



**Memorandum**

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**To:** Security Council of the United Nations

**Subject:** Concept Note for the United Nations Security Council's Meeting on Corruption

**Date:** September 10, 2018

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Your Excellencies and distinguished guests,

First of all, we wish to thank the distinguished delegation of the United States for its concept note and briefing on **Maintenance of International Peace and Security: Corruption and Conflict**, and for their ongoing support and efforts to ensure its inclusion on the agenda for the September 2018 Program of Work.

The International Institute on Anticorruption Studies is a not-for-profit organization that works to improve understanding of the key drivers to corruption and the best ways to tackle them. This document outlines those areas that we believe should be at the forefront of the international anti-corruption agenda, especially in light of the risks that corruption can pose to the maintenance of peace and international security. We are available to provide additional input at your request.

1. **Financial Secrecy, Illicit Financial Flows, and Asset Recovery:** Despite the efforts of the International Monetary Fund, the World Bank, the United Nations Office on Drugs and Crime, the Financial Action Task Force and other international organizations and initiatives, effective international cooperation in detecting and preventing illicit financial flows, as well as in tracing and recovering the proceeds of corruption, remains elusive. We believe that global efforts to strengthen capabilities of the Financial Intelligence Units, and the sharing of information between them, should be a top priority. Also, the creation of a Global Financial Intelligence Unit, explicitly tasked with facilitating cross jurisdictional coordinated efforts and vigorously pursuing large transnational corruption cases, needs to be considered. Furthermore, we feel that laws granting powers to law enforcement and financial regulators to issue unexplained wealth orders, and the creation of local and global beneficial ownership registries are vital tools that should be explored in forums such as this with a view to their adoption by countries around the world.

2. **Procurement:** All countries should commit to the adoption of best international practices related to open procurement. At the Institute, we believe that Security Council members could promote global cooperation aimed at facilitating the design and use of digital technologies, particularly in developing countries, to increase transparency and integrity during procurement processes. This should also be applicable to private public partnership projects, which should be obliged to follow the same transparency principles.



3. **Whistleblowers Protection Laws:** The prosecution of wrongdoing related to corruption often begins with tips provided by government or corporate whistleblowers. This is particularly relevant in corruption cases related to breaches of the law that may pose a threat to international security, including cases related to arms, drugs and human trafficking. However, to date, many countries are yet to adopt whistleblower protection laws, the absence of which continues to endanger basic human rights, labor rights and the safety of whistleblowers and their families. We believe that Security Council members should commit to providing the impetus for the adoption of whistleblower protection laws in all countries. In enacting such laws, individual states should then consider granting specific rewards to whistleblowers.

4. **Increased Transparency and Asset Disclosure:** Despite a global trend directed towards the adoption of transparency laws and other regulations that mandate the proactive publication of *assets and financial interests, declarations of public officials, their families and associates*, the world remains some way from meeting its target, which creates difficulties for civil society, reporters, investigative journalists, and activists seeking to hold governments accountable for their failures and wrongdoings. In order to better address these shortfalls, we believe that the Security Council should look into fostering increased transparency, digital government, open data portals and appropriate regulations as a matter of priority. In particular, transparency within the defense sector, which usually has higher budgets compared to other government departments thus posing the highest risks of corruption, should be strongly and actively promoted.

5. **Enhanced Global Anti-Bribery Prosecution:** Perceptions of effective prosecutions against companies and individuals have been compromised owing to the excessive number of plea and deferred prosecution agreements which, although strategically sensible on occasion for investigators, can lead to unfair results for the affected public and perceived impunity of the corrupt. Therefore, additional efforts are required at an international level in order to secure fair outcomes for all parties involved in global anti-corruption investigations.

6. **Conflict of Interest and Revolving Door:** The impact of conflict of interest and revolving door activities is still often overlooked as a global risk to good governance. Cases of former public officials securing jobs in the private sector immediately, or shortly after, leaving public office are very common, and pose a serious threat to, amongst others, neutrality in public decision making, the allocation of resources, justice administration and procurement, creating a sense of distrust in democratic institutions. The same is true for newly appointed officials that enter to the public sector after long careers in the private sector, creating a situation that may compromise their neutrality and integrity. We believe that the Security Council could provide additional support and impetus for the initiatives undertaken recently by the G20 Anticorruption Group, especially in promoting good practices and guidelines for managing conflicts of interest.

7. **Electoral Integrity:** Strong democracies depend largely on the quality and integrity of the electoral process. However, democracies in many countries are frequently challenged by candidates who seek victory through corruption, vote rigging, violence, illegal campaign financing, and other unlawful practices. The political instability that arises from more general distrust of the transparency and integrity of elections, can be the catalyst for civil wars, rebellions, forceful displacement and other forms of violence. It can also encourage the growth of populism and other non-democratic forces. We



feel that the Security Council could address this by committing to fostering electoral transparency, increased transparency and accountability of political parties, the enactment of electoral crimes regulations, campaign financing, strengthening of electoral bodies, and related strategies.

8. **Private Sector Integrity:** The private sector shares responsibility with the public sector in the prevention of corruption. Here we mean not just corruption related to the public sector, but also fraud and corruption activities within the private sector, that can and do affect public interest. With this in mind, the Security Council could commit to enhancing global efforts to increase private sector integrity and compliance initiatives at all levels.

9. **Justice Integrity:** In many countries, corruption finds a safe haven in the inefficacy, weakness and corruption of justice systems. Strengthening the judicial sector, as well as its institutional arrangements designed to tackle corruption, should be a top priority. Some countries have created special anticorruption bodies that have proved to be useful tools in the effort to tackle corruption. As a result, the Institute believes that the Security Council could promote the creation and improvement of these special, dedicated anticorruption organizations in countries with most need, as well as sharing best practices and lessons learned in the creation of such bodies. Furthermore, the Security Council could consider the creation of an expert-led advisory body or task group that could look into the feasibility of the creation of an International Anticorruption Tribunal with jurisdiction to prosecute individuals for transnational grand corruption.

10. **Education:** The question as to why some countries and cultures are more prone to corruption than others, and how their culture could affect the efficacy of their efforts to tackle corruption, remains unanswered. Similarly, efforts to conceptualize and assess international best practice and better educate individuals with high ethical standards and values, are still relatively weak. The Security Council could spearhead an initiative to prepare an inventory of best practices, which could then be tailored to meet the specific requirements of individual countries with a view to rolling out best practice throughout the world.