new offence of 'police corruption' (by April 2015) – Pursue

Action 11: Home Office to consult on measures to strengthen the protection for police whistleblowers (by December 2014) – Pursue/Prepare

Action 12: HMIC to publish its inspection into Police Integrity and Corruption (by March 2015) – Pursue/Prevent

Prisons

4.9 Some prisoners are intent on corrupting prison staff so that they can continue to carry out or benefit from their crimes whilst in prison, to make their imprisonment "easier", or to obtain contraband. Prison staff are well trained to resist such approaches, but a key part of their role is to support and interact with offenders in custody and they are

therefore particularly exposed to the risk of corruption.

4.10 The challenge is significant. There are 120 prisons and some 35,000 staff employed by the National Offender Management Service (NOMS). There are also approximately 40,000 volunteers, contractors, and sessional workers vetted to work in prisons at any one time.

Corruption prevention programme

4.11 NOMS is committed to managing this risk through an extensive corruption prevention programme covering prisons, NOMS Headquarters and, from 1 June, the new National Probation Service. This includes training and awareness activity to ensure that corruption, where suspected, is identified, investigated and eliminated. All new and existing prison officers and support staff receive corruption prevention training, which NOMS also delivers to staff of other organisations working in prisons. With the number of custodial services scheduled to be delivered by a greater number and diversity of partners the number of non-directly employed staff operating in prisons will increase. NOMS will consider how its corruption prevention programme can be extended to cover these additional staff.

4.12 NOMS is updating its operational policies for corruption prevention in prisons and probation. It has established an internal communications package (including a nationally recognised marketing campaign) for its anti-corruption activity, which has had a significant impact in raising staff awareness as to the types of corruption and risks that affect the prison service. NOMS has also introduced nominated staff to whom concerns can be reported. All prisons have a Local Corruption Prevention Manager, who

undergoes enhanced training on preventing and managing corruption risks and feeds into a network of Regional Corruption Prevention Managers who are managed by NOMS' national Corruption Prevention Unit. Since 2008 reporting levels for prison corruption have risen steadily as a result of greater awareness of the corruption prevention strategy and of Reporting Wrongdoing (Whistleblowing) policies. This has led to improved levels of intelligence sharing and joint working with Law Enforcement partners.

Intelligence sharing

4.13 NOMS is improving information and intelligence sharing both internally and with its law enforcement partners. An integrated IT system to process and manage intelligence, including corruption, has recently been rolled out across all prisons to allow secure corruption reporting.

4.14 NOMS, the NCA and police forces work closely to improve operational responses to those who engage in corruption to influence prison staff and others. A commitment has been made to review how information is shared and actioned between agencies, to review the training of key prison staff to ensure they are aware of the nature of serious and organised crime threats, and to improve understanding of the ability of organised criminals to manipulate, condition and corrupt.

Working with the police to investigate corruption in prisons and probation

4.15 NOMS will shortly update its formal agreement with the police on respective responsibilities for tackling corruption. Over recent years, there have been a consistent number of convictions, cautions, dismissals and exclusions of a proportionally small

number of directly and non-directly employed staff engaging in corrupt activities. Those removed from employment in the main have been involved in unauthorised and covert relationships with prisoners (emotional or sexual) amounting to ‘Misconduct in a Public Office’ offences, and the conveying of prohibited items in and out of a prison in breach of the Offender Management Act. This in turn underpins wider NOMS supply reduction strategies particularly covering mobile phones and drugs.

Action 13: NOMS to consider the extension of its corruption prevention programme to cover the increasing number of non-directly employed staff delivering custodial services (by March 2015) – Protect

Courts

Preventing jury nobbling

4.16 The Criminal Procedure Rule Committee is changing the Rules to allow courts to ballot jurors by number, rather than by name, where the court is satisfied that is necessary. This has been the practice in Liverpool for lengthy trials, or those where the judge perceived a risk of corruption, but it will now be an option for judges in all Crown Courts. The new Rule 38.6(4) came into force on 6 October.

4.17 The Criminal Procedure Rule Committee is also, via the Rules that came into force in October, making provision for Courts to appoint “reserve jurors” in case any jurors drop out in the earliest stages of a trial – to avoid the necessity to start the trial again. This may provide alternatives if the judge believes that one or more jurors have been “nobbled”.

Action 14: New Criminal Procedure Rules to come into effect to allow all Crown Courts to ballot jurors by number, rather than by name where the judge believes this is necessary. This should better protect jurors against the risk of “nobbled” (from October 2014) – Protect

The Border

4.18 Due to the nature of their work, staff in both public and private sector organisations at the border could be potential targets for those seeking to avoid border controls. The National Strategic Assessment of Serious and Organised Crime notes that: “corruption compromises the effective controls of commodities and people at and beyond the UK border.” In Northern Ireland, the open land border presents opportunities for corruption of officials, businesses and professionals.

Operations against border corruption

4.19 The Government takes this threat extremely seriously; the NCA’s Border Policing Command is leading, coordinating and supporting operational activity at the border, including addressing the threat from corruption. New joint border intelligence units are ensuring that information is developed and shared between the NCA, Border Force, HMRC, police and other law enforcement agencies at the UK border.

4.20 Border Force has also established a team dedicated to anti-corruption work and will be working closely with its partners to review existing capability and enhance its anti-corruption activity even further. In Northern Ireland, a multi-agency approach is taken to address risks presenting at the border, covering a range of threats

including use of corruption to enable fraudulent access to healthcare, money laundering and facilitating the trafficking of illegal commodities.

Action 15: Border Force to review its existing anti-corruption capability and identify a package of new measures to enhance its anti-corruption activity (by December 2014 – to be developed throughout 2015) – Pursue/Protect

Action 16: National Crime Agency to lead, coordinate and support new operational activity targeting corruption risks at the border (from December 2014) – Pursue

Central Government

4.21 Central government employees have privileged access to government information and are entrusted to effectively spend significant amounts of public money. This means they are at risk of being targeted by criminals who may seek to use corruption to access sensitive information or enable large-scale fraud.

Promoting corruption risk assessment

4.22 If government departments and agencies are to protect themselves from corruption, a proper understanding of the risks is essential. All government departments hold information which may be useful to criminals or those who seek to gain an advantage for themselves or others.

The Home Office will work with experts in this field to develop and promote proportionate risk assessments to assist government departments and agencies in managing the threat from corruption. These will be aligned with the Cabinet Office fraud risk assessments.

4.23 In Scotland, the Scottish Government have established the Counter Fraud Forum to determine: how counter-fraud intelligence can be shared; how opportunities for joint working can be usefully enhanced across all sectors in Scotland; and how counter-fraud best practice can be disseminated to organisations across the public sector in Scotland⁶. This agenda is being undertaken within the context of the amendment to the Public Services Reform (Scotland) Act 2010 that provides an opportunity to strengthen the approach to dealing with financial crime across the public sector.

Counter-corruption training for the public sector

4.24 In 2012, an effective training package on how to counter corruption and fraud was created for central government departments and agencies in England and Wales. Guidance was also issued to local authorities in England. The Government will continue to promote this important training to public sector employers and make it available via the Civil Service Learning website. In Scotland, the Scottish Government is currently exploring a process to provide e-learning for procurement specialists across the public sector.

⁶ This work includes corruption and has membership including the Convention of Scottish Local Authorities (COSLA), DWP, Trading Standards, Scottish Local Authorities Investigators Group & Chief Internal Auditors, Audit Scotland, the Crown Office and Procurator Fiscal Service, Police Scotland (Counter Corruption Unit), National Services Scotland (NSS), Student Awards Agency Scotland and the Scottish Public Pensions Agency.

Strengthening National Security Vetting

4.25 Personnel security controls confirm the identity of employees and provide a level of assurance as to their trustworthiness, integrity and reliability. Government organisations need to deliver an appropriate combination of recruitment checks, vetting and on-going personnel security management in order to mitigate the risks from well placed insiders. The Cabinet Office is responsible for government security and publishes the HMG Security Policy Framework, which provides best practice guidance on protective security including National Security Policy.⁷

Protecting information from corrupt insiders

4.26 Criminals, terrorists and foreign states will seek to use corrupt insiders to access sensitive information. Effective protective security controls are essential to safeguarding information held by government departments and agencies. The Centre for the Protection of the National Infrastructure (CPNI) has conducted research into the ‘insider threat’⁸ and published extensive guidance on the management of employee risk to reduce the risk of ‘insiders’ carrying out malicious attacks. The Home Office will promote the use of this guidance more widely and apply the lessons from CPNI’s research to a broader set of organisations at risk of corruption, particularly those which may be targeted by organised criminals.

Action 17: Home Office to work with experts in this field to publish a corruption risk assessment template for government departments and agencies aligned with the Cabinet Office fraud risk assessments (by May 2015) – Protect

Action 18: Home Office to promote guidance on managing the threat from corrupt ‘insiders’, to organisations vulnerable to being targeted by organised crime (by July 2015) – Protect

Action 19: Cabinet Office to work with DCLG to promote the counter-corruption and fraud training package to all parts of the public sector (ongoing from December 2014) – Prevent

Parliament

4.27 Well-publicised events concerning MPs expenses and lobbying have damaged public confidence in the Parliamentary system. The Government is committed to supporting the Parliamentary authorities to put in place proportionate controls to address corruption risks and ensure public confidence.

Statutory register of lobbyists

4.28 The Government has greatly increased the transparency of departmental meetings by proactively publishing details of Ministers’ and Permanent Secretaries’ meetings on a quarterly basis. The Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 goes further by establishing a statutory register of consultant lobbyists. The register will require consultant

⁷ <https://www.gov.uk/government/publications/hmg-personnel-security-controls>

⁸ http://www.cpni.gov.uk/Documents/Publications/2013/2013003-insider_data_collection_study.pdf

lobbyists to disclose their clients on a publicly available register and to declare whether or not they subscribe to a code of conduct.

Accountability for the conduct of MPs' and Lords' staff

4.29 The proposed revisions to the Guide to the Rules relating to the conduct of Members in the Commons makes clear that Members are personally responsible for any breaches of the Code that may have been caused by the actions of their staff and that they must register gifts or benefits provided to their staff. The House of Lords agreed in March 2014 to lower the threshold for the registration of gifts to Members' staff arising from their work and that staff should register the name of any other employer they may have.

Lowering thresholds for reporting of financial holdings

4.30 The proposed revisions of the Guide to the Rules relating to the conduct of Members will reduce thresholds for reporting most registrable interests and a new specific threshold for financial holdings will be introduced, in addition to those relating to a proportion of a company's share capital. The levels of existing thresholds were considered further in both Houses but further reductions were not recommended. In the National Assembly for Wales and the Northern Ireland Assembly the lowering of thresholds will be considered as part of current reviews.

Registration of gifts

4.31 The value of gifts that are required to be registered has been substantially reduced in the proposed revisions of the Guide to the Rules relating to the conduct of Members in the House of Commons. The House of

Lords reduced these thresholds substantially in March 2014. In the National Assembly for Wales and the Northern Ireland Assembly thresholds for the registration of gifts will be considered as part of current reviews.

Codes of conduct for dealing with lobbyists

4.32 The proposed revisions of the Guide to the Rules relating to the conduct of Members will clarify the rules on the registration of gifts and hospitality, including benefits given to third party organisations. The House of Commons agreed in May 2014 changes to the regulatory regime governing All-Party Parliamentary Groups, which will make their operations more transparent and accountable. In March 2014 the House of Lords agreed amendments to the Code of Conduct and Guide to the Code providing guidance on dealing with lobbyists, following the acceptance of GRECO's recommendations.

Disciplinary sanctions for misconduct

4.33 Additional sanctions for misconduct were introduced through the Lords Reform Act 2014. This provides that Peers cease being members of the House if they are convicted in the UK and sentenced to a custodial sentence of more than 12 months and if they do not attend the House during a Session without good reason. The House of Lords also agreed two additional sanctions in January 2014: a suspension of access to financial support and the denial of access to the facilities of the House for specified periods.

4.34 In respect of the House of Commons, the Government introduced the Recall of MPs Bill in September 2014. This proposes to provide the House with an additional disciplinary power; namely, it will be able

to agree that an MP be subject to a recall petition, by which constituents can secure a by-election if a specified proportion sign the petition.

Action 20: House of Commons to approve the proposed amendments to the Guide to the Rules relating to the conduct of Members (by March 2015) – Prevent

Action 21: HM Government to secure passage of the Recall of MPs Bill (by March 2015) – Pursue

Procurement

4.35 Through the process of awarding public sector contracts, government and its officials, both locally and nationally, are at risk of being targeted by criminals seeking to corrupt procurement systems for financial gain. The Government is committed to preventing, identifying and tackling corruption in public procurement. Prevention and detection of irregularities is not only part of wider good governance and public administration, but is also necessary in order to protect public finances.

Transparency

4.36 The Government's requirement for transparency, and publication of awarded contracts, discourages opportunities for corruption, amongst its other benefits.

Obligations to advertise requirements and contracts (for example the "Contracts Finder" portal⁹), as well as improvements to encourage competition, innovation, and SME access to public contracts, aids transparency and discourages malpractice.

Exclusion of suppliers

4.37 The European Public Procurement Directives have specific rules requiring the exclusion of suppliers who have been convicted of various offences including fraud, bribery and corruption. This exclusion extends to persons with "powers of decision, representation or control" over the supplier concerned. Suppliers may be excluded for other matters, including grave professional misconduct and offences which do not oblige exclusion. The offence of failure to prevent bribery (s7. Bribery Act 2010) is a discretionary ground for exclusion. The new, modernised public procurement directive updates the grounds for mandatory and discretionary exclusion, and also provide for ending exclusion if a supplier effectively "self-cleans". Government will consider whether further steps might be useful to ensure that information is readily available to procurers if and where suppliers have been convicted of offences attracting exclusion from public contract.

4.38 Model contract terms issued by the Cabinet Office in March and April 2014 (as with previous model contracts) have specific provisions, including contract cancellation, to deal with corruption and related issues^{10, 11}.

⁹ <https://www.gov.uk/contracts-finder>

¹⁰ <http://ccs.cabinetoffice.gov.uk/about-government-procurement-service/contracting-value-short-form-terms-conditions>

¹¹ <https://ccs.cabinetoffice.gov.uk/about-government-procurement-service/contracting-value-model-services-contract>

Action 22: Cabinet Office to lead implementation of the new modernised European Public Procurement Directives. Planned transposition of the public procurement directive (in first quarter 2015) and the “utilities” and “concessions” directive (thereafter) – Protect

Action 23: Cabinet Office to consider what further steps are required to make information available on suppliers excluded from public contracts, including the feasibility, potential advantages, and disadvantages of a register of excluded suppliers (by August 2015) – Protect

Local Government

4.39 Local government has a range of powers and functions, from licensing and housing to awarding contracts for local amenities. It makes them targets for people and organisations who seek to either gain an unfair advantage or are looking to exploit the information they hold. Organised Crime Groups in particular are known to try and corrupt local officials to consolidate their status in communities. Therefore more is being done to ensure robust processes and bring more transparency to local government than ever before.

4.40 The Local Audit and Accountability Act 2014 will help local people to hold councils and local bodies in England to account for their spending decisions. Secondary legislation supporting the Act, shortly due to be laid will enhance the rights of taxpayers to inspect the local bodies’ accounts and allows them to say if they think there are matters that the auditor should examine.

4.41 The Department for Communities and Local Government (DCLG) has also recently announced funding provided to the local authority network of counter fraud experts, Fighting Fraud Locally (which includes the Chartered Institute of Public Finance and Accountancy – CIPFA) to develop a new counter fraud strategy for local government, to be delivered by March 2015. This will identify fraud risks to local authorities and suggest solutions to help all local authorities better protect themselves from fraud. This is part of a greater £16.6m DCLG investment in Counter Fraud designed to support councils to tackle non benefit fraud. £16m for 59 local projects was announced in November 2014. DCLG will work with successful projects to promote best practice across all local authorities, working closely with other government departments on shared interests.

4.42 CIPFA, working with DCLG, is developing a new Counter Fraud Centre of Excellence to promote measures to help local authorities tackle fraud and protect themselves from corruption. As part of the new Centre, CIPFA has recently released a code on tackling fraud and corruption published on 16th October¹².

Transparency Code

4.43 On 31 October 2014 it became a legal requirement for local authorities to comply with Part 2 of the Local Government Transparency Code 2014¹³. The Code is a tool to embed transparency in local government and gives local people the information they need to contribute to local decision making and hold their local

¹² <http://www.cipfa.org/services/counter-fraud-centre/code-of-practice>

¹³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/360711/Local_Government_Transparency_Code_2014.pdf

authorities to account for the decisions they take. It enables local people to see how their money is spent by local authority and scrutinise its spending and procurement decisions.

4.44 The Code legally requires local authorities to publish annually details of their counter fraud work, including information about the number of occasions they use powers to obtain information from specified bodies to help investigate cases of fraud, the number of staff investigating fraud cases and the number of fraud cases they have investigated. Specifically, local authorities must publish the following information about their counter fraud work:

- number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers
- total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud
- total number (absolute and full time equivalent) of professionally accredited counter fraud specialists
- total amount spent by the authority on the investigation and prosecution of fraud, and
- total number of fraud cases investigated.

4.45 The Code also recommends that local authorities publish details about the number of cases where fraud and irregularity has been identified and the monetary value for both categories that has been detected and recovered.

4.46 In Scotland, a working group has been established between the Scottish Government, Local Government and Convention of Scottish Local Authorities to look specifically at how to ensure that the right capacity and capability are in place to combat fraud and corruption across the public sector in Scotland. In Northern Ireland, audit of local government bodies is undertaken by Northern Ireland Audit Office staff designated as local government auditors. These auditors examine spend and contracts which fall to the council, including the award of high value contracts such as refuse collection or maintenance.

Local partnerships

4.47 Co-ordinated and prioritised local partnership activity, drawing upon the information and powers of many agencies, is vital if we are to deal with serious and organised crime, including bribery and corruption. As part of its wider work to build strong local partnerships to tackle organised crime, the Home Office will support local partners to share data on 'at risk' sectors (for example screening out organised criminal gangs from local procurement processes by sharing data on prospective candidates).

Action 24: CIPFA to develop a new counter-fraud Centre of Excellence, working with DCLG (by December 2015) – Protect

Action 25: DCLG to fund the development of a new Counter Fraud Strategy for local government – delivered by the local authority network of counter fraud experts (Fighting Fraud Locally), including CIPFA (by March 2015) – Protect

Action 26: Home Office to undertake a number of pilots to better understand the threat that organised crime poses to public procured services in local authorities; and take action in partnership, in response to any identified corruption. Home Office and DCLG to work together to ensure good practice from the pilots is shared amongst local authorities and replicated nationally (from October 2014) – Protect

Integrity of Locally Elected Members

4.48 The majority of locally elected members carry out their duties to the highest standards of integrity. Due to their positions of authority some of them may occasionally be at risk from the threat of corruptive influences and it is right that mechanisms are in place for the public to hold those individuals to account.

Local authority members' standards

4.49 The Government has put in place new arrangements requiring local authorities in England to adopt a Code of Conduct compliant with the seven 'Nolan' principles of standards in public life; selflessness, integrity, objectivity, accountability, openness, honesty and leadership¹⁴. They are also required to put in place arrangements for investigating allegations that councillors have failed to comply with the code. Failure to comply with the code could lead to the councillor being censured.

Registering and disclosing pecuniary interests

4.50 The Government has introduced tough new rules to prevent councillors putting their own interests before those of the public. Councillors are required to register and declare certain pecuniary interests, these interests being available in a public register. Wilful failure to comply with these rules can lead to a criminal conviction, a fine of up to £5000 and a prohibition on holding or seeking the role of councillor for up to five years.¹⁵

14 www.gov.uk/government/publications/the-7-principles-of-public-life

15 <http://www.legislation.gov.uk/ukpga/2011/20/part/1/chapter/7/enacted>

Case Study – Local Government

In March 2002, the former Chair of Planning for Doncaster was sentenced to four years after receiving bribes including a farmhouse valued at £160,000 from a property developer who also received a five year sentence. The case was one of a number centred on Doncaster City Council and known together as ‘Donnygate’. A further 21 councillors were convicted of fraud during the police investigation. During the investigation 74 arrests were made and 2000 interviews conducted.

The Judge Mr. Justice Hunt told the court that the “Donnygate” scandal had betrayed the public’s trust and seen the “worst sort of corruption” – the undermining of previously honest and hard-working elected representatives. The Judge noted: “Public life requires a standard of its own. Power corrupts and corruption in government by those elected by the public strikes at its integrity and at the root of democracy. Fortunately it is rare in this country.”

Defence

4.51 Corruption in the defence industry can undermine the integrity of major contracts and potentially endanger the lives of British citizens and our allies. The impact of bribery and corruption can cost the UK vast sums of money, allow the procurement of low-quality equipment or potentially redirect military technologies into the wrong hands. Having robust processes in place to prevent and detect corruption is therefore vital to the work of the armed forces.

4.52 Transparency International (TI) published the ‘Building Integrity in UK Defence’ report¹⁶ in March 2014 which acknowledges the low likelihood of corruption in the UK defence sector. The Ministry of Defence (MoD) is currently implementing a number of TI’s recommendations for how it can improve even further.

Fraud Defence Service activities

4.53 The MOD Fraud Defence Board has been established to examine fraud and corruption issues and is structured through a framework consisting of: prevention, risk, awareness, detection and enforcement. The Board is currently overseeing the delivery of a package of anti-corruption activities including:

- A MoD-wide corruption risk assessment.
- Piloting a corruption awareness programme with the Chartered Institute of Purchasing and Supply and the Crown Commercial Service.
- Awareness-raising sessions to all new recruits on fraud and corruption.
- Implementing a new whistle blowing policy following a review by the charity Public Concern at Work.

Ministry of Defence Police

4.54 The Ministry of Defence Police (MDP) is a civilian police force that is part of the UK Ministry of Defence. It investigates allegations of corruption and provides prevention advice across departments. MDP also support the MoD with regard to identifying and managing risks associated with the insider threat. MDP work with other law enforcement agencies; both domestic and overseas on joint cases and contribute to national initiatives.

¹⁶ www.transparency.org.uk/...building-integrity...defence/899-policy-paper-series-5-building-integrity-in-uk-defence

Action 27: MoD to respond to Transparency International recommendations (by March 2015) – Protect

Action 28: MoD to implement training on the Bribery Act for MoD personnel (ongoing from August 2014) – Prevent

Action 29: MoD to implement the package of anti-corruption activities (as set out above and overseen by the Counter Fraud Defence Board) (by February 2015) – Protect

Sport

Match Fixing and Corruption in Sport and Sports Betting

4.55 Sport relies upon high standards of integrity and a fair application of the rules. Match fixing and corruption in sport undermines that ethos and has a serious negative impact upon its reputation and financial viability. It undermines the reputation and commercial viability of legitimate sports betting business; and it has an impact on the social, political and economic benefits derived from sports and sports betting.

International Initiatives

4.56 Given the cross-border nature of match-fixing in sport, there are numerous international institutions and sporting bodies with a stated interest in tackling the problem. The Council of Europe and the EU are

increasingly focused on addressing the threat of corruption in sport. The European Union Work Plan for Sport (2014-2017)¹⁷ adopted earlier this year identified the fight against match-fixing as one of the workstrands to protect the integrity of sport. The policy communication “Towards a comprehensive European framework for online gambling”¹⁸ contains a range of actions aimed at safeguarding the integrity of sport and the Council of Europe has brought forward a ‘Convention on the Manipulations of Sports Competitions’. The Government and the Gambling Commission are fully engaged in these discussions, as well as with domestic and international sporting bodies (such as the International Olympic Committee), to ensure that the UK’s national approach to combating match-fixing is sufficiently robust.

Sports Betting Integrity

4.57 The Sports Betting Integrity Panel Report¹⁹ laid the foundations of a national action plan to address the threat and identified priority actions to both prevent and deter those that corrupt sporting events and/or utilise sports betting mechanisms to derive criminal profit. The Gambling Commission is coordinating the development and implementation of the action plan in line with the Report’s recommendations. The Gambling Commission’s development of a public and private sector intelligence capability and enhancing the effectiveness of the operational response are priorities.

17 [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:42014Y0614\(03\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:42014Y0614(03)&from=EN)

18 http://ec.europa.eu/internal_market/gambling/communication/index_en.htm

19 http://www.sportsbettinggroup.org/docs%5Creports_sports_betting_integrity_panel.pdf

Reporting corruption in sport

4.58 To build a better picture of corruption in sport and sports betting, and to increase reporting, the Gambling Commission has developed a new reporting facility with the police and Crimestoppers, to ensure that reports are dealt with even more effectively. The Commission will contribute to the Home Office work to identify a single reporting mechanism.

Action 30: DCMS to set out the measures the UK is taking to combat corruption in sport including consideration of ongoing international initiatives (March 2015) – Protect

Action 31: Gambling Commission and DCMS to implement the Sports Betting Integrity Action Plan (ongoing from December 2014) – Protect/Pursue

Action 32: Gambling Commission's improved reporting mechanism for sports corruption to contribute to Home Office's proposed single reporting mechanism (December 2014) – Protect

Private Sector

4.59 The Serious and Organised Crime Strategy highlighted that organised crime cannot function without access to the legitimate economy. Criminals will seek to launder their illegal profits through the financial sector, or use the services of lawyers or accountants to invest in property or set up front businesses. A small number of corrupt or negligent professional enablers, such as bankers, lawyers and accountants can act as gatekeepers between organised criminals and the legitimate economy. Further detail on the steps government is taking to prevent

money laundering and tackle professionals who facilitate it is set out in the chapter on Recovering Stolen Assets and Tackling Illicit Financial Flows Linked to Corruption.

Private Investigators

4.60 We know that there are some private investigators that are thought to work with, and on behalf of, serious and organised crime groups. These individuals pose a threat to law enforcement operations, information and assets. The Home Secretary announced on 31 July 2013 that private investigators would be subject to statutory licensing by the Security Industry Authority (SIA), the regulator who already licenses other sectors in the private security industry. This will help prevent rogue investigators from working in the sector and better protect the public against intrusive and invasive investigative practices, which may use corruption as a tool. The Government remains committed to regulating this sector and to making it a criminal offence for a person to operate without an SIA issued licence.

Action 33: Home Office to introduce a new criminal offence for a person to operate as a private investigator without an SIA issued licence (subject to Parliamentary timetable) – Pursue

Strengthening the governance of banks and conduct in financial markets

4.61 Strong and successful financial services that set the highest standards are an essential part of building a resilient economy. The Government has taken clear and consistent action to strengthen the governance of financial markets and address misconduct.

4.62 In particular, in June 2014, the Government announced a review of the way wholesale financial markets operate, including trading practices, regulation and supervision. The Fair and Effective Markets Review will focus on those wholesale markets where most of the recent concerns about misconduct have arisen and builds upon the tough action already taken to punish wrongdoers and fix the financial system. The Review has published a consultation paper on 27 October which sets out further details of its work, proposes potential sources of vulnerability in these markets, and identifies some specific policy options. The Review will report in June 2015.

4.63 In addition, the Financial Services (Banking Reform) Act 2013 brings in (among other things) a tougher approval regime for senior bankers; and comprehensive requirements for banks (including building societies and certain investment firms) to vet the suitability of their staff and monitor their compliance with rules of conduct made by the Prudential Regulation Authority and the Financial Conduct Authority. The FCA and PRA issued a consultation on the detailed rules for implementing these reforms in July. As announced in June, the Government also consulted in early November on extending the Senior Managers and Certification Regime to cover all banks that have a presence in this country.

Action 34: HM Treasury to commence provisions of the Financial Services (Banking Reform) Act 2013. Prudential Regulation Authority and Financial Conduct Authority to develop rules to put detailed requirements in place (from December 2014) – Protect/Pursue

Action 35: Fair and Effective Markets Review to report in June 2015 – Protect

Corporate Criminal Liability (Failure to prevent economic crime)

4.64 The Bribery Act 2010 established a new offence which can be committed by commercial organisations which fail to prevent persons associated with them from bribing another person on their behalf. It is a full statutory defence for an organisation to show it has adequate procedures in place to prevent those persons associated with it from bribing. In addition to bribery, there are likely to be other forms of economic crime for which it is appropriate to ensure that senior corporate actors are sufficiently accountable. The Government will therefore examine the case for a new offence of corporate failure to prevent economic crime and look at the rules on establishing corporate criminal liability more widely.

Action 36: The Ministry of Justice will examine the case for a new offence of a corporate failure to prevent economic crime and the rules on establishing corporate criminal liability more widely (by June 2015) – Pursue

The UK Law Enforcement Response to Corruption



5.0 The UK has a range of agencies involved in the law enforcement response to corruption. As part of this, the National Crime Agency (NCA) was established in October 2013, to lead, coordinate and support the operational response to serious and organised crime, including economic crime. It oversees the law enforcement response to bribery and corruption. It works closely with law enforcement and criminal justice partners, including:

- Serious Fraud Office (SFO) which leads on serious or complex and overseas cases of bribery and corruption;
- Regional Organised Crime Units and local police forces, both of which deal with domestic corruption cases (except law enforcement corruption);

- Crown Prosecution Service (CPS) which advises on investigations and conducts all relevant prosecutions, other than those brought by the SFO;
- Police Scotland and the Police Service of Northern Ireland (PSNI); and
- Financial regulators, such as the Financial Conduct Authority.

5.1 To deal with corruption allegations linked to law enforcement the NCA, all local police forces, Police Scotland, PSNI, NOMS and HM Revenue & Customs have dedicated anti-corruption units.

5.2 As part of an innovative approach to tackling the UK end of international corruption, the Department for International Development (DfID) provides funding for three

units (based within the NCA, Metropolitan Police and City of London Police) to investigate aspects of international corruption that affect the UK's key partner developing countries. These focus on the tracing, seizing and recovery of illicit financial flows into the UK, and bribery by UK companies or individuals in developing countries.

5.3 This is complex work which requires specialist investigators, with access to a range of tools. The SFO has invested considerable resource in developing its capacity to tackle bribery and corruption and around half of its operational capability is now directed towards this work.

5.4 To ensure a coordinated approach to prosecutions, the SFO and CPS have produced a statement of policy on their joint approach to prosecutions under the Bribery Act 2010 and have published jointly agreed guidelines on their approach to prosecuting corporate entities. The Director of the SFO and the Director of Public Prosecutions have also published a joint code of practice for Prosecutors on the use of Deferred Prosecution Agreements (DPAs)²⁰.

Strengthening the UK Law Enforcement Response to Corruption

5.5 The UK is committed to strengthening the law enforcement response to bribery and corruption. In the first three years of the Bribery Act coming into force, four people were sentenced for offences under the Act. In 2013, 40 people were sentenced for 'Misconduct in Public Office'²¹.

5.6 To boost capacity to investigate cases of international corruption and act as a centre of excellence, a new central bribery and corruption unit will be created within the NCA by bringing together resources from the NCA and the DfID-funded units.

5.7 The NCA, working with other agencies, will also implement a programme to improve the recruitment and retention of specialists that are key to these investigations, including financial investigators, forensic accountants and experts in digital forensics.

5.8 Furthermore, it is recognised that international corruption cases are often lengthy, complex and expensive to investigate. Article 57(4) of the UN Convention against Corruption expressly provides for the recovery of reasonable expenses from any sums confiscated in corruption cases. To enhance the resources available for enforcement of international corruption cases, the UK will now seek to recover its full costs from any confiscated funds before they are returned to the requesting country.

Review of the enforcement response

5.9 In addition to the steps above, the Government will review the enforcement response to bribery and corruption more broadly and determine how to go even further in prosecuting and disrupting those who engage in bribery, corruption and associated economic crimes or hide the proceeds here. This will include a full consideration of the powers, capabilities and

20 <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2013/deferred-prosecution-agreements-new-guidance-for-prosecutors.aspx>

21 Source: Justice Statistics Analytical Services – Ministry of Justice (Ref: Adhoc 457-14).

structures involved in the response to bribery and corruption. Civil society, industry and practitioners will be invited to contribute to this review to ensure that it takes account of a wide range of views on how to ensure the most effective response.

Action 37: A new central bribery and corruption unit will be created within the NCA by bringing together resources from the NCA and the DfID-funded units (by April 2015) – Pursue

Action 38: The NCA, working with other agencies, will implement a programme to improve the recruitment and retention of specialists to support corruption investigations (by April 2015) – Pursue

Action 39: Cabinet Office to take forward a review of the enforcement response to bribery and corruption more broadly, reporting to the Inter-Ministerial Group on Anti-Corruption (by June 2015) – Pursue

5.10 In October 2014, new guidelines by the Sentencing Council came into effect for cases of fraud, bribery and money laundering. These brought in new rules on how those convicted of these offences should be sentenced; ensuring that the impact on victims is central to these decisions and making clear the serious consequences for offenders, both individual and corporate.

5.11 The Home Office will work with other Government departments and operational agencies to highlight the damage caused by corruption and ensure that all relevant agencies are taking action to identify, disrupt and prosecute those who use corruption or bribery as a tool of their trade. In Scotland, Police Scotland has established a dedicated

Public Sector Counter Corruption Unit to prevent and investigate corruption across the public sector.

Action 40: New guidelines on sentencing in cases of fraud, bribery and money laundering to take effect (from October 2014) – Pursue

Using Deferred Prosecution Agreements

5.12 The Crime and Courts Act 2013 introduced Deferred Prosecution Agreements (DPAs) in England & Wales which provide prosecutors with a new mechanism for dealing with corporate economic crime, including bribery and corruption.

5.13 DPAs may include a range of conditions such as disgorgement of profits, financial penalties, compensation to victims, implementation of compliance programmes and the appointment of monitors to supervise the application of these measures to ensure future anti-bribery compliance. DPAs will be subject to judicial approval to ensure that a DPA is in the interest of justice and that the proposed terms are fair, reasonable and proportionate. The legislation requires the Court to make a declaration in open court of its approval for a DPA, and the prosecutor to publish the DPA on its website once it is approved by the Court.

Recovering Stolen Assets and Tackling Illicit Financial Flows Linked to Corruption



“Cracking down on corruption, and working to recover stolen assets, is an issue which has increasingly gained international importance and is one we must continue to work hard on.”

(Home Secretary’s Opening Speech, Ukraine Forum on Asset Recovery, April 2014)

6.0 We know that corrupt foreign officials target the UK, its financial institutions and professional services to launder their misappropriated funds and stolen assets. Tackling illicit finance is a key priority for the UK and was a cornerstone of the UK’s G8 Presidency in 2013. The Serious and Organised Crime Strategy sets out how the government will make it even harder for individuals either based in the UK or overseas, to move, hide and use the proceeds of crime.

Case Study

James Ibori was jailed for a total of 13 years for embezzling millions of US dollars of Nigerian public funds following a significant investigation by the Metropolitan Police Service's Proceeds of Corruption Unit.

Ibori – an ex-governor of Nigeria's oil-rich Delta State – siphoned off an estimated US\$250million of state funds that should have been used to improve the lives of his electorate, for his personal use. The money was lavished on a portfolio of luxury houses, fleets of top-of-the-range cars, fees at some of the UK's most expensive boarding schools, first class travel, expensive hotels and even a US\$20 million private jet. His monthly credit card bills alone amounted to around US\$200,000 in personal spending.

In the first case of its kind, Ibori was arrested and prosecuted following a long-running investigation by officers from the Proceeds of Corruption Unit.

6.1 The UK takes its commitments under the United Nations Convention against Corruption to collaborate on the tracing, seizing, recovery and return of stolen assets extremely seriously. At the G8 summit at Lough Erne in 2013, the Prime Minister committed to lead from the front in implementing the Financial Action Task Force (FATF) standards on combating money laundering and the financing of terrorism and proliferation. In particular, the UK is leading the way on company ownership transparency by implementing a publicly accessible register of company beneficial ownership.

Recovering Stolen Assets

Asset Recovery Task Force

6.2 In 2012, the UK Government established an innovative taskforce approach to improve the recovery of stolen assets linked to corruption. The Task Force brings together and joins up the work of Whitehall Departments and operational partners, with a focus on operations, diplomacy, policy and communications. The initial focus of the taskforce was on the Arab Spring countries but more recently the government has also used this approach with Ukraine, including the hosting of the Ukraine Forum on Asset Recovery (UFAR) in April 2014. In April this year, the SFO announced that it has opened a criminal investigation into possible money laundering arising from suspicions of corruption in Ukraine, obtaining a restraint order freezing approximately \$23m of assets in the UK in connection with the case.

Rapid Reaction Team

6.3 The experience in both the Arab Spring and Ukraine has illustrated the importance of collective and international coordination in the initial phase of major asset recovery episodes. Establishing an internationally-based 'rapid response' capability that could quickly deploy a single set of experts to those countries where regime change has taken place, would efficiently provide expert assistance in mutual legal assistance and asset recovery.

Action 41: DfID to develop proposals for establishing an international rapid reaction team to deploy to countries where regime change has taken place, in order to provide expert assistance in mutual legal assistance and asset recovery (by June 2015) – Pursue

Action 42: HM Treasury and Home Office to complete the National Risk Assessment on Money Laundering and Terrorist Financing (by early 2015) – Pursue/Protect

Action 43: HM Treasury and Home Office to produce an Anti-Money Laundering Action Plan to address issues highlighted by the National Risk Assessment on Money Laundering and Terrorist Financing (following publication of the National Risk Assessment) – Pursue

Tackling Money Laundering and Illicit Financial Flows

Identifying risks and ensuring effective supervision

6.4 The UK already has a tough anti-money laundering (AML) regime in place. It is important that regulators and supervisors responsible for overseeing the regime take robust action to ensure that sectors properly understand the risks they face and comply with the rules.

6.5 The G8 summit saw the UK commit to conduct, and share the findings of, a national assessment of money laundering and terrorist financing risk, which will be particularly relevant to those involved in preventing stolen and corrupt assets being hidden in the UK or laundered through the UK's financial institutions. After the risk assessment has been completed the UK will produce an action plan to address any issues highlighted and make it harder for those who seek to launder money in the UK.

6.6 Banks are required to conduct, on a risk sensitive basis, enhanced customer checks when dealing with Politically Exposed Persons (PEPs), who may be at greater risk of corruption, and are required by law to report any suspicious activity to the National Crime Agency. There have been cases where the regulations have not been followed and the Government expects that these will be dealt with effectively by the regulators. These provisions currently apply to foreign PEPs. The global standards now require regulated firms to identify and assess, on a risk sensitive basis, if their customers are domestic PEPs and whether enhanced due diligence is warranted. This will be implemented in the UK following agreement on the Fourth EU Money Laundering Directive. HM Treasury will work with the regulators and supervisors of the AML regime to strengthen compliance and encourage transparency.

Action 44: HM Treasury to work with AML supervisors to assess their sectors' vulnerability to corrupt PEPs and encourage a risk-based approach to supervision and compliance by firms. HM Treasury to report on progress including through the Annual Report on Anti-Money Laundering Supervision and the National Risk Assessment (ongoing from December 2014) – Protect

6.7 Under AML regulations, the regulated sector is required to make reports of suspicious financial activity to law enforcement for investigation. The Home Office will review the Suspicious Activity Reporting (SARs) regime to develop ways of better identifying money laundering and preventing the dissipation of the proceeds of corruption; and will work with the reporting sectors to improve the quality and timeliness of reporting to the National Crime Agency.

Action 45: Home Office to review the Suspicious Activity Reporting regime and to work with the reporting sectors to improve reporting to the National Crime Agency (by July 2015) – Pursue

Enhancing investigative powers and improving cooperation with the financial sector

6.8 The Government is also working to strengthen the Proceeds of Crime Act 2002 to enable assets to be restrained more quickly in investigations and to extend investigative powers under the Act so they can be applied to trace stolen assets after the confiscation order has been made.

Action 46: Home Office to seek to amend the Proceeds of Crime Act 2002 to enable the use of investigative powers after a confiscation order has been made to facilitate the tracing and recovery of hidden assets (by March 2015) – Pursue

Action 47: Home Office to seek to amend the Proceeds of Crime Act 2002, changing the legal test for a restraint order from one of 'reasonable grounds' to one of 'suspicion' in both domestic and international cases (by March 2015) – Pursue

6.9 The NCA will work closely with businesses across the financial sector to support them in reducing their exposure to money laundering and increase the capability of law enforcement to target money launderers effectively. Tackling money laundering within a globalised financial system where huge volumes of international transactions take place in seconds raises challenges for law enforcement. Following work with the financial sector, the Home Office will consider further strengthening the financial investigation powers available to law enforcement officers to ensure that they can respond effectively.

Action 48: NCA to increase its liaison with the financial sector to support businesses in reducing their exposure to money laundering and increase the capability of law enforcement to target money launderers (by March 2015) – Pursue/Protect

Action 49: Home Office to consider further strengthening the financial investigation powers available to law enforcement (by June 2015) – Pursue

Company beneficial ownership

6.10 Numerous studies have identified the role of company misuse through hidden ownership in facilitating money laundering and corrupt activity. The UK has therefore committed to enhance transparency around who ultimately owns and controls UK companies (the company's 'people with significant control' or 'beneficial owners'). This will ensure that law enforcement and tax authorities have access to information which will help tackle corruption, tax evasion and the laundering of the proceeds of crime.

6.11 To achieve this, the UK will establish a publicly accessible central register of UK company beneficial ownership information. Companies will be required to obtain and hold information on their beneficial owners, and provide this information to Companies House. Criminal penalties will apply where companies or individuals fail to provide information, or provide false information.

6.12 The UK's intentions are set out fully in the Government's response to the Transparency and Trust²² discussion paper, published on 21 April 2014. Legislative provision to implement this 'register of people with significant control' is contained in the Government's Small Business, Enterprise and Employment Bill. We intend to implement the register as soon as practicable after the necessary primary and secondary legislation is in place. It will be important to ensure that information in the register is accurate and we are in parallel carefully considering whether any further reform is necessary to achieve this.

Action 50: BIS to implement a central register of UK company beneficial ownership information as soon as practicable after the necessary primary and secondary legislation is in place (subject to Parliamentary timetable) – Pursue

Abolition of bearer shares

6.13 The Financial Action Task Force and Global Forum have also identified bearer shares as high risk and as useful for criminals, including those laundering the proceeds of corruption. The response to the Transparency and Trust discussion paper²³ therefore set out the Government's intention to prohibit the issue of bearer shares²⁴ by UK companies, and abolish those currently in existence. Legislative provision to achieve this is also contained within the Government's Small Business, Enterprise and Employment Bill.

Action 51: BIS to implement legislation to abolish bearer shares in the Small Business, Enterprise and Employment Bill (subject to Parliamentary timetable) – Protect

Tackling professional enablers

6.14 The Government expects businesses based in the UK to act with high levels of integrity, in both their domestic and international transactions. Professionals engaging in corrupt or illegal practices can expect heavy criminal sanctions.

22 <https://www.gov.uk/government/consultations/company-ownership-transparency-and-trust-discussion-paper>
23 Ibid.

24 Bearer shares (defined in Section 122 and Section 779 of the Companies Act 2006) certify the bearer of the warrant is entitled to the shares represented by it. This means the legal ownership of the share can be transferred simply by passing the physical share warrant from one person to another – there is no record of ownership, or change of ownership, on the company's register of members. These shares are therefore a means for individuals to avoid any record of their ownership of a stake in a company, so allowing them to conceal or transfer control.

Preventing professionals engaging in corrupt practice

6.15 The Home Office and NCA will work with the regulators of key professions to ensure that they are well informed about organised crime. In turn, the regulators will work to prevent professionals in their sectors from engaging in corrupt or criminal practices. This includes working with the Anti-Money Laundering Supervisors Forum (which brings together the supervisors of the regulated sector) and the Money Laundering Advisory Committee, chaired by the Home Office and HM Treasury (HMT) to raise awareness of the risks from corruption.

6.16 Government will also work closely with private sector regulators, such as the Solicitors Regulation Authority, Institute for Chartered Accountants England & Wales, Financial Conduct Authority and HM Revenue and Customs (HMRC) to identify and take strong action against individuals working within the legal, accounting and financial sectors who aid and abet illicit financial flows through the UK. The NCA has established a taskforce response to target high risk professions.

6.17 Home Office and HM Treasury are working with regulators to strengthen their approach to anti-money laundering enforcement, including how they can protect themselves and their sectors in line with emerging risks and threats. Where appropriate we will share information with the private sector to allow them to take regulatory action against corrupt professionals. These efforts must be echoed at an international level to ensure the global response is consistent and robust.

Action 52: The Home Office will work with regulators and professional bodies to deliver targeted communications campaigns aimed at deterring professionals' involvement in serious and organised crime (whether wittingly or unwittingly) and encouraging the adoption of preventative behaviours (from October 2014) – Prevent

Action 53: The NCA will work with regulators and professional bodies to drive the small number of corrupt legal and financial professionals out of the system and provide effective support to the overwhelming majority who want to operate safely within the law (from December 2014) – Pursue/Protect

Participation in organised crime

6.18 Wherever we can we will prosecute those involved in serious and organised crime. The law makes available a broad set of powers to prosecute and punish individuals for committing any of the criminal offences that could be considered as serious or organised crime. Under the Serious Crime Bill we are also bringing forward a proposal for a new offence of participating in the activities of an organised crime group, which will target the people who oil the wheels of organised crime and will carry a maximum sentence of 5 years' imprisonment. This new offence will particularly address the use by organised crime groups of a range of associates, both professional and non-professional who help them in their criminal enterprises, including where the basis for that relationship is corruption.

Action 54: Home Office to introduce a new offence of participating in the activities of an organised crime group (by March 2015) – Pursue

Leading the Fight against International Corruption



7.0 Corruption is bad for sustainable development, bad for those who live in poverty and bad for business. It causes huge damage, particularly to developing countries, diverting and wasting precious resources. Corruption is often at the root of conflict and instability. The uncertainties of bribery stifle business development and inward investment.

7.1 As well as activity here in the UK, the Government recognises the need to work with others to promote higher global standards. Action to tackle corruption overseas needs to take place both directly within our partner countries and internationally to strengthen the global 'architecture'.

Raising Global Standards for All

Supporting Developing Countries to Tackle Corruption

7.2 The Department for International Development (DfID) has a number of programmes which provide support to developing countries. These range from supporting governments to manage public resources and deliver services openly and capably; to enhancing scrutiny of individual wealth and conflicts of interest, such as asset disclosure regimes.

7.3 DfID also plays a leading role in supporting more effective law enforcement against corruption-related offences and helps to build the global evidence base

through research programmes and rigorous evaluations of anti-corruption interventions.

7.4 Recent successes include the passing of key legislation (Sierra Leone, Zambia, Tanzania); amendments to constitutions to give greater prominence to anti-corruption or greater powers to Commissions (Zambia, Sierra Leone); setting up of new technical units (such as the Financial Intelligence Unit in Tanzania, or the externally-staffed Monitoring and Evaluation Committee for the Afghanistan Anti-Corruption Commission); and the development or revision of National Anti-Corruption policies in various countries.

7.5 In addition to DfID's extensive anti-corruption efforts, the Foreign and Commonwealth Office (FCO) currently funds around 30 overseas projects that focus on anti-corruption and transparency. Some of these projects directly involve working with the private sector, while others involve capacity-building or providing technical assistance to promote domestic reform. In Brazil and Colombia FCO are promoting best practice in public procurement; in China, we have a project on the prevention and control of commercial bribery and in India we are working with businesses to reduce the risk of corruption.

Action 55: DfID and FCO to continue to fund innovative projects on anti-corruption and transparency (including during FY2014/15)

Protecting Development Aid

7.6 The UK is one of the world's leading international aid donors, with 0.7% of national income being spent in aid. Major initiatives have been taken forward over the last two years to increase transparency

and scrutiny across the whole of the UK aid programme. Choosing the right instrument to deliver aid is an important element of the Government's strategy for reducing the risk of corruption. In any country where financial aid is being considered (providing funds directly to the partner government), DfID carries out a Fiduciary Risk Assessment which assesses the financial competence and capacity of potential government partners. It also includes a specific assessment of corruption risk within the respective country and is subject to an independent quality assurance process.

7.7 Many of DfID's projects and programmes are implemented through delivery partners and these are subjected to a range of due diligence processes as an additional safeguard against fraud and loss. All grant applicants undergo a thorough due diligence process to ensure long term value for money. In areas of high risk, particularly in relation to work in fragile and conflict affected areas, DfID is making increased use of monitoring agents, independent audits and other additional safeguards.

7.8 For each of DfID's 28 main partner countries, DfID has published a country-specific anti-corruption strategy which sets out specifically how UK aid programmes will tackle corruption in each country, both in terms of protecting UK aid funds and in terms of support for broader anti-corruption activities.

Action 56: DfID to review their country-specific anti-corruption strategies to take account of new and emerging threats to UK aid and opportunities for supporting national efforts to reduce corruption in partner countries (by December 2015)

7.9 The role of civil society in fostering change and strengthening accountability of governments to their citizens is also especially important, and is a key component of DfID's empowerment and accountability initiatives. DfID provides support to civil society organisations, reflecting their importance in upholding standards and scrutinising government performance.

7.10 The UK has also led the International Aid Transparency Initiative (IATI), which aims to make information about all aid spending easier to find, use and compare. IATI has developed an aid transparency standard to increase the openness, timeliness, depth and accuracy of information. This means more information is available for scrutiny and means that those involved in aid programmes will be able to better track what aid is being used for and what it is achieving. This stretches from taxpayers in donor countries, to those in developing countries who benefit from aid. The UK was the first country to publish data in line with the IATI standard as a key part of the UK Aid Transparency Guarantee. Others are now following our example and, together, IATI signatories now provide more than 80% of global Official Development Assistance.

7.11 The Independent Commission for Aid Impact has recently published its review of the extent to which it considered DfID's approach to anti-corruption is reducing the negative effects of corruption on its intended beneficiaries i.e. the poor. DfID will take forward aspects of the recommendations.

Action 57: DfID to respond to the recommendations made by ICAI in its report on DfID's approach to anti-corruption (by December 2014)

Tackling Corrupt Officials Overseas

7.12 The UK has trialled a range of innovative approaches to tackling corruption in recent years, including the use of development funding to pay for UK law enforcement units investigating international corruption. But the Government recognises that there is more that can be done collectively to tackle corruption through interventions designed to shift the norms of behaviour in corrupt societies. It will explore innovative methods, including the potential for a greater use of measures such as visa bans and exclusion orders for corrupt foreign officials.

7.13 A new Inter-Ministerial Group will oversee the development of a toolkit of interventions to provide Departments and overseas posts with a single source of available options for taking action on cases of corruption, ensuring a consistent and professional approach across government.

Action 58: FCO and DfID will develop a toolkit of interventions to catalyse better HMG co-ordination to tackle international corruption cases and raise standards (by March 2015)

7.14 The Government will also work with like-minded countries to strengthen international collaboration in the fight to combat corruption of foreign public officials both bilaterally and multilaterally.

The UK's International Engagement

7.15 The UK works to improve standards of anti-corruption legislation and enforcement among our international partners through the United Nations, the Council of Europe and the OECD conventions against corruption. The UK's coordinated approach to tackling corruption, as set out in this document, will enable us to enhance our impact in raising international anti-corruption standards and better deliver our foreign policy objectives.

7.16 To take forward the Lough Erne G8 Declaration's commitment to greater transparency, the UK will use its influence, for example through its roles in the G7, G20, OECD, FATF, United Nations and in the main international development organisations such as the World Bank, the IMF and regional development banks, to seek to raise international standards for combating corruption at every opportunity.

Action 59: Cabinet Office to coordinate the UK's international engagement on corruption so that the UK has a coherent approach and clear priorities for raising global anti-corruption standards, particularly through the G7, G20, OECD, GRECO, FATF and United Nations Working Groups on corruption and related issues (ongoing from December 2014)

7.17 The Annex to this document provides more detail on the UK's involvement with the UN Convention Against Corruption (UNCAC), G20 Anti-Corruption Working Group, Council of Europe's Group States against Corruption (GRECO), Financial Action Task Force and OECD Bribery Convention.

International Peer Reviews

7.18 The UK is a signatory to the key international anti-corruption standards, including the UN Convention against Corruption (UNCAC), the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and the Council of Europe's Group of States against Corruption (GRECO). It takes an active part in the working groups and peer review processes associated with each of these, which aim to identify how successfully countries around the world are implementing various international anti-corruption conventions, and raise standards of compliance.

7.19 The Government is committed to considering and responding promptly to all of the recommendations made for the UK by these reviews. In particular, this year the UK will respond to the latest reviews by the OECD Working Group on Bribery and GRECO.

7.20 The UK also acknowledges the EU Anti-Corruption Report published in February 2014 and is committed to working with the European Commission to ensure that future reports are focussed on targeting the most pressing corruption risks across the EU.

Action 60: Cabinet Office to coordinate the UK Government's responsibility for peer reviews, including those conducted by the OECD Working Group on Bribery, GRECO and UNCAC, with all relevant Government Departments supporting the Cabinet Office in responding to the recommendations made in evaluations (ongoing from December 2014)

Foreign Bribery

Case Study

In 2007 the US Department of Justice brought its investigation of both the UN's Oil-for-Food programme and the bribery of foreign government officials to the SFO's attention. The SFO accepted the case against Associated Octel Corporation (subsequently renamed Innospec) ("the Company") and its employees in May 2008 and began investigating allegations that the company had paid bribes to public officials and other agents of the Governments of Iraq and Indonesia as inducements to secure, or as rewards for having secured, contracts for the supply of Innospec products including Tetraethyl Lead, also known as TEL.

TEL is a highly dangerous organo-lead compound that was created as an octane booster to be added to engine fuel. Leaded fuel, i.e. fuel that contains TEL, was banned in the UK in 2000 due to links between the compound and severe neurological damage and for environmental reasons.

Innospec pleaded guilty in March 2010 to bribing officials in Indonesia and was fined \$12.7 million in the UK with additional penalties being imposed simultaneously in the USA in what was the first example of a coordinated and simultaneous resolution of a company's global liability. The company was also subject to three years of independent corporate compliance monitoring which jointly reported to the SFO and US authorities.

Two employees of the company including a former CEO subsequently pleaded guilty in 2012 for their role in bribing officials in Indonesia and Iraq. One of these employees later gave evidence against two others who denied the allegations.

In 2014 the two other defendants, a further former CEO and a former Regional Sales Director for the Asia Pacific region, were subsequently convicted of conspiracy to commit corruption for their role in bribing state officials in Indonesia in the SFO's first successful contested foreign bribery trial.

All four defendants were sentenced in August 2014 with sentences ranging between a suspended 16 month custodial sentence (in respect of the co-operating defendant) and four years (later reduced to three years on appeal).

Upon sentencing the defendants, HHJ Goymer said:

"The real harm from this type of corruption lies in its effect upon public life, its effect upon the community and, particularly with the type of corruption here, its effect on the environment as a whole and upon the environment internationally and in those particular countries that are affected."

7.21 It is an offence for UK nationals and companies to give or take bribes overseas. Foreign bribery can jeopardise the UK's reputation for clean business practices. The Government is committed to raising standards here and abroad and has, through the Bribery Act 2010, introduced some of the toughest legislation in the world. Transparency International has for several years recognised the UK as an active foreign bribery enforcer, currently one of only four countries worldwide and one of only two EU member states to be recognised²⁵. To support other countries in developing their own anti-bribery legislation, international partners will be able to attend Ministry of Justice-led International Bribery Act workshops to share the UK's experience of drafting and developing the UK Bribery Act.

7.22 The UK will continue to raise awareness of the Bribery Act, particularly amongst commercial organisations and internationally and take enforcement action where offences are discovered. The UK has refreshed its 'Memorandum of Understanding on Tackling Foreign Bribery' which sets out the relationships between various UK agencies in dealing with allegations of foreign bribery.

7.23 The Bribery Act created a new offence of failure of commercial organisations to prevent bribery. An organisation that can prove it has adequate procedures in place to prevent persons associated with it from bribing will have a defence to that offence. To assist organisations in developing adequate procedures, guidance has been produced by the Ministry of Justice²⁶. In addition, a wealth of sector specific guidelines have also been produced by business themselves who know and understand the challenges posed by corruption. A good example is the toolkit produced by the Aerospace, Defence and Security organisation (ADS) which contains specific advice on tackling bribery.²⁷ Other sectors have also produced guidance for example, banking,²⁸ charity²⁹, construction,³⁰ extractive industries³¹ and many more. The Financial Conduct Authority has produced guidance for their regulated sector³² and the UK is a co-sponsor of the Business Anti-Corruption Portal,³³ and provides advice and guidance via the Overseas Business Risk website³⁴.

25 Transparency International: Exporting corruption: Progress report 2013: assessing enforcement of the OECD Convention on combating bribery

26 <https://www.gov.uk/government/publications/bribery-act-2010-guidance>

27 https://www.adsgroup.org.uk/pages/83675783.asp#aGroup_1

28 <https://www.bba.org.uk/policy/financial-crime/anti-bribery-and-corruption/bribery-act-2010-guidance-on-compliance/>

29 <http://www.cfg.org.uk/Policy/charity-law-and-regulation/bribery-act-2010.aspx?gclid=Clqxnt7s9r0CFQcewwodhjlAxw>

30 http://www.britishexpertise.org/bx/pages/bx_acf.php

31 [http://www.de.ey.com/Publication/vwLUAssets/Managing_bribery_and_corruption_risks_in_the_mining_and_metals_industry/\\$FILE/EY-Managing-bribery-and-corruption-%20risks-in-the-mining-and-metals-industry.pdf](http://www.de.ey.com/Publication/vwLUAssets/Managing_bribery_and_corruption_risks_in_the_mining_and_metals_industry/$FILE/EY-Managing-bribery-and-corruption-%20risks-in-the-mining-and-metals-industry.pdf)

32 <http://www.fca.org.uk/about/what/protecting/financial-crime/anti-bribery-and-corruption>

33 <http://www.business-anti-corruption.com/>

34 <https://www.gov.uk/government/collections/overseas-business-risk>

The City of London Police has created a short crime prevention video³⁵ entitled “**Consequences Begin At Home**”. It has been designed to demonstrate the impact that a corruption investigation could have on companies and individuals who ignore the Bribery Act.

7.24 The UK is committed to tackling bribery and raising international standards but cannot do so alone – it requires international cooperation and agreement. The FCO will enhance the training and guidance they provide to UK Diplomatic Missions and the City of London Police has been awarded European Commission funding to create an EU Foreign Bribery Taskforce. The Taskforce aims to strengthen and consolidate law enforcement cooperation across the EU and encourage information sharing within the EU in relation to cross-border bribery matters.

Action 61: MoJ and FCO to facilitate workshops focused on sharing the UK’s experience of drafting and developing the UK Bribery Act in support of other countries as they seek to develop their own anti-bribery legislation (During early 2015)

Action 62: FCO (i) to update the guidance and information provided to UK Diplomatic Missions overseas (by December 2014); and (ii) to consider how to enhance the training available to FCO staff overseas on dealing with bribery and corruption (by March 2015)

British Overseas Territories

7.25 The Overseas Territories (OTs) are not part of the UK. They are separate British jurisdictions, each with their own Constitutions, Governments and local laws. The UK Government’s fundamental responsibility and objective is to ensure the security and good governance of the Territories and their peoples. This responsibility flows from international law, our shared history and political commitment to the wellbeing of all British nationals.

7.26 The UK is committed to taking strong action to combat corruption and expects Territory governments to do so too. The UK Government will take firm and resolute action wherever there is evidence of corruption or maladministration in a Territory. The UK suspended the elected government in Turks and Caicos Islands after a 2009 Commission of Enquiry found evidence of systemic corruption. Action was taken and the elected government was restored in 2012. We are determined that the situation that led to suspension should never be repeated in Turks and Caicos or any other Territory.

7.27 The UK Government set out a positive vision for the Territories in its 2012 White Paper: The Overseas Territories: Security, Success and Sustainability. This set out HMG’s expectation that the Territories will adhere to relevant international standards to combat bribery and corruption. UK Ministers and Territory leaders committed, at the Overseas Territories Joint Ministerial Council in November 2013, to work together as priorities on extending to the Territories international treaties on tackling corruption, bribery and the

35 <http://www.cityoflondon.police.uk/advice-and-support/fraud-and-economic-crime/oacu/0780345890-fgldkemdDLdfdfkKWQ-03451980-cpvideo/Pages/default.aspx>

financing of terrorism and of organised crime (the UN Convention Against Corruption; the OECD Bribery Convention; the UN Convention on Suppression of Financing of Terrorism; and the UN Convention on Transnational Organised Crime). In addition, at the JMC in December 2014, UK Ministers and Territory leaders committed “to continue to work together in raising international standards to tackle money laundering, tax evasion, illicit finance and corruption, leading by example given the importance of our financial centres to the international financial system”.

7.28 As a matter of policy the UK Government will only extend an international convention when a Territory has demonstrated compliance with the obligation. The British Virgin Islands (BVI), Cayman Islands and Gibraltar have had the OECD Bribery Convention extended to them and the BVI has also had the UNCAC extended. The FCO, working closely with the Ministry of Justice, has organised workshops in the Overseas Territories. The purpose is to inform participants about the importance of robust bribery legislation. Once implemented, this should make it easier to have international corruption conventions extended to them as well as the bringing into force of best practice bribery legislation. This will help them meet the obligations of UNCAC and the OECD Bribery Convention and set them on the path towards having these Conventions extended to them. The workshops will take place in early 2015.

Action 63: FCO to work closely with those Overseas Territories with a financial services industry so that they can formally seek extension of the relevant Conventions – (by late 2016)

Crown Dependencies

7.29 Crown Dependencies (the Isle of Man, the Bailiwick of Guernsey (which includes the Islands of Alderney and Sark) and the Bailiwick of Jersey) are not part of the United Kingdom. They are self-governing dependencies of the Crown with their own directly elected legislative assemblies, administrative, fiscal and legal systems and their own courts of law. However, HM Government is responsible for the defence and international relations of the Islands.

7.30 With the agreement of the UK Government and the Government of a Crown Dependency the UK’s ratification of international instruments relating to corruption, such as the UN Convention against Corruption (UNCAC), can be extended to a Crown Dependency. The Government of the Crown Dependency is responsible domestically for the implementation of the international instrument. For example, the UK’s ratification of UNCAC was extended to all three of the Crown Dependencies in November 2009. A recent example of a Crown Dependency strengthening its measures against corruption is the Isle of Man’s passing of the Bribery Act 2013, an Act of Tynwald (the island’s parliament) which is based on the UK’s Act of 2010. Guernsey and Jersey also have a long history of actively taking anti-corruption measures and are committed to combating corruption. Guernsey introduced advanced anti-corruption legislation in 2003 in the form of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003. Jersey acted similarly with their Corruption (Jersey) Law, 2005. Both are active participants in a number of global anti-corruption initiatives.

Extractives Industry Transparency

7.31 The UK is now acknowledged to be a leader in international efforts to increase transparency in extractive industries which can be drivers of large-scale corruption in developing countries. The UK has supported the Extractive Industries Transparency Initiative (EITI) since its launch in 2002. This seeks to set a global standard for transparency in oil, gas and mining. This has led to over a trillion dollars of government revenues being reported under EITI in 35 countries³⁶ around the world and \$130bn of revenues reported in Africa by over 150 companies. Last year, the G8 changed the global context for extractives industry transparency, with the UK and four other G7 members committed to implement the EITI.

7.32 On the 15 October the UK was successfully admitted as an EITI candidate country at the 28th EITI Board Meeting in Myanmar, meeting its G7 commitment to extractives transparency. The UK will now have 18 months to produce its first EITI report and 30 months to undergo validation to become a fully compliant EITI country.

7.33 The UK has implemented Chapter 10 of the EU Accounting Directive (extractives companies will be required to report on payments made to governments from 1 January 2015). This means the UK has met the commitment made at the G8 Summit Meeting in Lough Erne to implement the directive quickly. We are the first EU member state to legislate in this area.

7.34 The Open Government Partnership National Action Plan included our commitment to implement and internationally champion a global standard of financial transparency and accountability in the extractive industries (oil, gas and mining) on the part of governments and companies, in line with the principles in the G8 Open Data Charter.

7.35 Successful implementation of the Accounting Directive and Transparency Directive will be a key step towards addressing the risk and perceptions of corruption associated with the extraction of natural resources. Progress will be reported through regular updates on the commitments contained in the Open Government Partnership National Action Plan.

Action 64: The UK to produce its first EITI report (by April 2016)

³⁶ <http://eiti.org/countries>

Implementing the Anti-Corruption Plan

8.0 This Plan sets out a number of actions that the UK Government will take to improve how we deal with bribery and corruption, particularly how the Government will:

- build a better picture of the threat from corruption and the UK's vulnerabilities;
- increase protection against the use of corruption by organised criminals and strengthen integrity in key sectors and institutions, including the criminal justice system and regulated professions;
- strengthen our law enforcement response so that we can pursue, more effectively, those who engage in corruption or launder their corrupt funds in the UK;
- improve transparency, tackle money laundering and return stolen assets;
- raise global standards for all, including through our international development programmes; and
- promote sustainable growth, including through our work to stop bribery.

8.1 To oversee this approach, the Government has established a number of new structures including:

- **Inter-Ministerial Group on Anti-Corruption** – jointly chaired by the Government Anti-Corruption Champion and the Home Office Minister responsible for organised crime. This brings together Ministers and heads of operational agencies to oversee delivery of the

commitments in this Plan and set the direction for the Government's domestic and international anti-corruption activity.

- **Cabinet Office Unit on Corruption** – the Cabinet Office is establishing a new Joint Unit on international corruption, providing a secretariat to the Government Anti-Corruption Champion and working closely with the Home Office, which leads on coordinating domestic corruption policy.

8.2 The role of the Government Anti-Corruption Champion is a personal appointment of the Prime Minister. The Champion will be supported by the new Cabinet Office unit to take on a strengthened role in overseeing the Government response to both domestic and international corruption. The main elements of the Champion's role are:

- Scrutinising the performance of departments and agencies, as co-chair of the Inter-Ministerial Group on Anti-Corruption;
- Responsibility, along with Home Office Ministers, for approval of the UK's Anti-Corruption Plan and for parliamentary and public accountability of the Government's performance against the Plan;
- Responsibility, along with other Ministers, for leading the UK's push to strengthen the international response to corruption; and
- A mandate to engage with external stakeholders, including business and civil society organisations.

8.3 The Government will continue to enhance its engagement with civil society organisations. Given the nature of the threat from corruption, which not only involves public institutions, government will also strengthen its anti-corruption dialogue with the private sector and will organise a regular forum where this can take place.

8.4 The new Inter-Ministerial Group will oversee delivery of the commitments in the Plan and progress updates will be published on the Gov.uk or Open Government Partnership websites. The Government is committed to ensuring that this is a living document which evolves alongside the nature of the threat from corruption and our response both here in the UK and overseas.

Action 65: Cabinet Office to establish a new cross-departmental unit on international corruption, providing support to the Government Anti-Corruption Champion (from December 2014)

Action 66: Cabinet Office to arrange a regular forum for civil society and business leaders to engage with the Government on corruption and bribery issues (by January 2015)

Annex – International Engagement

The UN Convention against Corruption (UNCAC)

The UN Convention against Corruption provides a potentially vital transformative framework for cooperation between donors and partner governments in tackling corruption. The UK contributed significantly to the establishment of the Convention and continues to support the work of the UNCAC Secretariat within the UN Office of Drugs and Crime (UNODC) in Vienna to assist in the effective implementation of the Convention. For example, DfID has funded the development of UNODC's UNCAC legal library³⁷, a state-of-the-art interactive tool making available comparative information on legal provisions on corruption in all countries signed up to the Convention. We have also contributed to civil society training programmes run by UNODC which enable citizens to get involved in the monitoring of compliance that Governments agree to by becoming a Party to UNCAC.

The global architecture for asset recovery has developed strongly following the inclusion in UNCAC of obligations on developed and developing countries to collaborate on the tracing, seizing, recovery and return of stolen assets. To support the development of stronger knowledge on the obstacles to effective asset recovery, the UK has been a

founding funder of the World Bank's Stolen Asset Recovery Initiative (StAR) which has generated a suite of valuable technical products for guiding policymakers and practitioners in this area. The UK is also a core funder, along with Switzerland and Liechtenstein, of the International Centre for Asset Recovery (ICAR) at the Basel Institute of Governance which provides practical case management advice to countries pursuing asset recovery. These two bodies have transformed the global framework for asset recovery in recent years, and provide developing countries with new avenues for technical assistance in all stages of the asset recovery process.

Through contributions to both the World Bank and International Monetary Fund anti-money laundering technical assistance programmes, the UK is now helping a range of developing countries to strengthen their anti-money laundering regimes. These channels of support deliver strong economies of scale.

Financial Action Task Force (FATF)

This also complements the UK's work as a member of the Financial Action Task Force (FATF) and as an observer to a number of FATF style regional bodies (FSRBs). The UK routinely attends a number of FSRBs as an

³⁷ <https://track.unodc.org/LegalLibrary/Pages/home.aspx>

observer, including the Middle East North Africa FATF (MENAFATF), Caribbean FATF (CFATF) (of which many of the UK Overseas Territories are members) and Eastern and Southern African Anti-Money Laundering Group (ESAAMLG). The UK's primary role as an observer is to help support the members in holding one another to account for deficiencies in their regimes.

In the 4th round of FATF evaluations, currently under way, countries will be assessed on both their technical compliance with the 40 FATF Recommendations and the effectiveness of their regimes. Assessors will also consider contextual factors that may impact on the effectiveness of an AML/CFT regime, and this will include the level of corruption and the impact of measures to combat corruption in a country.

A robust AML/CFT regime is a powerful tool in combating corruption and the FATF recognises the synergies between the two. While the focus of the FATF Recommendations is on combating money laundering and terrorist financing, they include specific measures which recognise corruption risks, for example, requiring financial institutions to take action to mitigate the risks posed by politically exposed persons (PEPs), requiring countries to have mechanisms in place to recover through confiscation the proceeds of crime, and requiring countries to implement the UN Convention.

G20 Anti-Corruption Working Group

The UK has played a central role in driving innovation within the G20 Anti-Corruption Working Group. Plans have been developed across 11 aspects of the corruption challenge where G20 countries are committed to showing global leadership

by example. These include: re-emphasising the centrality of implementing UNCAC; ensuring all G20 have effective laws against foreign bribery; strengthening cross-border collaboration on corruption and asset recovery; agreeing principles for denial of travel and visas for corrupt persons; strengthening public service integrity, transparency in public finances and ethics and integrity in multilateral organisations; and working for a stronger G20-business partnership. The UK will continue to play a strong role on anti-corruption at the G20.

GRECO – Council of Europe's Group of States against Corruption

The Group of States against Corruption (GRECO) was established by the Council of Europe in 1999 to monitor compliance with Council of Europe anti-corruption instruments. GRECO's objective is to enhance member states' capacity to tackle corruption by means of a process of peer evaluation. The UK became a member in 1999, and is an active participant in its proceedings. GRECO conducted its fourth round evaluation of the UK's efforts to prevent corruption in respect of Members of Parliament, Judges and Prosecutors in 2012. The evaluation report was adopted in October 2012, and published on GRECO's website in March 2013. The report made eight recommendations, five of which were for the legislatures, two for the Judiciary and one for Prosecutors. The Ministry of Justice, as the lead UK Government department for GRECO, is coordinating the progress made against these recommendations by the relevant UK bodies (including in Scotland, Wales and Northern Ireland) and represented the UK at the GRECO plenary in December at which the draft UK's fourth round compliance report was discussed with a view to its adoption by GRECO.

OECD Bribery Convention

The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions is the first and only international legally binding agreement which seeks to combat 'supply side' bribery. Implementation is monitored by the OECD Working Group on Bribery (WGB), through a robust peer review process, which is considered by Transparency International as being the "gold standard" of monitoring. There are currently 41 countries which have signed up to the Convention – all 34 OECD members, plus Argentina, Brazil, Bulgaria, Colombia, Latvia, Russia and South Africa.

The Convention obligates contracting parties to put in place a legal framework which fully implements the Convention, and to actively enforce foreign bribery laws. The peer review process places considerable emphasis on both of these aspects, for example considering whether laws cover legal, as well as natural, persons and evaluation of levels of enforcement activity, including the level of penalties which are applied.

The UK has two key priorities for its engagement in the WGB. First, to promote high standards and full implementation by all members of the Convention. Second, to ensure the UK's own legal framework, which is now widely regarded as state of the art, is effectively explained and fairly assessed in the peer review process.

