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Exporting Corruption Progress Report 2020: Assessing Enforcement of the OECD Anti-Bribery Convention

A TI-US FACTSHEET

The Exporting Corruption Progress Report 2020 is an independent assessment of the enforcement of the OECD Anti-Bribery Convention, which requires parties to criminalize bribery of foreign public officials and introduce related measures. The report reviewed actions in 47 countries representing 83% of global exports. The United States remains a leader in launching international investigations and prosecuting offenders under the Foreign Corrupt Practices Act (FCPA).



Global Progress

- **Active enforcement is down significantly.** Only four countries- U.S., U.K, Switzerland and Israel- actively enforce against foreign bribery, which represents 16.5% of global exports, a decrease of more than one-third (39%) since 2018.
- **Moderate enforcement has more than doubled.** Nine countries moderately enforce laws against foreign bribery, more than double the four countries in 2018. This represents an increase in share of world exports from 3.8% to 20.2% since 2018.
- **International cooperation is increasing, but significant obstacles remain.** Insufficient or incompatible legal frameworks, limited resources and expertise, lack of coordination, jurisdictional competition and long delays hinder progress in international cooperation.
- **Major non-OECD Convention exporters still fail to enforce.** There is inaction in China, Hong Kong Special Administrative Region (SAR) and India against foreign



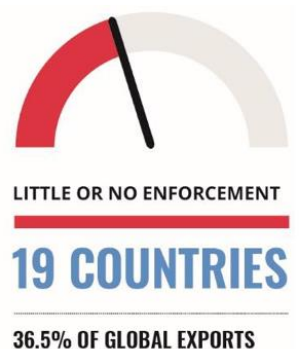
US, UK, Switzerland, Israel



Germany, France, Italy, Spain, Australia, Brazil, Sweden, Norway, Portugal



Netherlands, Canada, Austria, Denmark, South Africa, Argentina, Chile, Greece, Colombia, Lithuania, New Zealand, Slovenia, Costa Rica, Estonia, Latvia



China, Japan, South Korea, Hong Kong, India, Mexico, Ireland, Russia, Belgium, Singapore, Poland, Turkey, Czech Republic, Luxembourg, Hungary, Finland, Slovakia, Peru, Bulgaria

bribery and related money laundering. Nearly three-quarters of all countries have limited or no enforcement of foreign bribery laws, making up nearly half of all global exports.

United States Progress

- **The United States accounted for an average of 10.4% of global exports between 2016 and 2019.** In 2019, the U.S. commenced 11 investigations and 8 major cases. In the same year, 35 cases with sanctions were concluded, including 26 major cases with substantial sanctions. These numbers are generally consistent with those of previous years.
- **Information about non-trial resolutions is restricted.** Official agencies publish extensive information about deferred prosecution agreements, but not about non-prosecution agreements and declinations.
- **Compensation is rare in foreign bribery cases.** Of an estimated 500 cases under the Foreign Corrupt Practices Act (FCPA), only a handful of settlements or judgements involving foreign bribery resulted in restitution, with small awards made to the affected states.

Case Study: In December 2019, Swedish telecommunications company Ericsson agreed to pay more than \$1bn in civil and criminal fines under the FCPA after an investigation revealed tens of millions of dollars in improper payments made to government officials in China, Djibouti, Indonesia, Kuwait and Vietnam to win contracts. The company was found guilty of using third party agents and consultants to pay bribes, falsify records and create off-the-books slush funds.

Recommendations for Domestic Improvement

- **Establish a beneficial ownership registry.** Lawmakers should pass the bipartisan Corporate Transparency Act, which would require corporations and limited liability companies to disclose beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN).
- **Criminalize the demand side of bribery.** Congress should pass the Foreign Extortion Prevention Act (H.R. 4140) which would impose criminal liability on any foreign official who "corruptly demands, seeks, receives, accepts, or agrees to receive or accept anything of value" to influence an official act.
- **Expand reporting requirements.** The DOJ and the SEC should report additional data including the number of investigations commenced, ongoing and concluded without enforcement action. For cases resolved by non-prosecution and deferred prosecutions agreements, the agencies should release the terms and duration of each agreement in addition to the reasoning behind the decision.

Download the full report [here](#).

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