

Opening Statement by
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Good morning. Thank you for joining us today.

In October this year, Transparency International pointed to bribe payers as an essential component of bribery's enabling structure. No bribe can be taken without one being given. The TI *Bribe Payers Index* looked at the propensity of companies to bribe abroad, and the result wasn't pretty: overseas bribery is all too alive and well in companies from 30 of the top exporting countries.

Bribe payers and bribe takers are often brought together by third parties - the *facilitators* who enable the corrupt to steal the wealth of nations from their citizens. Without them, large scale corruption could not happen.

The weak performance of many countries in today's CPI suggests that corruption continues to be enabled by intermediaries who willingly assist the corrupt in laundering, storing and otherwise profiting from unjustly acquired wealth. Tackling this challenging side of the bribery triangle is a critical and long-term element of the fight against corruption, and is essential to restoring stolen resources to their intended beneficiaries: the people.

In 2004, a jury in a San Francisco federal court convicted former Ukrainian Prime Minister Pavel Lazarenko of twenty-nine counts of money laundering, wire fraud, interstate transportation of stolen property, and conspiracy. The jury found that he had stolen tens of millions of dollars from the Ukrainian people, which was then spirited out of Ukraine and concealed in American banks.

This type of grand scale thievery cannot occur without the complicity of facilitators in a number of professions.

So facilitators are the bankers, the accountants, the trust and company administrators, the lawyers and other professionals who provide the arteries through which the corrupt money can flow, and then provide the facilities to hold and invest the stolen funds.

These facilitators have the skills, the knowledge, the credibility and the connections to smooth the path of corruption. They seek to provide a veneer of legitimacy to corrupt transactions, and to ensure that scapegoats are blamed in the case of detection.

A particular practice is for a corrupt official and a contractor to utilise an offshore trust and company structure. The eventual transfer of funds into the structure is often made from bank accounts outside the country where funds are being stolen, making those payments more opaque. Governments often find it difficult to trace how their funds have been pilfered through a seemingly legitimate contractual arrangement.

Major international financial centres include London, Zurich, Dubai, and Singapore, while trust and company administrators may operate from offshore jurisdictions such as those around Europe, the Caribbean and the South Pacific.

We therefore believe it is essential that professional associations with corruption-specific codes of conduct for their members strongly enforce them, and that organisations without such codes adopt and promote them. This means, for instance, the International Bar Association, the International Compliance Association, professional associations for accountants, and many more.

It also means giving more focus in professional training to ensuring that honest intermediaries better understand their role, and how they can help to prevent corruption. And it means legal and professional sanctions for the facilitators of corruption, and greater scrutiny of the role of insufficiently transparent financial centres in facilitating corrupt transactions.

Thank you for joining us today to discuss these important issues. And finally, before taking your questions I would like to call your attention to the fact that December 9th is International Anti-Corruption Day. I hope all of you will keep this in mind as an opportunity to focus once again on the vital issues raised by this year's *Corruption Perceptions Index*.

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