AlixPartners Annual Global Anti-Corruption Survey
A Survey of General Counsel and Compliance Officers
AlixPartners
First Quarter 2014

OBJECTIVE:
The survey was done in order to find out about each company’s anti-corruption efforts and compliance policies aimed at identifying and mitigating corruption risk.

METHODS USED:
The survey was conducted during November of 2013. It polled general counsel, compliance officers, and other senior executives.

KEY FINDINGS:
- The number of US Foreign Corruption Practices Act (FCPA) enforcement actions fell in 2013.
- The SEC said that during its fiscal year it had received from whistle-blowers 149 tips involving potential FCPA violations.
- 30% stated they ceased doing business with certain partners because of concerns related to corruption.
- Africa (56%) was perceived at the riskiest place to do business, followed by Russia (53%), Middle East (49%), Central and South America (48%), Mexico (48%), and Asia (46%).
- 15% of respondents’ companies pulled out of acquisition deals because of possible corruption at the target.
- 97% stated their companies distribute anti-bribery and anti-corruption policies in writing to board members and employees.
- Approximately 75% of respondents said their companies had updated their policies during the previous 12 months.
- 73% stated that having involvement from audit committees and boards of directors has been effective in reducing risk.
- 22% stated they received tips related to bribery and corruption through a telephone hotline during the past year.
- Biggest obstacles to their anti-corruption efforts: staffing constraints (65%), variation in local country regulations (65%), and pressure to deliver operating results (58%).
- 43% stated they regularly conduct due diligence on third-party agents and 47% perform such reviews on prospective employment candidates.
- 20% of companies from Europe, the Middle East, and Africa said their industries are exposed to significant corruption risk while 40% of US respondents stated the same.
- 80% of executives at Asian companies said they believe their industries are exposed to significant corruption risk.
- 63% of respondents in Asia said their companies have whistle-blower hotlines.
- Respondents from Asia said they place the most emphasis on employee training, internal audits, and training measurement systems to reduce risk.
75% of respondents with Asian companies said they had not ceased doing business with partners as a result of such concerns. Asian companies were less likely than the entire respondent pool to cut ties with business partners due to possible corruption risk.

**CONCLUSION:**

- Although companies are taking steps to reduce risk exposure, they should also take steps such as performing appropriate due diligence to identify potential problems before they escalate.
- Company executives should pay close attention to the anti-corruption laws applicable to the countries where they conduct business.
- Due to growth opportunities presented by emerging markets, companies will continue to face important decision making around balancing risk and reward.

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