Korruption im Unternehmen
Risk – an uncertain future event or condition which affects the mission objective
## Types of risk (incomplete)

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<th>Compliance risk</th>
<th>Legal risk</th>
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<td>Financial risk</td>
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<td>Interest rate risk</td>
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Corruption - definition

“Corruption is the abuse of entrusted power for private gain.”

(Transparency International)

Common forms of corruption:

• Bribes, Kickbacks
• Gifts, entertainment
• Conflicts of interest
• Sponsoring, charitable / political contributions
Corruption – the size of the problem

„Organizations lose 5-7% of their annual revenues to Fraud.“


„Businesses and individuals pay an estimated $1.5 trillion in bribes each year. This is about 2% of global GDP”

Source: World Bank Group, 2017

… challenge is where to find it
The fraud triangle originated from Donald Cressey's hypothesis:

“Trusted persons become trust violators when they conceive of themselves as having a financial problem which is non-shareable, are aware this problem can be secretly resolved by violation of the position of financial trust, and are able to apply to their own conduct in that situation verbalizations which enable them to adjust their conceptions of themselves as trusted persons with their conceptions of themselves as users of the entrusted funds or property.”

Source: Donald R. Cressey, Other People’s Money (Montclair: Patterson Smith, 1973) p. 30.
Behavioral red flags

Figure 71: Behavioral Red Flags Displayed by Perpetrators
Corruption Perception Index

Source: Transparency International, 2017
Corruption and Swiss SMEs

Informelle Zahlungen oder Geschenke erwartet

- ja: 40,3%
- nein: 56,8%
- von Dritten: 2,9%

Zahlungen geleistet

- ja: 56,1%
- nein: 43,9%

$$\bar{\text{Zahlungshöhe}} = 4,9\%$$

*Durchschnittlicher Anteil des im Zielland erwarteten Umsatzes, der jährlich für informelle Zahlungen und Geschenke unter der Hand aufgewendet werden muss.

Source: „Korruptionsrisiken erfolgreich begegnen – Strategien für international tätige Unternehmen“, HTW Chur, 2012, p. 17
Temperature is rising

- New laws (US, UK, Brazil, Canada)
- Increased enforcement
- Higher fines and legal costs
- Debarments
- More management time involved
- Possibly jail time

Especially related to corruption, anti-competition, sanctions and data privacy.
Sensible first steps

• Policy & governance (e.g. code of conduct, compliance function)
• Risk assessment
• Tone at the top / mood in the middle
• Raise awareness (training and communication)
• Speak-up / Hotline
• Investigation
• Due diligence (suppliers, agents, employees)
Thank you!

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