

Corruption Prevention Practices - 4 Step Process

This is a 4 step process that can be used when someone in a company believes they may have an issue dealing with bribery, corruption and/or a kickback.

If there is a “yes” answer for questions 1. or 4. and/or a “no” answer for questions 2. or 3. then the proposed action (business transaction) should not be done. It is recommended that this process is trained regularly among company staff.

1. LAW - Does the proposed action violate the law?

- What are the anti-corruption laws in the legal jurisdictions that your company is required to answer to? See for example the Federal Corrupt Practices Act for the USA¹.
- Does the proposed action break any known law that applies to your company?
- Consider requiring employees to gain approval from the company leader (and legal department) for any gift given over a small limit (e.g. \$50), if that gift is necessary to gain business or get something done.

2. TRANSPARENCY – Is the proposed action transparent to all directly-related parties?

- Do **all** parties involved (including different management levels) know about the proposed action or is something being hidden from some of the members of the different parties?
- Have you told all relevant managers within your own company about the proposed action?

3. GOLDEN RULE – Does the proposed action reflect Jesus’ teaching on ‘the golden rule’ i.e. do unto others as you want them to do to you?

- To understand this more clearly, practice ‘reverse role-playing’: put yourself in the role of each party involved in the deal. If you are the potential “Seller” in the proposed action, reverse the roles and become the “Buyer”. If there are 3 or more parties involved (e.g. Seller, End User, Buyer’s agent, etc.), play the roles of each of the other parties involved.
- When you play the roles, put yourself in the place of the top manager of the other party and ask yourself if you like what the proposed action will do to your company.
- Do you have any negative feelings now concerning the proposed action?

4. GUT FEELING - Does anyone in your team have any uncomfortable feeling concerning the proposed action?

- Whenever you encounter a proposed action which you think might be considered a bribe and/or kick-back, bring this to another person (or team) in your company who is at your level of work responsibility or at a higher-level of management.
- The two or more of you should discuss this situation. If either you or they have any uncomfortable feeling about the situation after discussion, don’t do the proposed action. Document your discussions in writing giving the date and very brief description.
- Do not go to an alternative person for another perspective if the first person had a negative feeling about the action!

With thanks to Dwight Nordstrom and Pacific Resources International (PRI). Adapted from the PRI Corruption Prevention Practices: 4 Step Process.

¹ In 1976 a USA federal law, the Federal Corrupt Practices Act (FCPA), was enacted. The FCPA has no territorial limits. In brief summary, this law prohibits any giving of gifts by any USA-based legal entity to any Government-related official from any country where the gift is given in direct anticipation of getting a contract or significant business. Violation of the FCPA is a criminal act and not just a civil penalty.