

# U4 Expert Answer



## Review of donor disclosure policies of corruption cases

### Query

*Our country is currently reviewing its disclosure policy and system of corruption investigations (current, pending and resolved) related to its development activities. We would like to get more information on how the other bilateral and multilateral donors are publicly disclosing corruption investigations and cases involving development assistance. Please provide current and good practice examples of other donors' public disclosure policies and systems.*

### Purpose

This will assist the country to understand how other bilateral and multilateral donors are addressing the public disclosure of corruption cases.

### Content

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### Caveat

The list of examples provided is not intended to be exhaustive but to give a snapshot view of the existing policies related to the public disclosure of anti-corruption investigations and cases.

### Summary

The disclosure of sanctioned or suspended entities and individuals for acts of corruption can be a useful tool in the fight to prevent, detect and investigate corruption. In the case of development assistance, such disclosure can help donors to share information about previously sanctioned individuals and entities that may be bidding for their contracts. Disclosure also can help to gain insights into how corruption arose in the first place in order to better prevent and detect the problem in the future. Finally, the publication of corruption investigations and cases provides the public with accurate information about the true extent of the problem in development cooperation.

Yet there is no one standard for how information is disclosed about current and closed cases. This is true for both bilateral and multilateral donors. Much of the decision is framed by policies that exist on data protection, access to information, and whistleblower protection. As a result, even a zero-tolerance policy on corruption does not guarantee case disclosure.

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**Date:** 8 February 2013 **Number:** 366

*U4 is a web-based resource centre for development practitioners who wish to effectively address corruption challenges in their work. Expert Answers are produced by the U4 Helpdesk – operated by Transparency International – as quick responses to operational and policy questions from U4 Partner Agency staff.*

## 1. Introduction

Corruption is bad for development assistance. Corruption can pose reputational risks and add to the public's perceptions that too much of taxpayer money is being spent abroad in corrupt countries (Kolstad, Fritz and O'Neil, 2008).

At the same time, working in development assistance brings an inherent risk of corruption given developing country contexts often are characterised by weak institutions, law enforcement systems and capacities (World Bank, no date). [Norway](#) and the [United Kingdom](#), for example, have been forthcoming in admitting that encountering these risks in their development cooperation is unavoidable if the donor hopes to better the governance situation, particularly in fragile countries.

Donors have worked to confront these risks but even with the best efforts, corruption – albeit in limited forms – may occur when providing development assistance (Eriksson 2012). The question then turns to how donors opt to disclose cases of corruption

Based on experiences from humanitarian assistance, the value of disclosing greater information about corruption cases help to remove the “taboo of corruption” and create an atmosphere of greater transparency, accountability and integrity on the part of donors (Maxwell et al. 2008). Moreover, higher levels of transparency can go far in both reducing corruption and making development more effective (McGee 2011). This is due to the role that increased information can allow for greater accountability. For example, putting in place mechanisms that facilitate monitoring, oversight and public participation in development decisions helps to prevent abuses and quickly flag them when they occur.

Many bilateral donors do report internally on cases that have been found and which resulted in sanctions. Still this information often is not publicly disclosed. Based on the research done for this query, the decision to publicly disclose cases seems to be framed by policies on transparency, whistleblowing, data privacy and the public's right to information which condition the level of disclosure permitted.

In the case of multilateral donors, these institutions often have worked in recent years to liberalise their access to information policies and many times are not bound by national data protection laws. As a result they

tend to release more information about corruption cases and publicly name individuals and companies that have been sanctioned for corruption. The public disclosure of this information applies only to closed cases and not those currently under investigation. This is a common approach used given concerns about due process, protection of whistleblowers and legal rights.

Even when policies do not favour full disclosure of corruption cases, overall information about investigations and sanctions is often provided by both bilateral and multilateral donors. These details typically are found in the annual reports of donors or those produced by government auditing bodies.

The published information is used to track cases and to gain better insights into the nature and sources of fraud and corruption in development assistance (i.e. “red flags”). Such reporting also provides the public with information about the extent and breadth of corruption that has been detected in development assistance (and sometimes even figures for how much money was recovered or prevented from being stolen). Reports may include as part of cataloguing statistics on the effectiveness of their operations. Additional details about cases may be provided as well but this is often after all personal information has been removed from them.

## 2. Examples: bilateral donors

Based on this assessment, bilateral donors have a wide range of disclosure policies for corruption cases that have occurred. These policies are shaped by prevailing data protection measures and other related laws in the country. Disclosure policies, for example, are often embedded in broader whistleblowing and fraud reporting measures, and are not always stipulated as part of an agency or institution-wide anti-corruption policy.

Of the bilateral donors profiled here, the Danish, Norwegian, and US development agencies (respectively DANIDA, Norad and USAID) disclose corruption cases and the parties involved once they have been sanctioned. The UK agency, DFID, discloses only cases over a certain value as part of its annual reports, although all information regarding the names of individuals and companies involved is not included. All the bilateral donors assessed, except Belgium, provide some overall reporting of cases (total numbers) as part of being more transparent and

accountable to other oversight units, the government and the broader public.

## Australia

The Australian Agency for International Development, AusAID, has revised its policies in recent years on the disclosure of corruption cases as part of its [transparency charter](#) and explicit [fraud control](#) and [zero-tolerance](#) policies. Further details about how the government is countering fraud and waste in aid are included in its “[An Effective Aid Program for Australia](#)”

In terms of internal disclosure, all cases of “alleged, suspected and detected fraud” must be reported to the Fraud Control section (AusAID 2012). Reports of fraud can be done through email, mail or phone to the Director of the Fraud Control section. All reports are kept confidential and no information is released without consent. Whistleblowing policies for reporting are drawn from the government’s policy for [civil servant employees](#) (the Australian Public Service Employee Code of Conduct).

All data on fraud received through these reporting channels is reported quarterly to the AusAID Executive and Audit Committee.

In terms of external disclosure, information about fraud that has occurred in the past year is annually shared with the Australian Institute of Criminology and is published in aggregate figures.

According to the agency’s [annual report](#), there were 124 cases of alleged, suspected or detected fraud reported to AusAID between 2011 and 2012. Of these, 9.5 per cent were found to have not involved fraud or the theft of agency funds. In total, approximately AUS \$1 395 366 (1.1 million Euros) was lost to fraud. Of this amount, 58 per cent was recovered.

## Belgium

The Belgium Development Agency (BTC) has a corruption website, known as the Integrity Desk, which provides a channel for reporting alleged cases of corruption: <http://www.btcctbintegrity.org>. The site, which has been operational since March 2012, also provides an overview of related policies and activities. No case information is disclosed through this platform.

Reporting can be done confidentially but not anonymously. All reporting is done online through a web interface, which is open to staff and third parties

(including suppliers or partners as well as beneficiaries of BTC activities).

To ensure the integrity and independence of reporting, the website is hosted outside of the agency’s site and it is administered by the internal auditing department. Information on how to file reports is at: <http://www.btcctbintegrity.org/docs-eng/functioning-rules/>. All relevant national data protection laws apply in terms of the privacy of filing and requests to review the files.

In terms of internal disclosure, the rules of the Integrity Desk cover access to reports that have been filed. The accused have a right to request access to documentation but the demand can also be refused. Data requests by the accused can also be made to “rectify, block or delete” personal data but these tend to be limited to correcting factual errors.

In contrast, the decision to or not to inform the party(ies) filing the complaint of the status of the investigation as it proceeds is at the discretion of the Integrity Desk. Once the case has been concluded, the plaintiffs tend to be informed.

When investigations are concluded, they are submitted to the Management Committee of the BTC. This is the body that determines which measures are to be taken in compliance with existing bodies.

In terms of external disclosure, no information on cases can be published which would allow someone to identify the parties that have been accused. Still, the agency’s annual report includes an update on current cases and their status. Based on the most recent [annual report](#), of the five cases that resulted in action in 2010, three of them are still going through court proceedings to return stolen funds. The report also provides information on the countries where the fraud occurred, the nature of the crime, the actions taken and the estimated financial losses.

## Denmark

The Danish international development agency, DANIDA, has a disclosure policy which is outlined as part of its Anti-Corruption Code of Conduct; see: <http://www.disability.dk/miniprogramme/manuals-and-tools/Anti->

[corruption%20Code%20of%20Conduct/Danida%20-%20Anti-corruption%20Code%20of%20Conduct.pdf](http://um.dk/en/danida-en/about-danida/danida-transparency/report-corruption.pdf).<sup>1</sup>

Based on this code, the agency investigates all reports of alleged irregularities. Overall, investigations have found limited evidence of fraud. From 2007 and 2010, for example, it was found that DKK 11.2 million (1.4 million Euros) was lost due to fraud or corruption, or roughly DKK 2 for every DKK 1,000 provided in development assistance.<sup>2</sup>

The agency has an online reporting form (in English) which allows anyone to provide information – including anonymously – on an alleged case:

<http://um.dk/en/danida-en/about-danida/danida-transparency/report-corruption/>. All reports are handled confidentially and according to the country's Access to Public Administration Files Act

<http://www.erhvervsstyrelsen.dk/file/50040/AccessPublicAdministrationFilesAct.pdf>.

In terms of internal disclosure, if a case investigation proceeds, actions are taken to stop further problems. The case aims to identify responsible parties, determine if a local police report will be filed, and assess the amount of funds to be returned. Eventually, it may also involve ending cooperation with the partner in question. (See: "About reporting corruption")

<http://um.dk/en/danida-en/about-danida/danida-transparency/report-corruption/about-reporting-corruption/>).

In terms of external disclosure, limited information about corruption cases is provided publicly (in Danish). Annually, a report is given of total cases, new cases and closed cases. In 2011, there were 68 new cases of corruption, for a total of 94 cases for the year. In addition, each year, a more detailed report is published about cases that includes the location of the case, the partner involved (institutional name), amount in dispute and the results of the case.<sup>3</sup>

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<sup>1</sup> An internet search (in English) could not find out any additional information regarding the agency's whistleblowing and case disclosure policies and how these relate to broader case disclosure.

<sup>2</sup> Based on figures from the Ministry of Foreign Affairs of Denmark. see: <http://um.dk/en/danida-en/results/risk-management/>.

<sup>3</sup> For case information, see: <http://um.dk/da/danida/resultater/bekaempelse-af-svindel/omfanget/> and <http://um.dk/da/danida/resultater/bekaempelse-af-svindel/omfanget/rapportering/>.

## Norway

The Norwegian Agency for Development Cooperation (NORAD) does have a strong anti-corruption policy and has opted to publicly disclose specific but limited information on corruption cases that have been closed and where sanctions have been issued. This level of disclosure is a reflection of provisions in national legislation on data privacy and access to information.<sup>4</sup>

Reported cases of corruption are covered through the agency's [whistleblower](#) policy and are administered by its fraud unit (which specifically oversees suspicions of financial irregularities). One can email, fill out an online form or call a hotline (in Norway). Whistleblowers have the right to remain anonymous. More information is available at:

<http://www.norad.no/en/about-norad/whistleblowing>.

In terms of internal disclosure, all case reports are first handled by a third party firm. According to the pursuant policy, the whistleblower should receive confirmation that his or her report has been received. However, this is not guaranteed. For more information on the policy, see:

[www.norad.no/en/about-norad/whistleblowing/\\_attachment/398726?\\_download=true&\\_ts=13c15d18188](http://www.norad.no/en/about-norad/whistleblowing/_attachment/398726?_download=true&_ts=13c15d18188).

If the claim is investigated, the person(s) against which allegations have been made must be notified and has a right to provide testimony. At the conclusion of the case, all persons are to be informed immediately.

The Fraud Unit within Norad is to maintain an updated list of all cases and respond to requests for public access. It is also the unit tasked to inform the organisation's Director General of cases. It also must report all cases to the Foreign Service Control Unit. In turn, all cases are internally reported to the Office of the Auditor General. The number of cases that have been reported and investigated are then shared with the Ministry of Foreign Affairs.

In terms of external disclosure, all closed cases are to be reported quarterly by the Ministry of Foreign Affairs

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<sup>4</sup> For more information, see: Freedom of Information Act, [http://www.regjeringen.no/nb/dep/jd/dok/lover\\_regler/reglement/2005/the-freedom-of-information-act.html?id=107581](http://www.regjeringen.no/nb/dep/jd/dok/lover_regler/reglement/2005/the-freedom-of-information-act.html?id=107581); Public Administration Act: <http://www.ub.uio.no/ujur/ulovdata/lov-19670210-000-eng.pdf>; Personal Data Act: <http://www.ub.uio.no/ujur/ulovdata/lov-20000414-031-eng.pdf>.

on its website. This information is to include the amount of money involved and reimbursed, as well as a “certain indication” of the individual(s) or entity(ies) involved.” For more information on cases (in Norwegian), see: [http://www.regjeringen.no/nb/dep/ud/tema/folkerett/anti\\_korrupsjon/varslingstjenesten.html?id=495009](http://www.regjeringen.no/nb/dep/ud/tema/folkerett/anti_korrupsjon/varslingstjenesten.html?id=495009).

## Sweden

Since 2001, the Swedish International Development Agency (Sida) implements the policy: “Never Accept. Always Act. Always Inform.” This framing evolved into an anti-corruption strategy that covers all members of staff working with Sida in Sweden and abroad (Sida, 2011). It also serves as a reference point for understanding how reporting of corruption and fraud is partly governed.

The main reporting channel is related to SIDA whistleblowing policy which governs staff and others. <http://www.Sida.se/Global/About%20Sida/S%C3%A5%20arbetar%20vi/Whistleblowing%20guidelines.pdf>

A whistle-blowing system is established for reporting suspicion of corruption or other irregularities, including anonymous reports, by staff and third parties. An online reporting mechanism exists: <https://www.Sida.se/English/Contact-us/Whistleblower/>.

Sweden’s Data Inspection Board handles the receipt of reports from PriceWaterhouseCoopers, which is the firm that first receives complaints through SIDA’s whistleblowing reporting channels: <http://www.datainspektionen.se/in-english/>.

Sida has an investigative unit that then takes the reports and launches an investigation.

In terms of internal disclosure, the whistleblower has the right by law to gain access to his or her personal records and the case once per calendar year. However, no information on cases is disclosed publicly and systematically when cases are being processed.

In terms of external disclosure, the public has the right of access to records if they wish to request it. According to the whistleblowing policy, since Sida is a Swedish authority, “all records that are registered with Sida are, as a rule, considered public documents. If a member of the general public requests access to a document it must therefore be disclosed”. The only instance when this information would not be disclosed is if the information was confidential as pursuant to the Public Access to Information and Secrecy Act (2010:400).

<http://www.government.se/content/1/c6/13/13/97/aa5c1d4c.pdf>.

However, there is no central online depository for cases that are decided or companies that have been debarred by Sida. Rather, information is provided on a consolidated basis. According to Sida between 2010 and 2011.

Moreover, an internet search found that there is no online access to SIDA’s disclosure/access to information policy or debarment policy.

## United Kingdom

The United Kingdom has made transparency and disclosure a key principle for its provision of development assistance. Transparency is seen as essential for preventing fraud and corruption and better financial management. The Department for International Development (DFID) has also extended this to its disclosure of corruption cases.

DFID’s Counter Fraud and Whistleblowing Unit (CFWU) receives all allegations, including those reported through whistleblowers that are internal and external to the agency. All cases are accepted that involve DFID funds, assets or interests (including its reputation).

Reports, including those logged anonymously, can be received via email, writing or by calling a UK hotline.

In terms of internal disclosure, the CFWU reports to the Head of Internal Audit. Investigation files are recorded and maintained as per UK legislation and DFID policy.

While the investigation is in process, the case file is confidential. This means that in certain instances, the Head of Office or Head of Department may not be aware of an allegation that is under review. This decision is due to the fact that DFID has found that roughly half the cases of fraud allegation cannot be proven.

In terms of external disclosure, cases may be shared with local law enforcement authorities.<sup>5</sup>

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<sup>5</sup> For more information, see: DFID’s Counter-Fraud and Anti-Corruption Policy. <http://webarchive.nationalarchives.gov.uk/+http://www.dfid.gov.uk/Documents/publications/anti-fraud-corruption-policy.pdf> (paragraphs 32-34).



External disclosure includes the sharing of information that the CFWU provides in quarterly and annual reports to DFID's Audit Committee, including fraud statistics such as trends, funds lost/recovered and number of prosecutions. This information is then provided to other government agencies for national reporting, including the [Treasury Fraud Report](#) and the [National Audit Office \(NAO\)](#).

However, the report by the Treasury, which was last published online in 2009, only looks at aggregate fraud across the entire government. While it does disclose large fraud cases, this is done without naming any of the violators or location of the crimes.

The [Financial Management Report](#) done by the NAO, last published in 2011, provides an overview of aggregate fraud and the share of monies collected. For example, during 2009-2010, losses due to fraud were found to be £459,000 (548,000 Euros). This amounted to around 0.01 per cent of overall DFID expenditure. Of the money lost to fraud, over 40 per cent was recovered. However, no case details are shared.

Still, particular cases may be disclosed to the press when DFID management determines it relevant, such as if DFID or a partner has been approached about a case of fraud, the fraud is of global interest, and/or the disclosure of information about the case may serve as a deterrent against future cases.<sup>6</sup> The Head of Internal Audit makes the decision of what information can be released and its timing.

There have been legislative [recommendations](#), made in 2000, for DFID to use the World Bank's list of debarred firms to cross-check consultants and firms that are bidding on DFID contracts.<sup>7</sup>

## United States

In 2008, the United States put forward a commitment to [transparency](#) of its government funding, including development assistance delivered through the US Agency for International Development (USAID). This policy has dovetailed with other reforms, including changes to the agency's compliance and oversight structures.

<sup>6</sup> See paragraph 43, "Counter-Fraud and Anti-Corruption Policy").

<sup>7</sup> As of the date of this research, it was not possible to confirm whether these recommendations have been advanced.

Complaints of infractions related to fraud, corruption and other abuses can be reported online or by email, fax or phone. Anonymous reporting is allowed and there is a [hotline](#) to file reports. [Contractors](#) have a different option for submitting reports that are specifically flagged by the company in question.

Similar to Australia, a government-wide policy on [whistleblowing](#) for civil servants applies to USAID staff. However, there is no policy in place to protect third-party whistleblowers. There are fraud reporting [guidelines](#) stipulated for USAID partners. Partners are defined as any "individual or entity entering into an agreement with USAID."

All matters relating to fraud and corruption are handled by the [Compliance and Oversight Division](#), which collaborates with the USAID Office of Inspector General (OIG) and other US Government oversight departments. This is the agency that facilitates internal disclosure among different US government units and with external partners.

The [OIG](#) was established in 1980 and is tasked to "support the integrity, efficiency and effectiveness" of US foreign assistance. Twice a year the OIG produces a [report](#) of its activities to the US Congress, and it also publishes a profile of top and significant cases. Between April and September 2012 (the most recent data available), 56 investigations were opened and 63 were closed. Through civil and criminal cases, more than US\$ 489,000 (360,000 Euros) was recovered.

In terms of external disclosure, following investigations, the names of firms and individuals that have been recommended for suspension or debarment are publicly disclosed. This is done as part of a "red alert" system that provides notifications on the most recent suspension or debarment decisions by USAID. There is also a [broader list](#) maintained by the US government of organisations, firms and individuals that have been suspended or debarred from receiving any US government funds. This is a query-based list to cross-check names before awarding government contracts.

## 3. Multilateral donors

Multilateral donors have advanced in recent years on both whistleblowing policies and public disclosure of corruption cases. Due to their extraterritoriality in terms of legal jurisdictions, relevant legal constraints on the external disclosure of cases are minimal (as compared to the national contexts profiled). This does not hold

true for the European Investment Bank which is under European Union jurisdiction for related data privacy laws.

## World Bank

The World Bank has had a strong anti-corruption policy which was strengthened over the last eight years and has been aligned with broader transparency and whistleblowing policies.

In terms of the handling of reported cases of corruption, responsibility for all investigations rests with the [World Bank Integrity Vice Presidency](#) (INT). This unit is also responsible for the internal disclosure of cases within the organisation and to national governments as part of its investigative work. Cases are referred to national authorities in instances where World Bank investigations produce findings suggesting that national laws may have been broken. In the fiscal year ending June 2012, the World Bank referred 46 cases to national authorities in more than 30 countries.

In terms of external disclosure, due to changes in the organisation's disclosure (2011) and whistleblowing (2008) policies in recent years, the World Bank has begun to publish more information about closed cases. According to the 2012 [annual report](#) of the Integrity Vice Presidency, for the four years that the whistle blowing policy has been in effect, 275 staff have made disclosures to the integrity unit. All closed cases resulting in sanctions are reported but not any current, open investigations (except for the number of cases under review as per the annual report).<sup>8</sup>

As a result of a 2010 agreement on cross-debarment with five signatory multilateral development banks<sup>9</sup> (MDBs), all debarments are made public.<sup>10</sup> In 2012, there were 122 debarments, compared to 37 during the fiscal year of 2011.

<sup>8</sup> For more information, see the annual integrity vice presidency report at: [http://siteresources.worldbank.org/EXTDOI/Resourses/WBG\\_IntegrityReport2012.pdf](http://siteresources.worldbank.org/EXTDOI/Resourses/WBG_IntegrityReport2012.pdf)

<sup>9</sup> In addition to the World Bank, signatories include: the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, and the Inter-American Development Bank.

<sup>10</sup> This agreement also has led to an alignment of sanctions among the institutions. See: <http://siteresources.worldbank.org/INTDOI/Resourses/HarmonizedSanctioningGuidelines.pdf>.

A list of all debarred and cross-debarred firms is at: <http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984>. The list includes the name, address and country of the firm or individual. It also lists the grounds for debarment.

While this information is limited, there has been increased disclosure through a decision taken to provide the full decisions of the Sanction Board, the body tasked with determining penalties. Since May 2012, these have been made available online at: <http://go.worldbank.org/58RC7DVWW0>.

In addition, redacted (names removed) investigation and forensic reports are online as well (which look at other cases in addition to sanctioning): <http://go.worldbank.org/Y43I9YDP10>.

## Inter-American Development Bank (IADB)

Similar to the World Bank, the Inter-American Development Bank has an integrity body, called the [Office of Institutional Integrity](#) (OII).

The OII receives reports of alleged corruption, including anonymous filings, through an online platform: <https://www.idbfc.org/>. The reports can be submitted in English, Spanish, French or Portuguese.

This office investigates all allegations received that focus on wrongdoing. Case officers oversee cases which are then referred to a Sanctions Committee for decision. As part of this process, there is internal disclosure of case information in the process of compiling evidence. For more information, see: <http://www.iadb.org/en/topics/transparency/integrity-at-the-idb-group/sanctions-at-the-idb,2843.html>.

In terms of external disclosure, a [new disclosure policy](#) (approved in 2010) has helped to open a greater list of documents to the public based on a "positive disclosure list". This includes the publication of cases investigated and sanctioned.

These disclosure guidelines include that each organization shall publish the mandate and/ or terms of reference of its Investigative Office as well as an annual report highlighting the integrity and anti-fraud and corruption activities of its Investigative Office in accordance with its policies on the disclosure of information."

Each year, the OII produces an **annual report** of its activities. According to the 2011 report, it received 130 allegations, conducting 288 consultations. A total of 150 cases were completed.

In addition, the Sanctions Committee publishes all firms and individuals that have been found to have engaged in fraud, corruption, collusion, coercion or obstruction. The information includes the name, type and national of entity, affiliation, project country and grounds (in addition to the period of sanctions). This list is at: <http://www.iadb.org/en/topics/transparency/integrity-at-the-idb-group/sanctioned-firms-and-individuals,1293.html>.

## European Investment Bank (EIB)

The European Investment Bank (EIB), an institution of the European Union, adopted an **anti-fraud policy** in 2008 and a new **transparency policy** in 2010. There is a zero-tolerance policy for fraud and other prohibited practices, including money laundering, which applies to all EIB activities and financed projects. The measures cover EIB staff and consultants, third party contractors and suppliers, beneficiaries and any individual or entity involved in EIB-financed activities.

As part of the code of conduct, EIB staff have an obligation to report any suspicions or allegations of activities that are prohibited under the organisation's fraud policy. The same obligation is extended to all other actors, including suppliers and contractors.

Reports of misconduct can be submitted by email, letter, phone or fax. All submissions are treated with confidentiality and reports may be made anonymously.

In terms of internal disclosure, while investigators have the right to access all types of information as necessary for investigating cases, this documentation must be kept confidential, including the identities of the parties investigated. Accused staff members are notified of the charges against them except in cases where it is felt such disclosure could undermine the investigation (see par. 39-41, "European Investment Bank Anti-Fraud Policy").

The EIB's **Inspectorate General** (IG) is tasked to undertake these investigations and works in partnership with the **European Anti-Fraud Office** (OLAF) as part of all investigations. The IG also collaborates with the Office of the Chief Compliance Officer. In 2011, joint work was undertaken on cases with national judicial and/or law enforcement agencies in Europe (France,

Hungary, Italy, Latvia, Slovenia, Spain, the UK) and other regions (Cameroon, Mauritius, Switzerland, USA, Zambia).

The **procedures** for conducting investigations are clearly outlined. These policies include the reporting of all cases to Audit Committee, external auditors, OLAF and other concerned bodies. Reports should be submitted at least five times a year to the Management Committee.

In terms of external disclosure, as part of its cross-debarment policy with other multilateral development banks in 2010, cases are to be reported to relevant institutions. However, the EIB has not done this to date (see:

<http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984>).

Moreover, when firms are debarred there is no working debarment system that allows for an automatic exclusion of firms across the EIB. In 2011, efforts were advanced to adopt such a process to formalise debarment or suspension penalties for individuals or entities that are found guilty of fraud or access to the Commission's database of excluded entities for EIB. Full implementation of the Exclusion Procedure was envisaged for 2012.

However, the European Commission does maintain such a database of debarred firms that is called the **Central Exclusion Database** (CED). The CED lists companies excluded from EU funding because they are insolvent or have previous convictions for corruption and/or misconduct. This database, however, is not public and is only open to EU institutions and member states. The decision to not publicise records is related to the EU's **data protection policies**.

As part of its own internal accountability, the IG must present the Board of Directors and the Audit Committee an **annual report** of investigations that outlines general activities.

According to its report for 2011, a total of 97 new allegations were received. Still, the annual report does not name or cite specific cases. OLAF also compiles its own **annual report** and a list of **cases** but all information is anonymised.



## 4. Conclusion

The findings show that there is no standard for the public disclosure of information of anti-corruption cases that have been concluded by a multilateral or bilateral institution in relationship to alleged fraud in development assistance delivery. While generally cases under investigation are not made public, the extent of release of information on the conclusion of cases is often a consequence of the scope of the existing data protection policies of a country or institution.

What is interesting, however, is how different governments and multilateral institutions have opted to work within these limits to provide and share information regarding anti-corruption investigations and sanctions.

In some cases, there is a general aggregation of cases and findings, either done through direct reporting by the agency in question or by other related units (such as the auditor general of a country or the audit committee of an agency).

In other instances, case files are disclosed to identify the nature of the problem and how this was resolved. These may or may not be anonymised. They may disclose details of the amounts, countries and firms involved.

The findings of the query suggest that additional work is necessary to understand the best balance of disclosure based on the overarching policy framework in order to ensure that corruption is prevented, detected, investigated and sanctioned in development assistance. In addition, further work could be done to see how publication and internal information about debarred firms and individuals are shared within and across donor institutions (including whether member countries of multilateral institutions cross-reference their debarment lists against potential contract bidders).

## 5. Resources

AusAID, 2012, 'Fraud Control Policy', <http://www.ausaid.gov.au/Publications/Documents/fraud-policy-statement.pdf>

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