



GENDER AND ANTI-CORRUPTION MNC TRAINING OCTOBER 2020

This training was developed within the B20 Saudi Arabia Integrity & Compliance taskforce. These training materials have been created under the leadership of Danielle Cannata, Senior Counsel of SABIC, and the Knowledge Partner Nicolette Kost de Sèvres, Mayer Brown Partner in Paris and Washington DC, and anti-corruption specialist, Christopher Costa, and have benefitted from the valuable contributions of numerous distinguished B20 members.

Why are we here today?

- ▶ As employees of large companies, we have received training on **anti-corruption**.
- ▶ We may also be familiar with the **UN Sustainable Development Goals** designed to be a "blueprint to achieve a better and more sustainable future for all."
- ▶ **SDG 16** calls for justice for all. Today we are going to look at corruption through a gender lens as we seek to achieve the goal of justice for all.
- ▶ In a survey conducted by the United Nations Development Program in 2012, **76% of women** responded that corruption has prevented their access to public goods and services.
- ▶ This is the case despite the fact that several studies suggest that women have a tendency to be **less corrupt** and that countries or companies with a greater number of women in decision-making positions **perform better** in terms of their corruption levels.

Why are we here today (cont'd)?

- ▶ In this training, we will consider the specific ways in which women in our companies and our supply chains may experience requests for bribes and corruption and how women can be part of the solution.
- ▶ The goal is to move women from being the victims of unfair and discriminatory business practices to a place of empowerment – as the catalysts and drivers of fair and sustainable business.

Opening discussion

- ▶ Have you ever been in a situation in which language or culture have created barriers to understanding?
- ▶ How many have witnessed family members of decision-makers being favored in a selection process or granting of opportunities?
- ▶ How many of you think that you missed business opportunities because another party had been favored in some way?
- ▶ How many of you have witnessed the award of projects as a result of processes that lacked transparency?

Opening discussion (cont'd)

- ▶ How many of you have ever been asked to pay additional and unexplained “fees” when dealing with a government official ?
- ▶ How many of you have been asked to pay a vendor to expedite the delivery of a service/product?
- ▶ Would you accept a ticket from a vendor for a concert at which a famous artist will be performing?
- ▶ * some of these examples are part of the UN Training Module on Anti-Corruption

Case study - mining sector in Congo

In Congo's artisanal mining sector, there are **three types of traders**: "Those **who pay the diggers** to extract minerals and then sell them to big companies; those **who buy minerals from the diggers**; and **those who own the pit**, pay the diggers and sell minerals to the companies."

Extortion – E. I. wanted to buy a mining pit. In order to obtain a **small loan** to set up her business she had to **hand over the documents to her house** : "If you find minerals, the trader will be your only buyer. If you don't, you'll either sort your debt or he'll seize your property...".

Bribes for Protection - As the first female pit owner in her region, E. I. had to protect her business from men who were not used to women owning mining pits. "The biggest challenge [to working in the mining site] was working with so many men," Intongwa says. "At first, **diggers would steal from me and I had to pay extra money to find someone who could check on them.**"

Sexual Exploitation / Sextortion - Stone crushers, also called "mama twangaises," are the most discriminated category of the mining hierarchy and must negotiate **access to the mining sites by performing sexual acts**. In many cases, they only get paid if they find gold among the crushed quartz. N. M., who works as a mama twangaise, says: "I wake up every day at six and I walk for two hours to come here...Every day, the only thing I do is pound stones. I have to look after my family but, sometimes, I don't even get paid and working so hard becomes useless."

Response : The response was to put in place **Collective Action** for better implementation and communication of the regulations and the creation of pools of resources funded by women miners. "Associations...are very important because, whenever a member is subjected to any sort of abuse, it gives them **legal representation**. Women alone seldom dare to denounce what happened and, even when they do, **unless they are ready to pay large sums of money, they are hardly able to file a complaint.**"

Why a link between women and corruption?

- ▶ In many countries, **women and girls** still find it hard to enjoy equal rights and opportunities. They may face discrimination, cultural or religious bias, harassment and violence. At the extreme, sexual extortion and modern slavery practices may persist.
- ▶ In their family role, women may face corruption **accessing public services** such as healthcare or education. The cultural prevalence of these types of practices can carry over into the workplace as well.
- ▶ At the same time, women are an **ever growing segment of the business world** in every step of the economic cycle and are uniquely placed to have a positive impact.
- ▶ Women should be **empowered** to be part of the solution to corruption.

“Corruption hinders women’s political representation and prevents them from accessing leadership positions in the political sphere” (B20/C20/W20 Argentina Joint Statement)

Women as part of the solution

- ▶ Women want to be **equal participants** in the economic sphere and welcome the information and tools to help them to achieve this goal.
- ▶ Women can be **empowered** to resist solicitation and be more aware of their rights in the workplace.
 - ▶ Are women more detail-oriented?
 - ▶ Are women better at following rules?
 - ▶ Do women naturally have more integrity?
 - ▶ Are women already more focused on fighting for their equal place?
 - ▶ Are women more attuned to the ways in which corruption can set them back?

Women as part of the solution

- ▶ In many developing markets, some of the most **active and successful entrepreneurs** are women.
- ▶ Their ability to optimize their business is often hampered by a combination of **corruption and discrimination**.
- ▶ Now is the time to raise all colleagues awareness of the experience that women may face in the context of corruption.
- ▶ The G20 Anti-Corruption Working Group (anti-corruption officials from the G20 countries) recognizes linkages between gender and corruption, and this project will help further that dialogue for **action**.

What will we accomplish in this training?

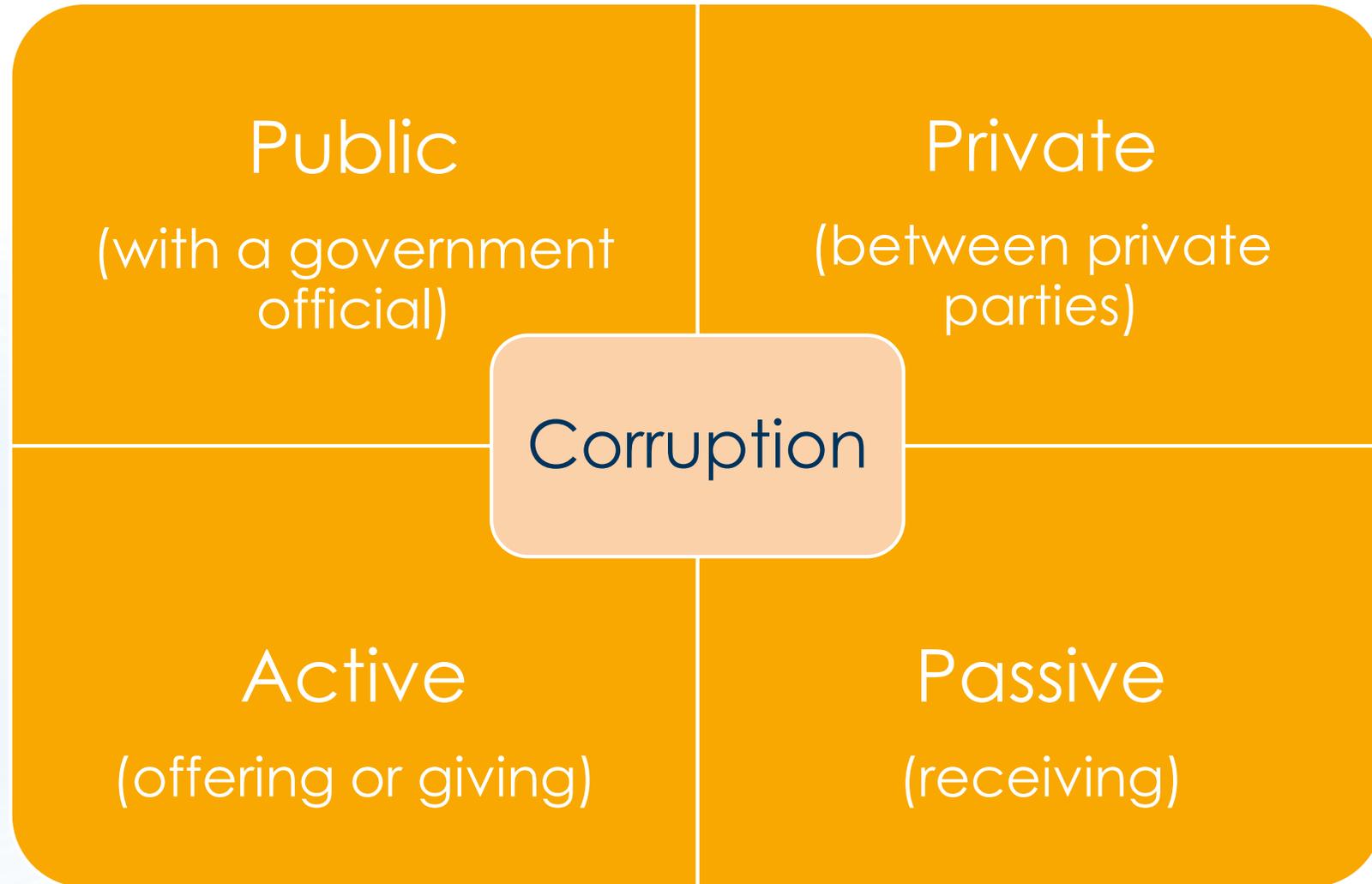
1. How women experience corruption
2. Identify different types of compliance challenges
3. Integrate gender-sensitive elements of an anti-bribery/corruption (ABC) program
4. Techniques to detect, prevent and report corruption
5. Learn about trustworthy sources for additional information/support

How women experience corruption

- ▶ While there is no harmonized definition of corruption worldwide, bribery is illegal everywhere.
- ▶ In many jurisdictions, the offer itself is the criminal act - it does not even have to be accepted.

“Corruption is often reflected by the abuse of entrusted power for private gain”⁷

How women experience corruption



How women experience corruption

Customs officer asks for sample products to clear a consignment

Tax officer asks you to hire his son as part of lowering tax penalty

Bureaucrat requests cigarettes in exchange for official documentation

Government inspector requests extra cash to issue a permit

Police officer asks for sexual favors in exchange for patrolling your factory

Contract manager physically intimidates you during negotiation

How women experience corruption

Bribery¹⁰

- Something of value to win or retain business including gifts, entertainment, contributions to political parties, etc.
- Facilitation payments

Human Rights Abuse

- Sexual acts or threats of adverse consequences made against another person unless demands are met (sextortion)
- Immigration threats, kidnapping, holding for ransom

Favoritism

- Giving business based on relationships rather than merit

Fraud

- Use of deception to obtain an unfair advantage

Conflicts of interest

- Decision-making based on conflicting personal and professional interests

How women experience corruption

In many countries, women in their role as caregivers may face corruption.

Doctors
demanding bribes
to advance the
scheduling of
surgery

School
administrators asking
for payments to
register children at
state schools

How women experience corruption

When corruption is routine in private life, there is a heightened need to raise awareness of how to fight it in the business context.

Women in the workplace may experience gender bias

Example:

Women entrepreneurs dealing with government / procurement officials who believe that women should not be running a business and those officials taking advantage of their position of relative power.

Women in the workplace may need to resist “sextortion”¹¹

Example:

Sexual favors, demands or threats for a business permit / license or contract

Compliance challenges



Putting a gender focus on your anti-bribery program

- ▶ A company's anti-bribery program can be enhanced by incorporating a gender-based focus
- ▶ Gather **gender-based** data when conducting risk analysis
 - ▶ Find out about specific experiences and risks faced by women in your company and supply chain
- ▶ Ensure a robust **whistleblower program** where women feel safe to raise concerns
 - ▶ Consider establishing a gender-specific response team in addition to other whistleblowing channels (i.e. women report to women)
 - ▶ Anonymous reporting tools can be considered to help women feel more comfortable with reporting, especially in countries where retaliation by those accused may take place

Putting a gender focus on your anti-bribery program (cont'd)

- ▶ Create drivers of **fair and ethical business** throughout your organization
- ▶ Stakeholders want to see multinational companies helping level the playing field and becoming part of the solution to corruption
 - ▶ Companies already report as part of Global Compact and SDG commitments
 - ▶ Having a gender focus on your ABC program can meet objectives of SDG 16 by addressing the needs of women in your company and supply chain, as well as by raising awareness among about the equality issue
- ▶ **Incentivize behavior** to change including programs promoting diversity and representation within supply chains and ensuring fair treatment of those women
- ▶ Build capacity and confidence by offering networking, mentorship, supplier training and engagement with business federations
- ▶ Provide **women-only training**, especially in countries where cultural norms foster gender segregation

Techniques to detect, prevent and report corruption

- ▶ We can all be **empowered** to resist solicitation when faced with a request for a bribe.
- ▶ The following slides describe some good techniques and practices to use in different scenarios.
- ▶ Each scenario provides a few different suggestions for action.

Scenario 1 – a customs officer asks for a small cash payment to clear merchandise

Ask to receive the request in writing

Ask to talk to their supervisor

Suggest to pay the customs department and not the person or ask for online banking details

Ask for receipt or invoice

Inform the official that making the payment as requested is prohibited by your company

Inform your own management

Scenario 2 – request for a bribe by a procurement officer to secure a contract

Threaten to (and then do) inform the requestor's supervisor or compliance officer if you feel safe to do so / or if the law protects you

Go back to the soliciting person with at least one witness (management, adviser, bank representative)

Request to be accompanied by a lawyer or independent party to reduce the probability of being asked to make a bribe

Scenario 3 – request for a surcharge to secure a building permit

Request a written official license procedure to test the legitimacy of the demand

Explain that your company does not pay individuals, but only to a bank account of the public authority

Ask for official receipts from the local authority

Notify the authority's senior leadership/ supervising body

Scenario 4 – request to contract with a specified local consultant

Understand if there is a need to employ a local intermediary under local law. If so, specify that local consultant must meet global and local reputational and ethical requirements.

Ask client to consider different choices of consultants in the evaluation process (3 or more). Consultant may be included in the list after proper due diligence, but that does not guarantee selection.

Check the consultant's reputation/ existence of an inappropriately close relationship (i.e. conflict of interest) with the authorities.

Scenario 5 – local consultant asks for unusually high payment

Ask your client to assist you in stopping these demands

Consult other companies involved in the project to ensure a common position on refusing to pay exorbitant fees

Request, obtain and evaluate a cost breakdown structure

How does this all come together?

Women can be champions against corruption!

- ▶ **S. G.** was the whistleblower who uncovered tax avoidance resulting in a EUR 4.5bn penalty against bank U. She was made redundant and the bank sued her for defamation. She cooperated with the French authorities, going undercover for them to expose the illegal conduct of the bank and contributed to them successfully imposing a landmark fine. Nevertheless, she was only awarded a total of EUR 33,000 in cumulative damages for suits against the French government and the bank. She does speaking engagements and has written on whistleblower protections. In an interview with the OECD, she expressed the view that she had suffered worse retaliation because she was a woman.

How does this all come together?

- ▶ W. A. was a corporate auditor at company L., a Johannesburg Stock Exchange-listed company, who blew the whistle to expose corruption, leading to the company's collapse in 2000. What followed were trials and appeals, and eventually the incarceration of the two joint chief executives, found guilty of an elaborate fraud scheme. W. A.'s whistleblowing story shows the common pattern of how those who speak up can be subjected to years of retaliation, sometimes even destroying careers and lives. But W. A. persevered and her courage is an inspiration. She became a motivational speaker, advocating for a long overdue cultural shift so that whistleblowers might become valued for what they contribute to the strengthening of the culture of responsible business conduct.

How does this all come together?

- ▶ E. K. was a long-serving employee of hospital H., including roles in compliance and physician services, who blew the whistle to expose how the hospital was inappropriately compensating certain physicians to induce referrals to the hospital and, in many cases, unnecessary surgeries. She filed a whistleblower lawsuit under the *qui tam* provisions of the US False Claims Act. The government intervened. The company settled for USD85m and she received a USD20m award.
- ▶ Y. M., at the World Health Organization before joining company N. in 2000, alleged that her supervisor in the company's quality management department side-lined her after she repeatedly raised concerns about the handling of food safety incidents and internal processes. Her civil damages suit against the company has been ongoing for the last 8 years.

How does this all come together?

- ▶ **S. W.**, a VP at company E., was the whistleblower of the company's accounting fraud. Following the sudden resignation of the company's CEO, S.W. wrote an e-mail in August 2000 to the Chairman, raising serious concerns about the accounting associated with a particular special purpose off-balance sheet entity and predicting that the company would "implode in a wave of accounting scandals". She would later explain that, having spoken up, she faced threats and intimidation at the company. Ultimately, she was proven right as the company collapsed and the CEO and CFO were sentenced to prison in one of the highest profile frauds in US history.
- ▶ **A. G.**, a former civil servant in a Madrid suburb, disclosed dubious contracts resulting in an investigation that uncovered a kickback scheme being run by a Spain's political party. Without proper legal protection at the time, she suffered death threats and intimidation and was forced out of her job. She later won a lawsuit against the city council for harassment and Spain's Prime Minister eventually was forced to resign.

Appendix: List of Resources on Corruption and Women

OECD

- ▶ OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, available at: http://www.oecd.org/daf/anti-bribery/ConvCombatBribery_ENG.pdf
 - ▶ OECD anti bribery convention states the following in its article 1: “Each Party shall take such measures as may be necessary to establish that it is a criminal offence under its law for any person intentionally to offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a foreign public official, for that official or for a third party, in order that the official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or other improper advantage in the conduct of international business.” and in its commentaries on page 11: “This Convention deals with what, in the law of some countries, is called “active corruption” or “active bribery”, meaning the offence committed by the person who promises or gives the bribe, as contrasted with “passive bribery”, the offence committed by the official who receives the bribe”. While there is no official definition in the UNCAC article 15 and article 21 of the convention provide the definition of Bribery of national public officials and Bribery in the private sector respectively.
- ▶ OECD, G20 Anti-Corruption Working Group Action Plan 2019-2021 and Extract from G20 Leaders Communiqué, December 11-14, 2018, available at: [https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB/RD\(2018\)10&docLanguage=En](https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB/RD(2018)10&docLanguage=En)
- ▶ OECD, Glossary corruption, available at: <http://www.oecd.org/corruption/anti-bribery/39532693.pdf>

United Nations (UN)

- ▶ Convention against Corruption (UNCAC), available at: https://www.unodc.org/unodc/corruption/tools_and_publications/UN-convention-against-corruption.html

UN Development Program (UNDP)

- ▶ Seeing Beyond The State: Grassroots Women’s Perspectives on Corruption and Anti-corruption, October 2012, available at: <https://www.unwomen.org/en/docs/2012/10/grassroots-womens-perspectives-on-corruption>
- ▶ UNDP Training on Gender Equality, Women’s Empowerment and Anti-Corruption, available at: https://anti-corruption.org/UNDP_Anticorruption_Gender2015_WBT_100516/story.html

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- ▶ UNDP Business Integrity Toolkit for Young Entrepreneurs, available at: <https://www.undp.org/content/undp/en/home/librarypage/democratic-governance/business-integrity-toolkit-for-young-entrepreneurs.html>
- ▶ UNDP Fair Biz Project, available at: <https://www.asia-pacific.undp.org/content/rbap/en/home/programmes-and-initiatives/Fair-Biz.html>

UN sustainable development Goals

- ▶ Goal 5: Achieve gender equality and empower all women and girls, available at: <https://www.un.org/sustainabledevelopment/gender-equality/>
- ▶ Goal 16: Promote just, peaceful and inclusive societies, available at: <https://www.un.org/sustainabledevelopment/peace-justice/>

UN Global Compact

- ▶ RESIST – Resisting Extortion and Solicitation in International Transactions, available at: <https://www.unglobalcompact.org/library/157>
- ▶ Fighting Corruption in the Supply Chain: A Guide for Customers and Suppliers, available at: <https://www.unglobalcompact.org/library/153>

UN Women

- ▶ UN Trust Fund to End Violence against Women, Case Study: Tanzania: Making markets safer for women traders, available at: <https://unf.unwomen.org/en/news-and-events/stories/2017/03/tanzania-making-markets-safer-for-women-traders>

United Nations Office on Drugs and Crime (UNODC)

- ▶ University Module Series on Anti-Corruption, available at: <https://www.unodc.org/e4j/en/tertiary/anti-corruption.html> “ (When referring to the E4J Module please acknowledge it by using the following formulation: [Name of company/organization] is supporting the Education for Justice (E4J) initiative, launched by the United Nations Office on Drugs and Crime, by delivering courses inspired by E4J Modules. [Name of company/organization] thereby aims to contribute to the achievement of the United Nations Sustainable Development Goals and particularly SDG 16.”)

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ICRW International Center for Research on women

- ▶ Women's Enterprises: Corruption and Crime (October 2019), available at: <https://www.icrw.org/issues/employment-and-enterprises/>

U4 Anti-Corruption Resource Center : <https://www.u4.no/topics/gender>

- ▶ Are men and women equally corrupt? By Frédéric Boehm, Bergen: Chr. Michelsen Institute (U4 Brief 2015:6) 4 p., available at: <https://www.u4.no/publications/are-men-and-women-equally-corrupt>
- ▶ The gendered impact of corruption: Who suffers more – men or women? By Erika Sierra and Frédéric Boehm Bergen: Chr. Michelsen Institute (U4 Brief 2015:9) 4 p, available at: <https://www.u4.no/publications/the-gendered-impact-of-corruption-who-suffers-more-men-or-womenhttps://anti-corruption.org/wp-content/uploads/2017/05/Grassroots-women-and-anti-corruption.pdf>

Trace International

- ▶ Training for Third Party Intermediaries, available at: <https://traceinternational.org/compliance-training>

Transparency International

- ▶ Gender, Equality and Corruption: What Are The Linkages?, 2014, available at: https://images.transparencycdn.org/images/2014_Policybrief1_GenderEqualityCorruption_EN.pdf
- ▶ Transparency International Guide on Gender and corruption, 2016, available at: https://www.transparency.org/files/content/corruptionqas/Topic_guide_gender_corruption_Final_2016.pdf
- ▶ Transparency International, "What is corruption?", available at: <https://www.transparency.org/en/what-is-corruption>

Appendix: List of Resources on Corruption and Women

B20 – G20

- ▶ B20-G20 Anti-Corruption Toolkit for SMEs, available at: <https://irp-cdn.multiscreensite.com/e0b6c17a/files/uploaded/B20-G20%20Anti-corruptionToolkit%20for%20SMEs%202015.1.pdf>
- ▶ Joint Statement by B20 Argentina, C20 Argentina and W20 Argentina, #Corruptiontoo: Why gender matters for anti-corruption, 2018, available at: <https://civil-20.org/c20/wp-content/uploads/2018/10/Joint-Statement-Gender-and-Corruption-1.pdf>
 - ▶ C20 Statement: "recognise, condemn and adopt an effective criminal framework that addresses harassment and sexual extortion ('sextortion') as a gendered form of corruption and violence."
- ▶ Joint Statement by C20, L20, T20, W20 and Y20 on Eliminating Violence and Harassment in the World of Work, 2019, available at: <http://www.g20.utoronto.ca/c20/2019-C20-L20-T20-W20-Y20-FINAL-Joint-Statement-on-Eliminating-Violence-and-Harassment-in-the-World-of-Work2.pdf>
- ▶ OECD, G20 Anti-Corruption Working Group Action Plan 2019-2021 and Extract from G20 Leaders Communiqué, December 11-14, 2018, available at: [https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB/RD\(2018\)10&docLanguage=En](https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DAF/WGB/RD(2018)10&docLanguage=En)
- ▶ Women's Empowerment Principles Flyer (Established by UN Global Compact and UN Women), available at: <https://www.weps.org/resource/womens-empowerment-principles-flyer>

Alliance for Integrity Women's Programs

- ▶ Corruption prevention Training Programme and other initiatives, available at: <https://www.allianceforintegrity.org/en/offer/training-programme/> and <https://www.allianceforintegrity.org/en/news/messages/launch-event-of-the-first-integri-tea-in-india.php>

The Swedish International Development Cooperation Agency (Sida)

- ▶ Gender and Corruption, Gender Tool Box, 2015, available at: <https://www.sida.se/English/publications/159390/gender-and-corruption/>

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The Quality of Government Institute (QOG) University of Gothenburg

- ▶ The effect of gender on corruption, 2019, available at: <https://qog.pol.gu.se/news/news-detail//the-effect-of-gender-on-corruption.cid1667356>

Thomson Reuters Foundation, International Association of Women Judges and Marval, O'Farrell and Mairal

- ▶ Combating Sextortion: A Comparative Study of Laws to Prosecute Corruption Involving Sexual Exploitation, available at: <http://www.trust.org/publications/i/?id=588013e6-2f99-4d54-8dd8-9a65ae2e0802>

Videos

- ▶ CNBC: Cost of Corruption, available at: <https://www.cnbc.com/video/2018/10/18/cnbc-explains-whats-the-cost-of-corruption.html>
- ▶ Transparency International: How Does Corruption Affect You, available at: <https://www.youtube.com/channel/UCuwndoOuo2MLU2ebspAWKcxQ>
- ▶ Transparency International: International Women's Day, 2020, available at: https://www.youtube.com/watch?v=SJ6yQrqi_k
- ▶ Global Ethics Solutions: Business Gifts and Bribery, available at: <https://www.youtube.com/watch?v=XQdfD227NBA>
- ▶ City of London Police: Bribery and Corruption - The Conversation, available at: <https://www.youtube.com/watch?v=g0HAjm3ApdU>