

Prospects of ending corporate corruption 'bleak'

October 15 2014, by Kath Paddison

Legislation designed to help law enforcement agencies respond to economic crimes such as corporate corruption and bribery is facing significant obstacles to enforcement – and the situation is unlikely to improve in the foreseeable future.

That's according to new research from The University of Manchester's School of Law which examined the role and impact of the Bribery Act 2010 on controlling foreign bribery by UK commercial organisations in foreign jurisdictions.

Dr Nicholas Lord said: "Although the UK now has the most wide-ranging anti-corruption legislation in the world that is considered to be the global 'gold-standard', historical legal traditions complicate the current efforts of our [law enforcement](#) authorities to criminally prosecute corporations involved in foreign bribery."

The research for Dr Lord's new book, *Regulating Corporate Bribery in International Business*, involved speaking to police investigators, prosecutors, lawyers, corporate compliance officers, country experts, and representatives of anti-corruption organisations. The aim was to examine the mixture of law enforcement and self-regulatory tools that are being used to control foreign corporate bribery.

According to Dr Lord the bribes can take the form of anything from billions of pounds of cash payments, shopping trips, tickets for sports events, to prostitution or job offers.

He said: "Such bribes have significant social, economic, political and environmental harms particularly in those developing countries where major corruption tends to be directed but responding to cases of foreign bribery is incredibly complex."

"There have been no prosecutions of corporations involved in foreign bribery under the new Act. To some extent this was to be expected as corporate bribery is inherently clandestine and offences are often not detected until some time after the event. This means that many current cases are still being dealt with under prior legislation and furthermore, investigations are very time-consuming and can take years."

The main finding of the research is that [criminal law enforcement](#) is hindered by several practical and pragmatic but also ideological and normative obstacles. For example, Dr Lord argues that the UK has horrendously bad corporate criminal liability laws that remain preoccupied with the 'identification principle'.

He continued: "In other words, it needs to be proven that someone on the board of directors knew of the bribery but given the complex organisational and decision-making structures of large corporations, demonstrating this is problematic. Consequently, as things stand, the UK's enforcement response has largely involved the use of non-criminal and civil sanctioning for the criminal actions of corporations.

"This invokes questions around transparency, social fairness and the concept of 'justice' itself as such responses may communicate a message of 'affordable risk' for business and reinforce the differential treatment of 'white-collar' and 'blue-collar' offenders.

"But, despite the rhetoric of politicians and prosecutors, there is little prospect the situation will change."

More information: "Regulating Corporate Bribery in International Business" was published by Ashgate in September 2014. More details: www.ashgate.com/isbn/9781409470557

Provided by University of Manchester

Citation: Prospects of ending corporate corruption 'bleak' (2014, October 15) retrieved 13 May 2024 from <https://phys.org/news/2014-10-prospects-corporate-corruption-bleak.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.