

Bribery Risk

Credit Suisse has agreed to pay a \$475 million global settlement for failing to properly manage financial crime risks. The bank arranged loans and bonds for the Republic of Mozambique to build a state tuna fishing fleet and finance maritime security projects. The transactions were found to be tainted by bribery and corruption – with concerns that some of the proceeds were misapplied or misappropriated and allegations that a key contractor paid kickbacks to three bankers to secure more favourable loan terms.



BRIBERY IS A CRIME

If you offer, solicit or accept a bribe, you could face criminal penalties, including fines and imprisonment. Bribes come in many shapes and sizes including money, gifts, rewards, favours, services or other advantages.



UNDERSTAND THE RISKS

Bribery risks associated with business relationships and transactions must be considered both individually and holistically. This should include scrutiny and challenge by senior individuals and control functions.



REPORT RED FLAGS

Everyone has a responsibility to escalate red flags or concerns in accordance with the firm's procedures. Remember, you don't need direct evidence of bribery to make a report.

And don't forget about the social consequences. Bribery and corruption can have a devastating impact on a country's economy and society. In the above example, it has been reported that the ultimate cost of the corrupt deals to Mozambique's economy was \$11bn, or \$400 per citizen, throwing 1.9 million people into poverty.