

# Bribery Risk

Credit Suisse has agreed to pay a \$475 million global settlement for failing to properly manage financial crime risks. The bank arranged loans and bonds for the Republic of Mozambique to build a state tuna fishing fleet and finance maritime security projects. The transactions were found to be tainted by bribery and corruption – with concerns that some of the proceeds were misapplied or misappropriated and allegations that a key contractor paid kickbacks to three bankers to secure more favourable loan terms.

## #1

### Bribery is a crime

If you **offer, give, solicit or accept a bribe**, you could face criminal penalties, including **fines and imprisonment**.

Bribes come in many shapes and sizes including money, gifts, rewards, favours, services or other advantages.

## #2

### Understand the risks

Bribery risks associated with business relationships and transactions must be considered both **individually and holistically**.

This should include scrutiny and challenge by senior individuals and control functions.

## #3

### Report red flags

Everyone has a responsibility to **escalate red flags** or concerns in accordance with the firm's procedures.

Remember, you don't need direct evidence of bribery to make a report.

## REMEMBER

Bribery and corruption can have a devastating impact on a country's economy and society, resulting in significant social consequences.

In the above example, it has been reported that the ultimate cost of the corrupt deals to Mozambique's economy was \$11bn, or \$400 per citizen, throwing 1.9 million people into poverty.

